



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

*Dé Céadaoin, 29 Feabhra 2012.*

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# DÁIL ÉIREANN

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*Dé Céadaoin, 29 Feabhra 2012.*

*Wednesday, 29 February 2012.*

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

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*Paidir.*

*Prayer.*

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## Leaders' Questions

**Deputy Micheál Martin:** Yesterday there were reports from the retail sector that sales were down a dramatic 3.7% on the previous month. Consumer confidence is obviously down but the announcement of the weak January figures is concerning given that it is the traditional sales month and there is normally a bounce in January. For example, this time last year there was an increase in sales. The retail sector and IBEC have described the figures as “dismal and disappointing”. The 2% increase in VAT announced last December by the Government has added considerable pressure to the industry. The 2% increase in one fell swoop was not a demand from the troika and on this side of the House we warned that it could have a damaging impact on the retail sector and the wider domestic economy.

The Government must take action to stimulate the retail sector and the wider domestic economy. The targets set by the Government of a Revenue yield of €670 million will not be met with these sales figures and this puts a significant doubt on the entire budgetary projections. The impact on sales is negative but the wider impact on jobs is serious indeed and cannot be underestimated. The retail sector employs approximately 240,000 people. The Government must take affirmative action to protect these jobs in what is a hard pressed and difficult sector. The Retail Ireland director, Stephen Lynham, has said that the high cost of rents, rates, tax and labour are causing retailers real difficulties and depressing consumer demand. This had the added disadvantage of the broken promise of the Government to ban upward-only rent reviews. It was a severe disappointment to retailers when the Government broke that promise. As the Government broke it, it announced the 2% increase in VAT.

**An Ceann Comhairle:** A question, please.

**Deputy Micheál Martin:** Will the Taoiseach bring forward similar proposals to the car scrappage scheme which, everyone accepts, had an impact on that sector? The ESRI has warned that retail sales will decline again in 2012. Can the Taoiseach outline what the Government will do to protect jobs in this sector? There is no town across Ireland not experiencing serious issues on this front.

**The Taoiseach:** It is not possible to predict accurately the income that will arise over a 12 month period on the basis of several weeks. Deputy Martin is aware that the VAT increase was part of the memorandum of understanding originally drawn up by his Government. This

[The Taoiseach.]

Government brought forward the increase over two years to one year. This gives certainty in that there will be no further increase in VAT. Given the flat indigenous economy, the retail sector has been under serious pressure. I am aware of places throughout the country where smaller units in particular have been hanging on because of a lack of confidence among people to spend. Everyone understands that. Deputy Martin should note that unemployment, while far too high, has stabilised here. No jobs have been lost in the retail sector. Retail sales were higher in January this year than they were last year. I know the pressure that many people are under but let us consider what the Government has done. There has been a stimulus for employers to be able to hold on to employees, a reduction of PRSI and no increase in income tax. There is a recognition that in the budget the Government has tried to stimulate the indigenous economy by way of increasing the opportunity of small businesses to do business. I can testify to some small movements or increases in employment in areas of retail. However, it is realistic to say and everyone understands that in general the retail sector has been under some pressure here.

In the budget the Government brought forward two years of VAT increases in one year. There will be no further increase in VAT. Prices have dropped and have been deflated so there is real value for consumers now. Retail people recognise the challenge ahead and they are up for it and keen to get through it. Prices have come down, competitiveness has increased and value and quality are available for the consumer. However, it is a case of continuously making people understand that this is about creating the opportunity for people who have savings and money to spend it locally. As Deputy Martin is aware and as has been pointed out by many local campaigns, every €100 spent on local retail operations means so much to that local economy.

There will be no further increase in VAT. That is in the memorandum of understanding. The increase has been brought forward for the two years in one go which gives certainty for the future. Prices are down. The employment rate has stabilised. Hotel bookings are up by 6%, an increase in a challenging position. We recognise this but we are focused on giving every stimulus we can to business to be able to do business. The decision made by the Minister for Finance and the Government in respect of VAT brings certainty to the situation, which while challenging will be dealt with.

**Deputy Micheál Martin:** Under the original troika agreement, there was to be a 1% increase in 2013 and a further 1% increase in 2014, but there was to be no increase in 2012. The Taoiseach decided, in his wisdom, to increase it by 2% in 2012. I find that incredible. With the greatest respect, the Taoiseach's head must be in the sand for him to suggest there have been no jobs lost in the retail sector.

**Deputies:** Hear, hear.

**Deputy Micheál Martin:** Thousands of jobs have been lost in the retail sector. Recently, Members from both sides raised the loss of jobs at La Senza and there is no town in Ireland where there are not shops closed on every street. However, the Taoiseach has come out with the statement that no jobs have been lost in the retail sector. That is an incredible statement to make. He also said that prices are going down. Inflation is rising. All the Taoiseach need do is ask any shopper, and he will be told prices are up. Let him ask anybody buying petrol or diesel and they will tell him prices are going up.

I asked whether the Taoiseach was going to bring forward any measures to stimulate the domestic economy and, in particular, the retail sector, given that he broke a solemn promise on rising costs.

**An Ceann Comhairle:** Has the Deputy a question?

**Deputy Micheál Martin:** The point is that if the Taoiseach does not even see the reality on the ground, in terms of jobs lost and increasing pressures on people in the retail sector, there is no hope for the sector in the months ahead.

**The Taoiseach:** Let me be very clear. In my own town I see retail outlets closed down and jobs lost and I recognise that is happening in every town in the country. I recognise that many people in retail outlets have not taken an income or salary from their premises for some time because they are just hanging on. It is all about confidence. The VAT decision made by the Government was to bring forward the increases proposed for the next two years to this year, which brings certainty to the situation. It is about confidence. As the Deputy is aware, there is no VAT on two thirds of grocery sales. Competition has increased, prices are down and value is there for consumers and make no mistake about it, consumers are shopping around.

**Deputy Micheál Martin:** It was not the time for it.

**The Taoiseach:** People will use retail facilities where they see real value for what they have to spend and that is the consumer's choice. This is how things operate in every town in the country.

The Deputy asked if we were bringing forward any stimulus. What we are doing is trying to provide some measure of confidence for people in our indigenous economy.

**Deputy Micheál Martin:** It is not doing it.

**The Taoiseach:** In some locations some sectors are doing very well, but others are challenged. With the range of stores in particular sectors, competition becomes intense. We are well aware of the challenges faced by the retail sector. In so far as the Government is concerned, what we need to do is to continue to create a situation where banks can start to lend and provide credit for businesses, including the retail business. In so far as income tax and PRSI are concerned we are trying to give employers the opportunity to hold on to employees and to be able to take on new ones. This is challenging and nobody doubts that. I admit that in every town in the country retail outlets have closed, but I have evidence of new people being recruited in some sectors and this is a small sign of confidence that we are beginning to head in the right direction. The situation is challenging, but for its part the Government will do what it can to stimulate confidence in our indigenous economy and to add that to our export production and to the line of investment into the country to make for a brighter future.

**Deputy Gerry Adams:** Yesterday I asked the Taoiseach about the conflicts of interest in NAMA and the financial system. I reminded him of Fine Gael's commitment to straighten this out and to get transparency and clarity, but ní bhfuair mé freagra soiléir ar bith ón Taoiseach inné. Therefore, I have another question for the Taoiseach. The Irish Bank Resolution Corporation, the bank formerly known as Anglo, has retained the services of the Blackstone Group to advise it on the sale of the €30 billion of loans it has across Ireland and Britain. The Blackstone Group is the largest distressed debt bidder in the world, but it was the unsuccessful bidder for the bank's US loan book last August. How come these vulture capitalists are advising on this loan sale but are not precluded from bidding for the debts? They are advising on the sale, but are bidding at the same time. Surely, this is a conflict of interest which runs totally contrary to the Taoiseach's election promises to straighten out these issues and make them transparent.

[Deputy Gerry Adams.]

Was the Taoiseach aware of this agreement before it was reached? Does he believe it is acceptable that a company such as this can advise on a sale and bid in the same sale? What does he propose to do about this?

**The Taoiseach:** The Deputy should take this up with the Minister for Finance directly. The various sections of major groups like the Blackstone Group are legally separated. What we are doing is getting the best advice in the interest of the taxpayer. The Deputy could find it more useful to raise this as a Topical Issue with the Minister for Finance, who would have far more detail on the issue than I have available to me now.

**Deputy Gerry Adams:** This response is very disappointing as yesterday the Taoiseach stonewalled me on a similar question. This is all in the context of a Fine Gael commitment. The Taoiseach rightly identified the conflict of interest and set out a course of action, but he has not taken that course of action. I understand the Taoiseach met with the chairman of the Blackstone Group in November last year. Did he discuss this deal then? The Taoiseach is aware the citizens of this State are paying the price for the mistakes of others and for the austerity policies commenced by Fianna Fáil and followed through by the current Government.

**Deputy Brendan Howlin:** For the damage done by Sinn Féin.

**Deputy Gerry Adams:** Therefore, the Taoiseach has a responsibility to ensure that assets being sold by IBRC and NAMA are sold at the best possible price and that there is no conflict. How much is the Blackstone Group being paid to advise the IBRC on these loan sales? Can the Taoiseach give us some indication on this?

**The Taoiseach:** I notice the Deputy's interest in loans. I would think Deputy Ó Snodaigh and Deputy Adams might go to the Northern Bank and get a loan for the old toner cartridges.

*(Interruptions).*

**The Taoiseach:** Unfortunately, it seems as if some Sinn Féin members cannot get away from cartridges, with unfortunate results.

I suggest Deputy Adams should put down a question to the Minister for Finance asking him about the fee paid to the Blackstone Group. I assure the Deputy that the highest ethical standards will be employed in this regard, because this Government does not do business in the way it was done previously in this or any other sector. Deputy Adams may take it that in respect of sales of NAMA properties, these will be sold in the best interest of the taxpayer with the best price being obtained and with the highest ethical standards applying.

If Deputy Adams has evidence of a conflict of interest in this regard, he should bring it to the attention of the public authorities. He should also put his question to the Minister for Finance and I am sure he will be happy to give the Deputy a detailed answer.

**An Ceann Comhairle:** I call Deputy Joe Higgins.

*(Interruptions).*

**An Ceann Comhairle:** The Deputy's time is being used up. May we have some silence for Deputy Higgins?

*(Interruptions).*

**Deputy Joe Higgins:** A Cheann Comhairle, the——

**Deputy Jerry Buttimer:** Help him out, Shane.

**Deputy Pat Rabbitte:** Could you repeat that, Joe?

**An Ceann Comhairle:** I thought Deputy Buttimer had quietened down. He is disappointing me.

**Deputy Joe Higgins:** I refrained from a riposte because the issue——

**An Ceann Comhairle:** I thank the Deputy.

**Deputy Joe Higgins:** ——I want to raise with the Taoiseach is of significant seriousness.

**Deputy Brendan Howlin:** I am sure it is monumental.

**Deputy Joe Higgins:** Some months after the scandal of the fire hazard at Priory Hall, which is causing awful hardship to the innocent residents there, another fire hazard scandal is unfolding at Belmayne, which is also on the north Dublin fringe. Kitara developers have written to hundreds of apartment owners to tell them they might have to move out of their homes for three or four days to allow fire hazards to be corrected. The issue that needs urgent Government action is the fact that the developer, Dublin City Council and the council's most senior fire authority officers are deliberately, dishonestly and seriously underestimating the extent of the fire hazards they have just acknowledged. Therefore, the extent of the construction works that will be necessary is being seriously underestimated. The unfortunate consequence for the innocent residents who are affected, some of whom paid €600,000 for their apartments, will be disruption. They are not millionaires — they are working people. The reason the risk is being underestimated is that for a full year, there has been a cover-up — unfortunately — by Dublin City Council of scandalous breaches of fire safety regulations in Belmayne.

**An Ceann Comhairle:** The Deputy has to be very careful not to be making allegations in this Chamber. It is an abuse of parliamentary privilege to state there has been a “cover-up” by officials.

**Deputy Joe Higgins:** I will have no problem repeating it outside the Chamber.

**An Ceann Comhairle:** Be careful, please.

**Deputy Joe Higgins:** When the Minister of State with responsibility for housing at Cabinet level, Deputy Jan O'Sullivan, spoke in this Dáil 16 hours ago, she repeated what Dublin City Council told her, which is that this issue first came to light just one month ago when a leaking pipe led to an investigation that showed up——

**Deputy Jan O'Sullivan:** I did not say that.

**Deputy Joe Higgins:** ——some fire problems. That is a blatant lie.

**An Ceann Comhairle:** The Deputy is way over time. Can we have a question?

**Deputy Paul Kehoe:** The Deputy will have to withdraw that for a start.

**Deputy Joe Higgins:** In March 2011, the Dublin chief fire officer and the assistant fire officer had a three-hour meeting with residents.

**An Ceann Comhairle:** A question, please.

**Deputy Joe Higgins:** Deputy Terence Flanagan was in attendance. These problems and serious issues were unveiled and acknowledged at that meeting. A fire officer who visited saw the full extent of the problem.

**An Ceann Comhairle:** Can I have the Deputy's question, please? He is two minutes over time.

**Deputy Joe Higgins:** In July, the chief fire officer wrote to residents——

**An Ceann Comhairle:** I am asking the Deputy to put his question.

**Deputy Joe Higgins:** ——to say there was no problem.

**An Ceann Comhairle:** I ask him to withdraw the word "lie", which is not allowed in the Chamber.

**Deputy Joe Higgins:** I will not withdraw it.

**Deputy Paul Kehoe:** The Deputy should leave the House then.

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

**Deputy Joe Higgins:** For a year now, the innocent residents——

**An Ceann Comhairle:** Will the Deputy ask his question?

**Deputy Joe Higgins:** ——have been abused, lied to and sent around the houses in regard to this issue.

**An Ceann Comhairle:** This is not a forum for the Deputy to be making allegations about people who are not here to defend themselves.

**Deputy Jan O'Sullivan:** A Cheann Comhairle, on a point of order——

**An Ceann Comhairle:** I ask Deputy Higgins to put his question and sit down.

**Deputy Joe Higgins:** Can I ask the Taoiseach if he will——

**Deputy Jan O'Sullivan:** On a point of order——

**An Ceann Comhairle:** No. No, please.

**Deputy Paul Kehoe:** Deputy Higgins has to withdraw the word "lie".

**An Ceann Comhairle:** I am looking after that.

**Deputy Michael Healy-Rae:** A Deputy came in here and told blatant lies before.

**Deputy Joe Higgins:** I read the Minister of State's statement.

**An Ceann Comhairle:** I have asked the Deputy to put his question. I ask him again to do so. He is two minutes over time.

**Deputy Joe Higgins:** It suggested that the council said to the Minister of State that this issue came to light on 19 January last. I assure the House that is a lie.

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

**Deputy Joe Higgins:** Will the Taoiseach instruct——

**An Ceann Comhairle:** Please resume your seat. Does the Taoiseach wish to respond to the allegations or questions or whatever they are?

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

**Deputy Jan O'Sullivan:** He is incorrect in what he said about what I said yesterday.

**Deputy Bernard J. Durkan:** ——the accusation of lying has not been withdrawn

**An Ceann Comhairle:** I have already made that point.

**Deputy Joe Higgins:** I want the Taoiseach to ask——

**Deputy Bernard J. Durkan:** It will have to be withdrawn, a Cheann Comhairle.

**An Ceann Comhairle:** I have already said that.

**Deputy Bernard J. Durkan:** It has not been withdrawn.

**Deputy Joe Higgins:** Will the Taoiseach instruct the Minister for the Environment, Community and Local Government——

**An Ceann Comhairle:** Will Deputy Higgins resume his seat?

**Deputy Joe Higgins:** ——to investigate immediately——

**An Ceann Comhairle:** I do not wish to ask the Deputy to leave the House, but I will have to do so if he does not resume his seat.

**Deputy Joe Higgins:** I started with a three-minute interruption by Government Deputies.

**An Ceann Comhairle:** Yes, but I have given the Deputy adequate time.

**Deputy James Reilly:** The Deputy started with a pregnant pause.

**Deputy Brendan Howlin:** It was a theatrical pause.

**Deputy Joe Higgins:** Now the Chair is not allowing me to put my question.

**An Ceann Comhairle:** This is not going to be a platform for accusing people.

**Deputy Joe Higgins:** I am trying to raise an issue of the most serious importance.

**An Ceann Comhairle:** Put your question. This is Leaders' Questions.

**Deputy Joe Higgins:** It relates to ordinary and decent people——

**Deputy Jerry Buttimer:** Deputy Higgins is only a bully.

**Deputy Joe Higgins:** ——who are affected by the rottenness that is going on in this area as a consequence of inadequate construction.

**An Ceann Comhairle:** I ask the Deputy to resume his seat. Will the Taoiseach deal with the issue?



**Deputy Joe Higgins:** I am asking the Taoiseach to get the Minister for the Environment, Community and Local Government to initiate a major investigation into this whole situation——

**An Ceann Comhairle:** Resume your seat, please.

**Deputy Simon Harris:** Bring back Deputy Ross.

**Deputy Joe Higgins:** ——and to ensure strict enforcement.

**An Ceann Comhairle:** I am asking you again to resume your seat. This is no place for making allegations of people telling lies. It is totally out of order.

**Deputy Joe Higgins:** Why not, if it is true?

**An Ceann Comhairle:** As long as I am in the Chair, you are not going to use this Chamber to make accusations and allegations against people who are not here to defend themselves.

**Deputy Michael Healy-Rae:** It happened before inside here.

**An Ceann Comhairle:** I call the Taoiseach.

**The Taoiseach:** I do not accept that the Minister of State, Deputy Jan O'Sullivan, is a liar and it is beneath Deputy Higgins to claim it.

**Deputies:** Hear, hear.

**Deputy Joe Higgins:** I did not say that.

**Deputy Ciara Conway:** You did.

**Deputy Jerry Buttimer:** You did.

**Deputy Brendan Howlin:** Withdraw it.

**Deputy Joe Higgins:** The Taoiseach must not divert. I did not say the Minister of State is a liar. I said the Minister of State was misinformed by Dublin City Council.

**An Ceann Comhairle:** Are you replying now?

**Deputy Joe Higgins:** I did not say that the Minister of State lied.

**Deputy Brendan Howlin:** Yes, you did.

**Deputy James Reilly:** That is what we heard.

**Deputy Joe Higgins:** I said that the Minister of State was misinformed and misled by Dublin City Council.

**An Ceann Comhairle:** This is Leaders' Questions.

**Deputy James Reilly:** We are hearing weasel words from Deputy Higgins.

**An Ceann Comhairle:** Does the Taoiseach wish to reply?

**The Taoiseach:** I do, a Cheann Comhairle.

**An Ceann Comhairle:** Thank you.

**The Taoiseach:** I do not accept Deputy Higgins's assertion that the Minister of State, Deputy Jan O'Sullivan, is a liar.

**Deputy Mattie McGrath:** She is well paid for it.

**The Taoiseach:** That is beneath him.

**Deputies:** Hear, hear.

**Deputy John Halligan:** He did not say that.

**Deputy Colm Keaveney:** He did say it.

**Deputy Richard Boyd Barrett:** He said the council lied to her.

**The Taoiseach:** When the Minister of State replied on behalf of the Minister for the Environment, Community and Local Government, she did not say that the matter did not come to light until the date mentioned by Deputy Higgins. The Deputy should be big enough to withdraw the scurrilous and scandalous remark he made about a hard-working and genuine Minister of State.

**Deputies:** Hear, hear.

**The Taoiseach:** Deputy Higgins is aware that fire certificates have to be signed. If there is a discrepancy, an uncertainty, a fault or something that is not correct, the person who signed the relevant fire certificate has to take responsibility. If Deputy Higgins is prepared to repeat his assertion about a cover-up by Dublin City Council outside the House, I am quite sure Dublin City Council will answer him. I feel for the tenants who will have to leave Belmayne for a number of days to get this matter rectified. I also feel for the tenants at Priory Hall, the edifice of which was constructed by a developer who is now bankrupt in England.

**Deputy Mattie McGrath:** That is a matter for Sinn Féin.

**The Taoiseach:** As I have said previously, the position is that this may well arise in a number of other locations. The Government is again having to clean up an unholy mess that has been landed on hard-working men and women who put down their money and signed their names to buy places they considered would be their homes for the rest of their lives. The unwarranted intrusion that is interfering with that is most unfortunate. We will have to deal with it by means of certificates of competency and put in place a process to ensure this never happens again. In Deputy Higgins's retort, he should be big enough to withdraw the scurrilous remark he made about the Minister of State, Deputy Jan O'Sullivan.

**Deputies:** Hear, hear.

**An Ceann Comhairle:** That completes Leaders' Questions for today.

**Deputy Joe Higgins:** Can I say to the Taoiseach—

**Deputy Bernard J. Durkan:** No.

**An Ceann Comhairle:** Sorry, we have finished Leaders' Questions.

**Deputy Joe Higgins:** No.

**Deputy John Halligan:** Deputy Higgins should be allowed to make his supplementary contribution.

**An Ceann Comhairle:** He made his supplementary contribution.

**Deputy Joe Higgins:** I have a right——

**An Ceann Comhairle:** The Taoiseach answered the Deputy's first set of questions before the Deputy made a supplementary contribution.

**Deputy Joe Higgins:** No, hang on.

**An Ceann Comhairle:** Excuse me. I am in the Chair. I am making a ruling. We will move on to the Order of Business.

**Deputy Joe Higgins:** Sorry, I did not have an opportunity to ask a supplementary question.

**An Ceann Comhairle:** The Deputy spent five minutes making allegations.

**Deputy Catherine Byrne:** He wasted his time.

**Deputy Richard Boyd Barrett:** Three minutes of that were lost to interruptions.

**An Ceann Comhairle:** The Taoiseach stood up and said he would not answer Deputy Higgins's first question. The Deputy got up again.

**Deputy John Halligan:** No, he did not.

**An Ceann Comhairle:** The Taoiseach has now replied. That is the end of the story.

**Deputy John Halligan:** He did not get up again.

**Deputy James Reilly:** He did.

**Deputy Joe Higgins:** A Cheann Comhairle, I beg you——

**An Ceann Comhairle:** Before I move on to the Order of Business, I would like to——

**Deputy Joe Higgins:** I must insist on my rights here.

**An Ceann Comhairle:** Would the Deputy mind not shouting? He should sit down.

**Deputy Joe Higgins:** The Ceann Comhairle is being——

**An Ceann Comhairle:** I am being fair and reasonable.

**Deputy Joe Higgins:** No, you are not.

**An Ceann Comhairle:** Yes, I am.

**Deputy Joe Higgins:** You are being incredibly unfair.

**An Ceann Comhairle:** I am not responsible for what the Taoiseach decides to say when he answers the questions asked by Deputies. He gave a very short answer to the Deputy's initial question. He then replied to the Deputy's supplementary reply.

**Deputy Joe Higgins:** I did not make a reply. I was correcting——

**An Ceann Comhairle:** No. I am telling the Deputy what he did.

**Deputy Joe Higgins:** This is very important, a Cheann Comhairle.

**An Ceann Comhairle:** No, it is not very important. It is very important for the Deputy to resume his seat before he is sent outside the Chamber.

**Deputy Joe Higgins:** I made an immediate riposte to the Minister of State with responsibility for housing, who thought I had said she lied. I merely corrected her by reminding the House that I said no such thing.

**An Ceann Comhairle:** The record will speak for itself.

**Deputy Joe Higgins:** The point that I need to put to the Taoiseach——

**An Ceann Comhairle:** Thank you, Deputy.

**Deputy James Reilly:** This is his third time on his feet.

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

**Deputy Joe Higgins:** Why did the chief fire officer write to the residents in July to say there was no problem?

**An Ceann Comhairle:** I have asked the Deputy to resume his seat. I will not ask the Deputy a second time.

**Deputy Joe Higgins:** I will resume my seat under intense protest. Although I have been treated most unfairly, I am more concerned about the residents and the victims of these practices in Irish construction.

**An Ceann Comhairle:** Resume your seat, Deputy Higgins. There are plenty of people concerned about the residents. The matter can be raised under Topical Issue Matters and there are other ways of dealing with it. Everybody is treated equally in this House regarding that matter.

### **Tributes to Staff Members**

**An Ceann Comhairle:** Before we deal with the Order of Business, the Taoiseach, along with myself, wishes to pay farewell tributes to some colleagues.

**The Taoiseach:** I wish to pay tribute to two long-serving members of staff of the Houses of the Oireachtas who retire this week. Dick Caffrey retires after 40 years' service in the Civil Service, 34 of them spent here in this House, many of them spent sitting in the chairs in front of me. Noel Kelly retires after 30 years' service to these Houses. Both men have witnessed so many of the great changes and the major political highlights of this Parliament over the years. They have served eight taoisigh, hundreds of Members of both the Dáil and the Seanad and they have greeted visiting presidents, prime ministers and other dignitaries from around the world. Most of all, they have ensured that we, the temporary Members of this establishment, represent the people who sent us here and do our job in the best conditions possible. They have made a very great contribution to the dignity and stature of the Houses of the Oireachtas. They should feel rightly proud of their great service to this State and to their country and it is my honour to acknowledge this service on behalf of all our colleagues here today and over the years.

[The Taoiseach.]

Dick and Noel, I thank you for your unfailing courtesy, your counsel and your long and distinguished service to these Houses, to this State. On behalf of all the Members I wish you both and your families every happiness in the years ahead.

**An Ceann Comhairle:** As Ceann Comhairle and on behalf of the Members I, too, wish both these gentlemen a very happy and long retirement. Both of them typify what public service is all about. From time to time, public servants are criticised, sometimes fairly and much of the time very unfairly. Both these gentlemen have portrayed what I believe is proper public service. Since I became Ceann Comhairle a short time ago I have received invaluable assistance from both Dick Caffrey and Noel Kelly and I deeply appreciate it. I do not wish to repeat what the Taoiseach has said when he very eloquently spoke for us all but I, too, would like to wish both gentlemen and their families every success and happiness.

**Deputy Micheál Martin:** I will briefly add to what was a very eloquent and deserved tribute by the Taoiseach to Dick Caffrey and Noel Kelly. I have been a Member of this House for some years and I acknowledge their quiet efficiency, the dignity they brought to the task at all times and their unfailing good humour. They have performed a wonderful public service. On a personal level, I am very grateful for the friendship between us which has developed over the years. I acknowledge the manner in which they have defined this House and this Chamber. Most visitors remark on the warmth of the atmosphere that pervades the House compared to other parliaments and this is, in large measure, due to people like Noel and Dick and their team, and for which we are eternally grateful. May you both have many healthy and happy years in retirement.

**Deputy Gerry Adams:** Aontaím leis an Cheann Chomhairle agus leis an Taoiseach; chuir an Taoiseach go maith é leis na focail fhlaithiúla dheasa sin. Ó tháinig mé anseo, chuir an fhoireann fáilte mhór romham agus mar sin, ar son Shinn Féin, gabhaim buíochas leo agus go raibh an t-ádh leo agus lena gclanna.

**Deputy Finian McGrath:** On behalf of the Technical Group, I wish Dick and Noel well for the future. I thank and commend them on their many years of public service. I agree with the sentiments expressed by the Ceann Comhairle as I have always found them to be very courteous, supportive and excellent public servants. They have been of valuable assistance to the many school groups, constituents and other visitors to the Houses over the past ten years. People have always told me they have found the staff to be warm, supportive and courteous. On behalf of the Technical Group, I wish them and their families well in the future. I thank them very much for all their service.

**An Ceann Comhairle:** Thank you, Noel, and thank you, Dick, if you are watching these proceedings on the monitor.

**The Taoiseach:** I wish to remember all the public servants who retire today from the public service.

**An Ceann Comhairle:** I forgot to mention that fact. Nine members of the staff of the Houses of the Oireachtas are retiring today.

**The Taoiseach:** In general terms, quite a number are leaving the public service.

### Order of Business

**The Taoiseach:** It is proposed to take No.15, statements on the pre-European Council meeting of 1 and 2 March and ratification of the Treaty on Stability, Co-ordination and Governance

in the Economic and Monetary Union; and No. 1, Education (Amendment) Bill 2012 [*Seanad*] — Second Stage.

It is proposed, notwithstanding anything in Standing Orders, that the proceedings in relation to No. 15 shall, if not previously concluded, be brought to a conclusion after three hours and ten minutes and the following arrangements shall apply: in relation to the pre-European Council meeting, the statements shall be made by the Taoiseach and the main spokespersons for Fianna Fáil, Sinn Féin, and the Technical Group, who shall be called upon in that order, who may share their time and shall not exceed 15 minutes in each case, and the Taoiseach shall be called upon to make a statement in reply which shall not exceed five minutes; in relation to the ratification of the European treaty, the opening statements of the Tánaiste and the main spokespersons for Fianna Fáil, Sinn Féin, and the Technical Group, who shall be called upon in that order and who may share their time, shall not exceed 15 minutes in each case with the statement of each other Member called upon shall not exceed ten minutes, Members may share time and a Minister or Minister of State shall be called upon to make a statement in reply which shall not exceed five minutes.

The suspension of sitting under Standing Order 23(1) shall take place at 1.30 p.m. or on the conclusion of the opening statements, whichever is the later, until 2.30 p.m. Private Members' business shall be No. 40, motion re State assets (resumed), to conclude at 9 p.m. tonight, if not previously concluded.

**An Ceann Comhairle:** There is one proposal to be put to the House. Is the proposal for dealing with No. 15, statements on pre-European Council meeting of 1 and 2 March, and ratification of the Treaty on Stability, Co-ordination and Governance in the Economic and Monetary Union, agreed to? Agreed.

**Deputy Micheál Martin:** I presume an overlap in the debate, within reason, will be permitted.

**The Taoiseach:** We will have another opportunity for debate when the referendum Bill is published.

**Deputy Micheál Martin:** There has been much speculation and concern about the timing of the legislation. Is the Taoiseach in a position this morning to give any indication to the House of the legislative timetable and the date for the referendum or the date for the fiscal responsibility Bill which, inevitably, will be required to come before the House, the timetable for the establishment of the Referendum Commission and any other mechanisms the House may deem fit to establish, for example, a sub-committee of the Joint Committee on European Affairs, in order to properly examine the details of the Bill and to hear submissions from public bodies?

**Deputy Gerry Adams:** I have similar questions to those raised by Deputy Martin. When does the Taoiseach expect the Referendum Commission to be established? Has he selected a chairman for the commission? When will the Bill to amend the European Communities Act 1972 be brought before the Dáil?

**The Taoiseach:** As I said yesterday in reply to Deputy Martin, as soon as the Attorney General gave her formal legal advice to the Government, it was appropriate that the Dáil should be informed. The Government has not set out the specific time process for preparation of the referendum Bill and the process that needs to be gone through before the people can be asked a question. Yesterday, I confirmed to Deputy Martin that work is under way for some time on the fiscal responsibility Bill. I will be able to provide more accurate information once the Government has reflected on this matter next Tuesday. I take the Deputy's point about

[The Taoiseach.]

setting up a sub-committee to deal with this matter and to which I am positively disposed. I will respond to Deputy Martin in writing.

**Deputy John O'Mahony:** I wish to ask a question about the upcoming referendum. I am thinking of the children's referendum and the referendum on the abolition of the Seanad. Will they be held this year or will there be a consequence of the fiscal treaty referendum being held this year?

**The Taoiseach:** I agree with Deputy O'Mahony that this is a very serious question for the people about Ireland's future and their future and about keeping this country at the heart of the European process, so we can have confidence and opportunity for investment and job creation. That is where our future is and where we need to be. I can confirm to Deputy O'Mahony that this referendum will be held on its own. It will not interfere with any of the other planned referenda, whether on child protection, the abolition of the Seanad or any other one that comes along.

**Deputy Thomas P. Broughan:** I refer to the foreshore and marine area development Bill. The recent consultation on the exploration off Dalkey was based on 1933 legislation. We only found out when the three weeks were almost up that it was possible to make a submission and so on. There have been interventions in the House about it.

The Taoiseach might remember that in the 29th Dáil, Trevor Sargent spoke about this Bill virtually every day. He was then in government for three or four years but did absolutely nothing to bring it in or to update the existing legislation. What is the position on that front?

Yesterday, the Minister of State with responsibility for housing, Deputy Jan O'Sullivan, responded to me in regard to Belmayne. She has been an outstanding colleague of mine for the past two decades and she gave me the information she had to hand in the Department. I asked her two fundamental questions. Is it time——

**An Ceann Comhairle:** Deputy——

**Deputy Thomas P. Broughan:** I think the Taoiseach is interested in this. Is it time to appoint——

**An Ceann Comhairle:** We are all interested.

**Deputy Thomas P. Broughan:** ——a commission of investigation or even a high level inspector from the Department to investigate all aspects of the north fringe? The Minister for Education and Skills, Deputy Quinn, will remember that eight to ten years ago, I showed him the fields where the north fringe was to be built.

**An Ceann Comhairle:** Deputy, I am sorry. I gave you a Topical Issue yesterday——

**Deputy Thomas P. Broughan:** We need a major investigation, in particular into the administration of Dublin City Council over the past decade under John Fitzgerald and John Tierney.

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

**Deputy Thomas P. Broughan:** Is the Taoiseach prepared to do that?

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

**Deputy Thomas P. Broughan:** Even at this late stage, is he prepared to make the north fringe a strategic development zone, so there would be some statutory basis——

**An Ceann Comhairle:** Deputy, would you please resume your seat?

**Deputy Thomas P. Broughan:** ——for the plans going forward?

**An Ceann Comhairle:** I accepted a Topical Issue from you yesterday on this.

**Deputy Thomas P. Broughan:** I just want the Taoiseach——

**An Ceann Comhairle:** Please, do not abuse the——

**Deputy Thomas P. Broughan:** I want the Taoiseach to hear it.

**An Ceann Comhairle:** No.

**Deputy Thomas P. Broughan:** He might not read the Topical Issue debate. It is a vital issue for those——

**An Ceann Comhairle:** We are dealing with promised legislation.

**Deputy Thomas P. Broughan:** ——3,000 or 4,000 people, as the Taoiseach knows.

**An Ceann Comhairle:** Thank you. I call the Taoiseach on promised legislation.

**The Taoiseach:** I heard Deputy Broughan's remarks very clearly. There is no legislation promised in respect of an investigation into the activities of Dublin City Council. This is a matter which I am sure the councillors and representatives of the people will raise very adequately with the city council members and will follow through on what is a sensitive issue raised by Deputy Broughan yesterday and to which the Minister of State, Deputy Jan O'Sullivan, replied.

On the Deputy's question on the foreshore and marine area development Bill, the Minister for the Environment, Heritage and Local Government, Deputy Hogan, has sorted out a great deal of the complexities dealing with foreshore licences. This Bill is due later this year and work is advancing on it. I cannot give the Deputy an exact date but it is due for later this year.

**Deputy Michael Healy-Rae:** In regard to the merger of the Competition Authority and the National Consumer Agency Bill, is the Taoiseach aware that the banks we own are telling our struggling house owners to shop in German discount stores?

**An Ceann Comhairle:** Sorry, please——

**Deputy Michael Healy-Rae:** Surely, in the——

**An Ceann Comhairle:** On promised legislation.

**Deputy Michael Healy-Rae:** That is what I am trying to get to.

**An Ceann Comhairle:** Would you get there, please?

**Deputy Michael Healy-Rae:** If you will give the opportunity the same as you give to everyone else——

**An Ceann Comhairle:** We do not go around the houses.



**Deputy Michael Healy-Rae:** I am not on a speed clock, a Cheann Comhairle. Surely this is anti-competitive. There should be some promised legislation——

**An Ceann Comhairle:** Sorry, Deputy, you do not make statements on the Order of Business.

**Deputy Michael Healy-Rae:** ——to ensure that Irish stores are not treated unfairly by our banks which are telling——

**An Ceann Comhairle:** I do not think you heard me. This is about promised legislation.

**Deputy Michael Healy-Rae:** I am asking about promised legislation.

**An Ceann Comhairle:** What legislation are you——

**Deputy Michael Healy-Rae:** I am asking about the merger of the Competition Authority and the National Consumer Agency Bill in this context——

**An Ceann Comhairle:** Thank you. I call the Taoiseach.

**Deputy Michael Healy-Rae:** I wanted to elaborate, so the Taoiseach would know what I was talking about.

**An Ceann Comhairle:** He knows.

**Deputy Michael Healy-Rae:** It is important legislation.

**An Ceann Comhairle:** Thank you very much.

**The Taoiseach:** I can inform Deputy Healy-Rae that the Consumer and Competition Bill is due in mid-2012.

**Deputy Michael Healy-Rae:** Does the Taoiseach think it is right that our banks are telling people to shop in German discount stores?

**The Taoiseach:** The Single Market.

**Deputy Bernard J. Durkan:** I wish to ask about two promised Bills. In view of the large number of errors and irregularities discovered in the conveyancing of land and property over the past number of years, would it possible to bring in the land and conveyancing law reform (amendment) Bill at an early date? It is promised and I think many Members of the House will have an interest in it. Has it been discussed at Cabinet or have the heads been passed by Cabinet yet? In a similar vein, I wish to ask about the criminal records information system Bill to provide for the exchange of criminal records information with other EU member states in order to combat crime.

**The Taoiseach:** The land and conveyancing law reform (amendment) Bill and the criminal records information system Bill are due for publication later this year. The Minister for Justice and Equality has done quite a deal of work on the latter.

**Deputy Patrick Nulty:** Will the promised legislation to establish a new agency to deal with child protection include amendments to the 1991 Child Care Act to provide for a statutory right to after care for young people leaving State care? Less than 15 months ago, the Taoiseach's party supported amendments in the Dáil to provide for that.

**The Taoiseach:** The child and family support agency Bill is due later this year. As Deputy Nulty is aware, the Minister for Children and Youth Affairs, Deputy Fitzgerald, has done a great deal of work on the whole area of child protection. We are anxious to get this right because it is so important. He will also be aware of the work done by the previous all-party Oireachtas committee and the great deal of discussion taking place on getting a form of wording which is acceptable and in the best interest of children.

**Deputy Martin Ferris:** Almost four weeks ago, the Minister for the Environment, Community and Local Government, Deputy Hogan, said in the House that he would publish the standards and guidelines regarding remedial work for septic tanks. When does he intend to publish them? We were promised them three weeks ago, two weeks ago and again this week but, as yet, I have not seen them.

**The Taoiseach:** I have good news for Deputy Ferris. I understand the Minister will publish those regulations this week.

**Deputy Martin Ferris:** I was told that last week.

**Deputy Paul Kehoe:** The Deputy was not.

**An Ceann Comhairle:** There you are now. Good news for you.

**The Taoiseach:** I hope it will be accurate this time.

**Deputy Barry Cowen:** Will the upcoming Social Welfare and Pensions Bill include a provision to rescind the budget cuts to the training and materials grants for community employment schemes?

**An Ceann Comhairle:** I am afraid we do not deal with the content of legislation.

**The Taoiseach:** Does the Deputy mean in respect of community employment schemes?

**Deputy Barry Cowen:** Yes.

**The Taoiseach:** The Minister for Social Protection has made it perfectly clear in regard to community employment schemes and every other area that she has carried out an evaluation of the cost effectiveness of these and she will make her views known to the House. The Social Welfare and Pensions Bill is due this session.

**Deputy Joe Higgins:** Will the Taoiseach give us an outline of the timetable for the legislation to provide for a referendum on the fiscal compact and the timeframe for the referendum itself?

**The Taoiseach:** I already answered Deputy Martin on this matter. The Government will consider this matter further at next week's Cabinet meeting. Obviously, I said we will set up a referendum commission and the Government will produce a referendum Bill. Work is proceeding on the fiscal responsibility Bill and I will give positive consideration to the setting up of a sub-committee to deal with the referendum. I will let the House know that next week.

**Deputy Willie O'Dea:** I wish to ask about the establishment of the micro-finance scheme for small businesses.

**The Taoiseach:** It will be as soon as possible. This is a matter on which I am getting many queries. The Minister for Jobs, Enterprise and Innovation, Deputy Bruton, has advanced it

[The Taoiseach.]

greatly. I am anxious that it is set up as quickly as possible. I will have the Minister respond directly to the Deputy. It is on its way and the quicker, the better.

### **Entrepreneur Visa Bill 2012: First Stage**

**Deputy Willie O’Dea:** I move:

That leave be granted to introduce a Bill entitled an Act to establish an employment based immigrant visa for entrepreneurs from outside the jurisdiction of the European Economic Area who have received significant capital from investors to establish a business in the Republic of Ireland.

**An Ceann Comhairle:** Is the Bill opposed?

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

Question put and agreed to.

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

**Deputy Willie O’Dea:** I move: “That the Bill be taken in Private Members’ time.”

Question put and agreed to.

### **European Council: Statements**

**The Taoiseach:** I am pleased to have this opportunity again to brief the House ahead of the forthcoming meeting of the European Council in Brussels on Thursday and Friday of this week, 1 and 2 March. The meeting will begin on Thursday evening, with the customary exchange with the President of the European Parliament followed by a first working session and a discussion over dinner. On Friday morning, we will sign the Treaty on Stability, Co-ordination and Governance in the Economic and Monetary Union. This will be followed by a further working session. As we will have a debate on the question of the Government’s decision to hold a referendum on the new treaty in a short while, I intend to focus on the important issues the European Council will consider.

The spring European Council is traditionally the annual set piece review of economic policy in the EU but this is no time for business as usual. The main task for our meeting will be to review implementation of the European Union’s economic strategy and to ensure it is fit for purpose in this volatile environment. We are now embarked on a strategy that seeks to pursue fiscal consolidation alongside effective steps to boost sustainable economic growth and job creation. This is a good and balanced approach. We need to ensure that efforts in fiscal consolidation lay the groundwork for creating jobs and boosting confidence and in investment in our economies — Ireland has long been a strong and vocal advocate of such an approach.

In addition to concluding the first phase of the European semester process, this week’s meeting of the European Council will see leaders agree important EU priorities for a range of international summit meetings over the coming months, including the G8 and G20 summits and the Rio +20 summit meeting. On the foreign policy front, we will address ourselves to the Union’s relationship with our southern neighbourhood, one year on from the Arab spring. We will also consider the unfolding horrendous events in Syria.

It is also expected that the European Council will take a decision this week on granting candidate status to Serbia. Ahead of this European summit, the Government has again been highly active in engaging with partners to lay the groundwork effectively for a productive European Council meeting. Last Thursday, I travelled to Berlin and had a meeting with Chancellor Merkel, Prime Minister Petr Necas of the Czech Republic and Prime Minister Valdis Dombrovskis of Latvia. This small informal meeting proved to be a particularly useful opportunity for free-flowing exchange on longer-term issues for the Union as well as an opportunity to hear what the economic perspectives are in our respective countries.

The following day I met with Prime Minister Mario Monti in Rome. This served as an extremely positive meeting during which we addressed a wide range of issues across our agenda in Europe at the moment. We have a very strong common accord in our approach to many issues — the pressing need for growth to complement consolidation, the importance of completing the Single Market, and our common and unswerving support for the Community method in our engagement at European level. We also both agreed that the trade agenda for the EU is an important element of future business. We need to step up our ability to trade with strategic partners and to continue to grow our economies including through developing our export markets. I was struck by the fact that the last bilateral meeting at prime ministerial level between Italy and Ireland took place as far back as 2004. Italy was, is and will continue to be a major EU member state, with whom we have a great deal in common across the entire EU agenda.

My colleagues in Government have been very active in advancing Irish positions ahead of this week's meeting. The Tánaiste and Minister for Foreign Affairs and Trade, Deputy Eamon Gilmore, attended the Foreign Affairs Council meeting in Brussels on Monday last, which laid the groundwork for the summit meeting's discussions on foreign policy issues, most particularly on Syria. The Tánaiste also represented Ireland at an international conference on Syria, held last Friday in the Tunis, Tunisia. He was one of more than 60 foreign ministers in attendance, illustrating the engagement and solidarity of a broad swathe of the international community on the evolving situation in Syria. Similarly, the Minister of State with responsibility for European affairs, Deputy Lucinda Creighton, was in Brussels yesterday representing us at the General Affairs Council, which is tasked with preparing the work of European Council meetings.

As a critical element in our ongoing engagement within the Union, I have joined 11 of my European Council colleagues — from a broad cross-section of partners, large and small and from north and south — in addressing a letter to European Council President Van Rompuy and European Commission President Barroso, which sets out eight priority areas on which action can be taken to strengthen growth in Europe. I welcome the fact that President Barroso has already responded to our letter. I am confident this meeting of the European Council is well placed to address economic policy issues, particularly the growth and jobs agenda in a most thorough manner. I will return to this initiative later.

Tomorrow's European Council has a specific role in terms of the European semester process. It must consider the annual growth survey, produced last November by the Commission. This has now been examined by the member states and the different Council formations, especially ECOFIN and EPSCO. The Danish Presidency has produced a synthesis report pulling together the views expressed across these different Council discussions. Tomorrow's European Council is expected to endorse the annual growth strategy. The priorities it sets out are consistent with the Europe 2020 strategy for growth that is smart, sustainable, and inclusive. They align well also with the national priorities established by our programme for Government and we support them.

[The Taoiseach.]

The European Council will also reiterate its support for Europe 2020, Europe's growth strategy, and to urge member states to redouble efforts to meet its targets. It will call on member states to reflect these priorities through concrete commitments in their national reform programmes and stability or convergence programme updates, which are due in mid-April. Nationally, we will provide a comprehensive review of progress towards achieving our Europe 2020 targets in April.

I note with some satisfaction that, at European level, renewed attention is now being paid to the growth agenda. We have been calling for this for some time. It is an appropriate balance to the established and necessary focus on fiscal consolidation and budgetary discipline. There is consensus in the EU that we need this two-pronged approach. While much of the European semester process looks at the longer-term structural reforms, needed to avoid a repeat of the current crisis, the European Council tomorrow will look also at measures that will have a short-term effect for growth and jobs.

This approach was endorsed by EU leaders at the informal January meeting of the European Council. In order to maintain momentum and ensure that our growth priorities continue to be reflected, last week I joined the Prime Ministers of 11 EU member states in co-signing a further letter ahead of next month's meeting. We called for progress in eight specific areas: the Single Market agenda, and raising implementation standards; a truly digital Single Market by 2015; a genuine, efficient and effective Internal Market in energy by 2014; commitment to the European research area and to providing the best environment for innovation and entrepreneurship; stronger trade links, including with fast-growing emerging markets; reducing the administrative burdens from EU legislation; better functioning of labour markets; and a financial services sector that serves the interests of citizens and business.

Earlier this week, President Barroso wrote back to the 12 authors of this letter, confirming the Commission's commitment to these areas, and listing in detail the action taken or planned by the Commission in each of the eight areas. Other inputs to tomorrow's European Council include a letter from the Finnish Prime Minister on the digital Single Market and a joint Franco-German paper on growth enhancing measures. Our concerns and interests have been reflected in the draft European Council conclusions discussed at the General Affairs Council yesterday, and we are continuing our efforts to ensure these issues remain prominent in our discussions and outputs.

These are not just points of academic interest. The close attention being paid to the Single Market fits with our emphasis on the growth and export potential of Irish SMEs and start-ups. A better functioning Single Market is a better environment for Irish exports, including by removing bottlenecks in key growth areas. We are in the process of rebalancing our economy towards sustainable, export-led growth and we see significant potential in unlocking the full potential of Europe's dynamic market of 500 million consumers.

It is by creating the right conditions for enterprise that we create the right conditions for jobs. Last week saw the launch of the pathways to work initiative designed to help tackle the problem of long-term unemployment by getting people ready to take up jobs. This initiative complements the action plan for jobs launched earlier in the month which concentrates on the economic reforms needed to accelerate the growth of jobs. Both of these national efforts fit well with the renewed growth emphasis at European level.

We must, on the one hand, continue to create the right conditions for job creation and entrepreneurship in an increasingly knowledge-intensive and interconnected global economy, and on the other, we have to improve participation and employment rates with sensible and

job-friendly labour market policies. That is the emphasis of the Europe 2020 Strategy, and we believe it is the right emphasis.

The European Council will agree priorities for G8 and the G20 Summits in Mexico in May and June respectively. It will also consider key principles to guide the EU's preparations for the UN Rio +20 conference on 20-22 June 2012.

In regard to the southern neighbourhood question, the European Council will also consider a number of foreign policy issues, including developments in the southern neighbourhood, a year on from the start of the Arab Spring. Although a substantive discussion is not envisaged on this occasion, European leaders will take stock of the latest developments in the region and assess the implementation of the EU's supports to date. Ireland fully backs the approach the EU has taken in its response to the momentous events of last spring. We see developments in the southern neighbourhood as a catalyst for change and an opportunity for economic and social development in the region. We welcome the strong EU focus on promoting an open civil society, with its emphasis on democracy-building, equality and the promotion of the rights of women and minorities.

A key feature of the EU's support to countries in the region is the strong commitment to offer more assistance to those partners who make greater progress towards democratic reform, that is, the more for more syndrome. Those countries that are moving ahead on democratic reforms and good governance are being offered better funding for projects which aim to improve economic growth and boost job creation.

Progress has also been made on the negotiation of deep and comprehensive free trade agreements with countries in the region. The European Council will call for rapid progress in ongoing trade negotiations so as to open up the way for the region's companies and businesses to enjoy greater access to EU markets for their goods and services.

The situation in Syria is one of the utmost gravity which has attracted the almost universal condemnation of the international community. In chilling detail, the Independent International Commission of Inquiry report released last week documents patterns of summary executions, arbitrary arrests, torture, enforced disappearances and violations of children's rights. In the past month, the Syrian Army has escalated its violent attacks, including indiscriminate and relentless bombings, particularly against civilian areas in the city of Homs and the northern province of Idlib. There are thousands of trapped civilians, under merciless assault from their own Government, who urgently require protection and humanitarian assistance.

Ireland has been working intensively with the EU, the UN, the Arab League and other partners in the international community to compel the Syrian regime, through a series of robust economic, political and diplomatic measures, to cease its appalling attacks on the Syrian people. The European Council will strongly endorse the decision of the EU Foreign Affairs Council on 27 February to enforce additional sanctions, including against the Central Bank of Syria, on top of the extensive existing EU sanctions against Syria which already include a ban on oil imports.

I expect the Council conclusions will also voice strong support for the leadership displayed by the Arab League to date, including its peace plan outlined last November and which still provides the best basis for achieving a resolution. The conclusions must also call for a strongly worded Security Council resolution, which would be a uniquely powerful and resonant demonstration of concern on the part of the international community and would add significantly to the pressure on the Assad regime.

**An Ceann Comhairle:** Is it agreed that the Taoiseach be given additional time to complete his statement? Agreed.

**The Taoiseach:** The Foreign Affairs Council and the General Affairs Council considered the issue of granting EU candidate status to Serbia earlier this week. The European Council considered this issue in December but deferred taking a decision until further progress was shown in the dialogue between Belgrade and Pristina. I am pleased to report that sufficient progress has been shown in the dialogue, with a number of agreements reached last week which will contribute towards the normalisation of relations between Serbia and Kosovo. The General Affairs Council has therefore recommended that the European Council grant Serbia candidate status. Ireland supports this decision and I would expect to see the Council confirm candidate status on Friday.

I would like to take this opportunity to commend the Governments of Serbia and Kosovo on the courageous steps they have taken in recent months. I also welcome the decision to launch a feasibility study for a stabilisation and association agreement with Kosovo. Ireland remains committed to the European perspective of all the Western Balkans countries.

We may also address the issue of the accession of Bulgaria and Romania to Schengen. We would support the Presidency compromise proposal in order to see a resolution of this matter which has now been outstanding for quite some time.

Another piece of business which this meeting of the European Council will deal with is the election of the President of the European Council for a two and a half year term from the middle of this year. It has had the benefit of the deft and highly effective stewardship of Herman Van Rompuy since his election to the post at the end of 2009, and I look forward to his continued very able guidance for a further term. Similarly, I expect he will also be appointed to the position of President of the euro summit meetings which will from now on take place at least twice a year. I support this step also.

On Thursday morning I will take part in the Tripartite Social Summit for Growth and Employment. It is a forum for dialogue between the EU institutions and the main European employers and trade union organisations, and takes place just ahead of the March and October European Councils. The theme for this meeting is social dialogue as a key instrument for restoring growth and jobs.

The meeting will be co-chaired by President Van Rompuy, President Barroso and Prime Minister Thorning-Smith of Denmark. The Heads of Government of the two upcoming Presidencies are also invited. This will be the first such summit I have attended. Representatives of IBEC and ICTU will also take part. Tomorrow's summit will be a useful preparation for our 2013 Presidency, as I will co-chair this summit before the March European Council next year.

In the margins of this meeting of the European Council on Friday morning, the new treaty on stability, coordination and governance in the economic and monetary union will be signed. I will sign, subject to ratification, for Ireland. Ratification procedures will then begin in each of the 25 contracting parties, according to their respective national requirements.

As I announced in this House yesterday, in light of the advice of the Attorney General, the Government has decided to hold a referendum on this issue in which our people will be asked to authorise the ratification of this treaty. I have every confidence that, armed with appropriate information concerning the contents and implications of this new treaty, the Irish people will endorse it emphatically by voting Yes to continued and sustained economic recovery and stability, and to our continued commitment to the success of the euro. I look forward to the debate ahead. I will naturally brief my colleagues during the forthcoming European Council meeting on the Government's decision to hold a referendum on the new treaty.

I thank the Ceann Comhairle for his indulgence in going over my time. I am satisfied that at this meeting of the European Council, we will be undertaking our business in a considered and workmanlike way. Do not misunderstand me, Europe and the euro area continue to face

momentous challenges. As the Members of this House and as the people of our country know only too well, this crisis is not yet behind us, but critically, we are now moving in the right direction. Each time we meet, we are building another stage on the path to recovery. Our new intergovernmental treaty will be signed this Friday and the new programme for Greece has been agreed. The financial markets have calmed, bond spreads have narrowed and growth and jobs are front and centre. While there is more that needs to be done, we are heading in the right direction, getting there step by step.

We are taking the tough decisions necessary to secure consolidation, but we are now taking a balanced approach, including by focusing on the growth and job creation agenda critical to Europe's recovery. Approaching this European Council meeting in a non-crisis mode is a welcome development and the outcome will, I hope, be all the better for it. I will report to the House fully after the meeting.

I thank the Opposition leaders for allowing me an extra few minutes.

**Deputy Micheál Martin:** This week's summit has a number of important items on the agenda but only one will receive any real attention. The formal signing of the fiscal treaty will be accompanied by further discussions about the economic crisis. While the sense of panic which prevailed during most of last year's summits is absent, there is still an unmistakable sense of crisis. My main concern is that this sense of crisis be clearly accompanied by the urgency and ambition that Europe needs.

The agenda is a partial agenda which will not tackle the recession or restore confidence. The fiscal treaty is not the answer to Europe's problems, but it is part of the answer. The question for the Government today is whether it is willing to start demanding the other measures, ones which can return Europe to growth. If it is not, it will, sooner rather than later, face a much bigger crisis.

There is a sense of complacency in the agenda for this summit, with minor initiatives being over-sold yet again. The Government's decision to agree to hold a referendum is welcome. It is at best unfortunate that this decision took so long and gave the clear and unmistakable picture of the Government trying to find a way of not consulting the people.

This is a Government that puts great store on media management. It is becoming increasingly clear that no matter how slick and controlled the launches and speeches are, the public is not convinced. There is a large and growing gap between the view promoted by the Government in the Leinster House bubble and the opinion of the public. The addiction to over-spinning and over-claiming on nearly everything has been seen through. We heard more of the same yesterday in the Tánaiste's contribution, where the unrestrained self-praise was exactly the wrong tone to start a process of trying to win the people's support.

This is what we saw last year when a Greek debt deal was extended to Ireland and hailed by Ministers as a great negotiating victory although it was four times the size of what had been asked for. It is exactly the same approach that emerged in this morning's newspapers, with Ministers trying to claim this referendum as part of an ingenious negotiating strategy concerning the promissory notes.

Saying that the Government is "putting it up" to other governments is nothing more than empty posturing. It is fooling no one and it has returned levels of distrust in government to levels the Taoiseach himself condemned as unacceptable.

When this treaty is signed, it will have been almost eight months since it was agreed by Europe's leaders to consider new treaty provisions. It was prepared in a rushed process which limited ambition and maximised disagreements. The biggest problem in Ireland has been that



[Deputy Micheál Martin.]

the Government chose to have no public or political consultation. It would not even tell the Dáil what its negotiating objectives were.

Allied to this was the undeniable evidence from sources here and in Europe's capitals that every effort was being made to avoid a referendum. It would have been much better if it had accepted my proposal of three months ago to say that the needs of democratic legitimacy would prevail. A referendum was always necessary, irrespective of the legal opinion.

The Government has yet to publish the Attorney General's opinion. It should do so immediately because it will provide crucial information about the impact in Ireland of the treaty's provisions. From what the Taoiseach said yesterday, it is clear that the referendum is legally required because of there being no full EU treaty and the significance of the requirement to have "permanent" budget rules in national law. This is exactly in line with the legal opinion that Fianna Fáil received.

My party's position on Europe is and always has been absolutely clear. We believe in a strong European Union. We believe it has been a great force for peace and growth. Our supporters have been absolutely consistent in supporting each European treaty and supporting our pro-EU position. A Euro-positive position is a core part of our tradition and this will not change.

I held a detailed discussion in our parliamentary party about our approach to this international treaty. I did not impose my opinion but I did set out a detailed case secured endorsement of it. In accordance with a tradition that goes back over 50 years, in line with the views of our members and supporters, and following a democratic decision of our parliamentary party, Fianna Fáil will support ratification of this treaty in the Dáil and in the referendum.

We will support ratification for a number of reasons. First, it is part of an agenda to show that Ireland and the rest of Europe are dealing with the escalating sovereign debt crisis. It is not a magic bullet that will tackle the crisis but it is a confidence building measure. Second, it provides access to a reserve of back-up funding which will help Ireland to return to the market and do so at a lower interest rate. There is no other funding available if we cannot access the market or do so at an affordable rate. With regard to funding deficits and securing normal re-financing, we need the ESM and, therefore, we need the treaty. If the impact of the Government's VAT increase continues, as we predicted, to drive down growth and undermine the budget, the ESM may become vital to funding public services in the next two years.

We support the introduction of fiscal rules. They make sense and I have not heard a credible argument against them. It was the late Mr. Brian Lenihan who first put them on the Dáil's agenda in the first half of 2010, long before the EU-IMF deal. He subsequently brought to Government an in-principle agreement to proceed with fiscal control legislation and an independent fiscal advisory council. The rules contained in the treaty closely reflect what we supported before and we are not going to switch our position.

Each of these is a positive reason to support the treaty. They stand in contrast to the tone that Ministers set in the past two months. This treaty will not pass if it is sold in an aggressive way. People must be given positive reasons for supporting it. They must be shown that it is a part of the agenda to restore growth to Europe and ensure that Irish public services can be funded. The standard line being used by its opponents is that it is an austerity treaty. It does not matter how often they repeat this; it is just not true.

There is a major gap between tax revenues and spending on public services. This must continue to be reduced. It is nothing less than dishonest to claim we can carry on regardless or that everything would be easy if we defaulted on a bit more debt. It is a classic piece of political cynicism to claim in the House that there is an easy answer, that the money would just be

available to pay pensions and keep services going. That is nothing more than the politics of exploiting people's problems.

There are four more budgets in the life of this Dáil and none of them will be significantly tougher because of this treaty. In fact, they may be easier. If the treaty helps to keep our costs of borrowing down, then it will provide significantly extra room to maintain public services.

A core justification for the treaty is that it will help save the euro. It cannot do this by itself; other measures are also needed. What is surprising is that the Government has yet to actually set out a case for why we should retain the euro.

The overwhelming evidence is that any attempt to adopt a new currency would make the current crisis look like a boom time. The transition to any new arrangement would be deeply traumatic and it is ordinary people who would feel it and bear the brunt most. However, we need to push this reasoning to the side since membership of the euro cannot be sold on fear alone. What can the euro's long-term future be if its main justification is that countries have no alternative and are trapped? Fostering resentment of a currency among the people who use it is not a way to secure its future.

There is a positive case which can and must be made for both the success of the euro and its future. The evidence shows that the euro has enabled significant growth throughout the Union that has been maintained even after the declines of the last few years. Some of the countries that have benefitted the most have been rather reluctant to acknowledge the euro's role.

In Ireland, the story is even clearer.

For example, a study released in December by ESRI and Trinity College researchers concluded that the adoption of the euro has had a significant and positive impact on our exports to all regions, which has increased over time. They showed how it has given a boost in markets which ranges from 30% to 60%. Given the centrality of exports to our economy, this in itself is a powerful argument for saving the euro. Without the euro, our already too high unemployment would be dramatically higher.

The key part of securing the people's support for European treaties has been work to provide clear reassurance on legitimate areas of concern. In each ratification process, additional measures have been adopted which go beyond the core text. These measures are never enough to satisfy Europe's opponents who see a conspiracy in everything. They do not care what arguments they use or who they work with. This is how in the Nice referendum, for example, one could end up with left-wing groups and Youth Defence sitting down under the co-ordination of Anthony Coughlan to discuss how to help each other. Where they always get caught out is that they never change their arguments to reflect the proposals before the people. In the first Lisbon treaty they said Ireland's loss of an EU commissioner was fundamental, whereas in the revised proposal they said the retention of a commissioner was irrelevant.

After the 2008 referendum, I faced quite an amount of pressure to try to find a way of avoiding a referendum. I rejected this and secured agreement to engage with the people and reflect their views in a significantly revised proposal. It is not true that the "Yes" vote always declines during a campaign. As we saw then, it can actually increase if the people are properly engaged.

**The Taoiseach:** Agreed.

**Deputy Micheál Martin:** Sinn Féin and others are trying to sell the idea that the claims about jobs in the last referendum have been proven false. This is nonsense. Ireland has too high unemployment, but it would be much higher if we had rejected the revised Lisbon referendum.

[Deputy Micheál Martin.]

Unlike Sinn Féin and others, I have actually spent a lot of time talking to major investors in Ireland. Every single one of them said to me that investment in Ireland would be lower if we stepped away from the tradition of joining with the advances of the European Union.

Deputy Adams came in here a few months ago and made the incredible claim that his party had been right about Europe for 40 years. If he wants to attack others for their claims during referendums, maybe he could tell us where the nuclear missiles are that he said would be rumbling down O'Connell Street. Where is the conscription that he has spent 40 years telling us was around the corner? Where is there a single major employer who says they will hire more people if we oppose Europe?

Having wasted months, the Government needs to commit today to a programme of real and non-partisan engagement with the public. They need to put aside the aggressive politics which they have introduced into European debates and start a genuine engagement with other pro-Europe parties and the public as a whole. It is mildly ridiculous that the Government has spent a year claiming that the standing of Europe has been destroyed, but has launched only one new EU information programme. This is worthy, but it is directed at children under 12 and is not central to the debates of today.

I want to acknowledge that the Taoiseach has in the last fortnight engaged constructively. I welcome this and I am now calling for a specific series of measures which we should discuss and introduce before the referendum Bill is passed. It is the Government's duty to publish a detailed White Paper which will set out all the issues concerning this treaty and its impact. This must be done well in advance of a Second Stage debate. It should also move quickly to empower the Referendum Commission to begin preparatory work. The ratification Bill must be accompanied by measures which show that this is not the end of the process. There must be measures concerning growth and investment. There must also be a commitment to never again negotiate a treaty in this rushed, secretive and incomplete way.

We believe, therefore, that a formal EU consultation Bill should be introduced, which sets out a process by which the public and the Dáil will be guaranteed a right of consultation in treaty negotiations. We introduced a similar measure relating to EU legislation and this is making a big impact. It should not be the case that the only area where consultation is not required is the most important one of all.

The Oireachtas should adopt a formal negotiating mandate for the Government to seek further treaty changes targeted at the clear design flaws in the euro, which are suppressing growth and employment. This is something which is done in other countries and it would significantly strengthen the Government's hand in negotiations which are obliged to begin once this treaty is ratified.

Ireland must take a more assertive approach to bank-related debts. Last year's policy of talking tough when briefing journalists but leaving the issue off the agenda of summits was foolish. There will be progress on the promissory notes because there must be for the sake of genuine debt sustainability, and because it will have no adverse impact on the wider European economy. This is exactly why it was designed in this way and is entirely separate from sovereign bonds.

This is a referendum which I believe can be won and won comfortably. If the Government is willing to put aside its hyper-partisan and self-congratulatory approach to everything, I have no doubt that a positive message can get across to the people.

As regards the rest of the Council's agenda, we support the Union further toughening its position on Syria. The widespread slaughter of people who want nothing more than a say in the future of their country must be opposed. The regime must be told that there is no way

back to the international community and significant support should be given to the opposition. Equally, the Union has a responsibility to increase its support for the democratic forces in other countries that have overthrown dictators but still seek stability.

The summit will also agree a position relating to the G8 and G20 meetings. Those groups are becoming increasingly vocal on the fact that Europe has the means to solve its own problems if it just puts aside rigid policies and orthodoxies. They want a more aggressive policy of supporting sovereign bonds and they are right in this. The Taoiseach should insist that the EU's position at these summits be distinct from that of the members who attend in their own right. It is time to end the timid approach to tackling the crisis. Europe can overcome the crisis and return strongly to growth and job creation, but it can only do so if its leaders begin to show more ambition and generosity.

**Deputy Gerry Adams:** Yesterday, the Taoiseach reluctantly bowed to the democratic imperative and the right of citizens to vote in a referendum on the austerity treaty. Most of my remarks will focus on that treaty because it will have a profound and long-lasting impact on the people of this State and across the island.

Tá an reifreann seo fógraithe ag an Taoiseach ach ní toisc gurb é sin an rud ceart le déanamh — agus tá a fhios sin ag an Taoiseach — ach de bharr go bhfuil an conradh atá le síniú aige chomh forleathan agus chomh bunreachtúil sin nach raibh aon rogha aige.

This is a referendum that neither the Taoiseach nor the Labour Party wanted. He did his very best to avoid it. Sinn Féin sought its own legal advice and we were told that there was a legal and constitutional need for a referendum. Therefore, had the Government tried to avoid its responsibilities on this, we would have seen it in court. I am sure the Taoiseach knew that.

**The Taoiseach:** I am sure the Deputy is disappointed with that.

**Deputy Gerry Adams:** No. We have potentially saved ourselves a lot of money.

**The Taoiseach:** He would love to have had that.

**Deputy Gerry Adams:** Since the first drafts of this treaty were leaked to the public last December, Sinn Féin has consistently argued that there is a democratic imperative for a referendum. The Taoiseach knows that and he avoided the issue. There is now also a legal and constitutional imperative. While we should not try to turn a necessity into a virtue, the Attorney General could do little else.

**The Taoiseach:** I bet the Deputy is disappointed.

**Deputy Gerry Adams:** All the focus in discussions surrounding the treaty, involving the Government, has been to avoid a referendum. Media reports emanating from the EU have confirmed this. Speaking at the Oireachtas Joint Committee on European Affairs, the Tánaiste also admitted that Government negotiators were actively trying to weaken the text and to insert the words “preferably constitutional” in order to avoid the requirement that it be put to the people. Try as they did, however, the Government parties failed. The Taoiseach's attitude to this is a bit like Samuel Beckett's quotation: “Try again, fail again, fail better.”

**The Taoiseach:** I was following the advice of the Attorney General yesterday.

**Deputy Gerry Adams:** So the referendum will now take place and Sinn Féin welcomes this. Crucially, it means that the people — the citizens — will have their say on a matter of profound and long-lasting consequence. Equally importantly, the details of this treaty, the European

[Deputy Gerry Adams.]

Stability Mechanism and their implications will be fully discussed and debated before a final decision is made. It is called democracy, Taoiseach, so welcome to that world.

**The Taoiseach:** Did the Deputy say, “Welcome to democracy”?

**Deputy Gerry Adams:** The Taoiseach should also move speedily to clarify the timeframe for this referendum.

Will he give a solemn undertaking to this Dáil and to the citizens of this State that he will abide by whatever outcome is reached? Is gá go ndéanfadh an Rialtas díospóireacht mhácanta, agus gan na vótairí a mhisniú chun vótáil i gcoinne an chonartha.

This week when the Taoiseach goes to Brussels, he should tell his European counterparts he will respect the outcome of this referendum and expects them to do the same. This time we can have a real debate not like in the second Nice treaty referendum and, in particular, the second Lisbon treaty referendum. In that referendum Fianna Fáil, Fine Gael and Labour bullied and sought to scare the electorate. It was claimed a vote against the Lisbon treaty would weaken our position in the European Union while a vote for the treaty was a vote for jobs and growth. Where are those jobs now? Where is the growth and prosperity?

**The Taoiseach:** The Deputy should ask that to the young people in Dundalk after last week’s jobs announcement there.

**Deputy Gerry Adams:** We cannot have a replay of the second Nice treaty and Lisbon treaty referendums. Let the facts speak and set aside the scare tactics. The question in the referendum must be clear. Does one support or reject this treaty and its content? Sinn Féin’s position is crystal clear. We are against it. I am happy the Fianna Fáil leader has reminded us that Sinn Féin has been right on every single treaty since we first entered the EEC.

Ní shíleann Sinn Féin gur austerity an bóthar ceart. Ní shin an tslí cheart. Tá slí eile ann. The Taoiseach should reflect on the fate of low and middle income families and disadvantaged communities, already in difficulties under his austerity policy. It is no accident he supports the treaty. Fine Gael and its partner, the Labour Party, have adapted a strategy which is about cuts to public services and the privatisation of State assets. The treaty, if ratified, will place an economic straitjacket on the people of this State for decades. Its debt and deficit limits are draconian and will be imposed on a people crying out for investment in jobs and growth.

The Taoiseach said he wants to be the Taoiseach who retrieves Ireland’s economic sovereignty, yet he asks citizens to vote in favour of a treaty that hands significant new powers over to the European Court of Justice and the European Commission. These powers will allow these institutions to impose economic policies on democratically elected Governments and to impose heavy fines where they believe these policies have not been adhered to. How can the Taoiseach claim to be for restoring sovereignty while giving away important Irish fiscal and budgetary powers to unelected bureaucrats?

I am not surprised by the Taoiseach’s support for this treaty or indeed Fianna Fáil’s — most of Fianna Fáil anyway. Fianna Fáil is in something of a dilemma. The party leader has spelt out his party’s support for the treaty while its deputy leader has refused to commit himself to voting for the treaty. What does the Fianna Fáil leadership do in these circumstances? It attacks Sinn Féin.

It is no accident either that Fianna Fáil, Labour and Fine Gael were all part of the cosy consensus for cuts and that this Government is dutifully implementing the economic policies

of the last Fianna Fáil-led Government. All three have advocated cuts to public services and to the imposition of stealth taxes as the way of tackling the financial crisis. Sinn Féin believes if ratified, this austerity treaty will have a profound and adverse impact on the economy and people for decades to come.

Irish economic growth forecasts have been downgraded continuously. At the beginning of February, the Central Bank lowered economic growth forecast for this year from 1.8% to 0.5% while the Economic and Social Research Institute predicts growth of only 0.9%. Tá na figiúirí seo ag tabhairt dúshláin dháiríre don Rialtas agus, níos tábhachtaí, ar son mheas an ghéilleagar Éireannaigh agus ar son dhul chun cinn. The reality is austerity is not working.

Earlier the Taoiseach said, “Approaching this European Council meeting in a non-crisis mode is a welcome development”. I sometimes wonder in what world taoisigh live. Is it a non-crisis when 500,000 people are unemployed? When one considers the cuts to essential public services and their consequences, the numbers of young people leaving our shores, the cuts to DEIS schools, the slashing of school guidance counsellors, the attack on rural communities, families in mortgage distress, the crisis in our health service and the imposition of cuts to community employment schemes, anyone with any sense would know we are in a crisis.

Recent figures confirmed what many of us on the Sinn Féin benches have been saying for some time. The Government’s austerity taxes are disproportionately impacting on lower and middle income families, yet the Government has plans to cut a further €8.6 billion from the economy in the next three years to meet the troika deficit target of 3%. The austerity treaty demands that this be reduced to a 0.5% target. At some point, will the Taoiseach explain how he intends to accomplish this? It has been predicted this will mean a further €6 billion in cuts and new taxes. The people cannot afford this treaty.

I know the Taoiseach is busy having a conversation with his colleague but there is an alternative approach if he cares to hear it.

**The Taoiseach:** Tá mé ag éisteacht leis an Teachta. Cloisim é.

**Deputy Gerry Adams:** Tá sin go hiontach. B’fhéidir gur féidir leis rud éigin a fhoghlaim. Molaim dóéisteacht go cúramach liom.

What is needed is a strategy for jobs and growth through stimulus. There are 23 million citizens unemployed across the EU but this treaty will not mean one additional cent has been allocated to job creation.

**The Taoiseach:** There are also 23 million small and medium-sized enterprises.

**Deputy Gerry Adams:** The Government and the EU have proposed a treaty which deals with none of the problems facing Europe. It does not deal with the debt crisis, the banking crisis or the unemployment crisis. There are solutions, however.

As I said, we need investment in jobs and growth. I know the Government has pilfered most of it but we still have a National Pensions Reserve Fund of €5.3 billion. This should be combined with the resources of the European Investment Bank to invest in various projects to get our people back to work. The European banking system must be cleansed of toxic debts through a new round of rigorous stress tests and deleveraging followed by recapitalisation where necessary funded by the European Central Bank. Debt-restructuring agreements must be introduced for over indebted economies involving debt write-downs to assist them return to debt sustainability. This would also allow the State to end the €3.1 billion annual payment to Anglo Irish Bank which will cost the Irish taxpayers up to €65 billion before it concludes in 20 years.

[Deputy Gerry Adams.]

Has the Government not considered any of these suggestions? The Taoiseach is not a stupid man. Has anyone at Cabinet considered that we cannot afford this treaty?

**The Taoiseach:** The man beside Deputy Adams — Deputy Pádraig Mac Lochlainn — was asked earlier how he was going to pay everyone in the public service if we decided not make these payments.

**Deputy Gerry Adams:** The Taoiseach earlier refused to answer any of my questions around the bank formerly known as Anglo Irish Bank and yesterday refused to answer my questions on a conflict of interest with those in NAMA. I have to make my mind up on why he does this. It is unjustifiable the people should have to pick up the bill for all of this and at such a cost.

I call on the Taoiseach again not to pay the €3.1 billion to a zombie bank at the end of March. He should simply refuse to pay it. It is not contained in the memorandum of understanding with the troika or any of the other measures in which the Government has been involved. We simply cannot afford it.

Within existing EU treaty provisions, the European Council must ensure the ECB — which has a responsibility in this — takes all necessary action to stabilise sovereign bond interest rates and ensure market access for all member states. On the day after the treaty was agreed, the EU released its youth unemployment statistics but it did not release any strategy for dealing with this unemployment reality for our young people. Almost one third of young people in this country and almost half of young Spanish people are out of work. Thousands of young people, not least from the Taoiseach's own constituency and not least from the west, have to leave the State every week to try to make a living elsewhere. The austerity treaty will only make this dire situation worse. It is not right, just nor fair that working people have to pay for the greed, corruption and bad government that led to the economic crisis or the debts created by the golden circle — the big bankers, bondholders and developers.

We will fight the campaign against the treaty within Sinn Féin and across the electorate, who are very sophisticated. The people understand these matters a lot more than the conservative parties give them credit for. I have every faith in the wisdom of the people, their sophistication and ability to come up with the right decision on the future, whether it will be a future of austerity in perpetuity or a new Ireland, a new republic, a just Ireland, one in which equality is valued and the people are valued.

**Deputy Mick Wallace:** I wish to share time with Deputies Boyd Barrett and Ross.

**Acting Chairman (Deputy Olivia Mitchell):** Is that agreed? Agreed.

**Deputy Mick Wallace:** When the Taoiseach goes to Europe for the European Council meeting, if he gets the opportunity I urge him to ask Chancellor Angela Merkel if she believes that the latest Greek bailout will work, given that it will probably deepen the recession, cause greater unemployment and social unrest. The European Union's prediction is that the Greek economy will only contract by 4.3% this year, 0% next year and will grow by 2% in the following years up to 2020. The Greek economy is contracting at present by 7% and I do not think anyone believes those figures. I would like to hear a direct answer from Chancellor Merkel on the issue.

From the Irish point of view the Council meeting will be very much dominated by the decision to hold a referendum, which I welcome. There should be greater participation of citizens in decisions made in this country. Having a vote once every five years is not enough for citizens. I welcome the decision to allow a referendum, which will be about many things

for different people, such as the austerity economics and the insistence that governments should slash spending in the face of high unemployment which has been all the rage with most governments in Europe in recent times. I am not sure people in this country are fond of that.

I am not sure what kind of country the Taoiseach has planned for us but people will have a say on what kind of country they want. While austerity might not do any harm to the export market or fiscal matters, it is killing the domestic market. The domestic economy, which is responsible for 90% of employment in this country, is going down the tubes. We will not have serious recovery until we deal with issues that directly concern the domestic economy.

We must also ask whether we want more or fewer decisions made in Europe. Of late, Chancellor Merkel and President Sarkozy have met in advance of the European Council meetings. It is as if we do not have much say anymore. No doubt the fiscal compact will cede more power to Europe and fewer decisions will be made in this country. I am not sure that is what the people of this country want. In fairness, they will have a decision to make and it is their call.

On whether we want more or less democracy, there is a serious democratic deficit in Europe at the moment and it seems to be on the increase. If Chancellor Merkel has her way we will go further away from real democracy. Sadly, a directly elected European Parliament has failed to bridge the divide between the people and the European Union. I am not sure what the answer is, but I do not consider that the EU is functioning in the manner we anticipated.

Will the Government accept the vote of the people, be it “Yes” or “No” or will we be asked to vote again if we do not get the right answer the first time? It would be interesting to hear the Government make a pronouncement in that regard in advance of the referendum.

The bank bailout is an issue for people. Taxpayer-funded capital injections into otherwise bankrupt banks are bailouts but the country did not get a bailout. We have loans that we are expected to pay back. It is disingenuous to call what the country received, a bailout, in contrast to what the banks are getting. Unfortunately, the main reason the banks got a bailout from the taxpayer and the country got it in turn was in order to ensure that the European banks got repaid.

It is a big concern that the treaty is not the end of the European programme, it is more like a new beginning. We are told that Paris and Berlin are awash with blueprints for what amounts to a eurozone finance ministry with the power to co-ordinate budget and economic policies. Such plans require far more sovereignty to be ceded than will the treaty to be put to the people in a referendum. People must realise that we are going in a new direction if we decide to vote in favour of the fiscal treaty.

**Deputy Richard Boyd Barrett:** When the German Minister for European Affairs was in Dublin he confirmed that the Government conspired with our so-called European partners to try to avoid a referendum and deny the people of this country the right to have a say on this treaty that will have such far-reaching effects. The Constitution has saved democracy and the right of citizens in this country to have a say despite the conspiring and manoeuvring with our so-called European partners. It says everything about the austerity agenda being pursued by Europe and the thrust of this treaty, which is just the latest instalment in the austerity agenda, that we have already seen two elected prime ministers deposed in order to ram through the policy of bailing out banks and inflicting austerity on the citizens of Europe, and that the Government then also conspired with our European partners to try to prevent a referendum in this country. However, thankfully, the Constitution has ensured that the people will have their say.

Therefore, we must discuss the substance of the treaty, which is very simple. It seeks to deny democratically elected governments the right to borrow, virtually at all. To deny that right at



[Deputy Richard Boyd Barrett.]

any time to invest in jobs, infrastructure, industrial development, and economic and social development is madness. It is anti-democratic and it is economically stupid, but to do it at a time of recession is crazy. The evidence is clear everywhere. It is not just the left that is saying this, mainstream and prominent economists across the world are saying that especially in times of recession one needs flexibility to be able to borrow to invest in the economy, to provide stimulus. The treaty denies us the right to do so.

The evidence of what the policy is resulting in is everywhere across Europe, most dramatically in Greece. Greece is in trouble, not because it resisted the austerity agenda — the people resisted it — but because the Greek Government capitulated to the austerity agenda and the result has been catastrophic for the people of Greece and for its economy, which has collapsed under the impact. Those same consequences are now becoming clear in this country with the downgrading of growth forecasts for this economy and now for the entire European economy. Austerity is suffocating our economy and the European economy and choking off any possibility of economic growth and development.

The supreme irony and hypocrisy of the treaty is that it tells us that, on the one hand, we cannot borrow to invest in jobs, nor in industrial, economic, social or infrastructural development and, on the other, we must borrow tens of billions of euro to pay off the gambling debts of casino banks and financial institutions. It is one law for the people, their futures and jobs and the prospect of economic growth and another for the banks and financial institutions. We must borrow at a desperate cost to the country to pay off the bankers and speculators but under no circumstances will we be allowed to borrow to fund job creation or economic and industrial development measures, which are precisely what we need to offer us a way out of the crisis.

**Acting Chairman (Deputy Olivia Mitchell):** The Deputy's time has concluded.

**Deputy Richard Boyd Barrett:** There is no point in appealing to the Government but we will appeal to the people strongly to say “No” to this austerity agenda and to fight for a different type of Europe. It is not a question of being in or out of Europe, but of a social Europe with an economic future.

**Deputy Shane Ross:** God bless the Attorney General. It is refreshing to find that an officer of the State is prepared to take a decision that is patently against the wishes of the Government. She has given the people an opportunity to make a decision and the House to hold a debate that would otherwise not take place. This is not a political point but holding a referendum is against the Government's wishes. It is an encouraging sign that, in some cases, the separation of power exists within the Cabinet.

The Taoiseach should view the referendum as an opportunity. Now that he is lumbered with it, what will he do with it? He should go to Brussels tonight with the view that his hand has been strengthened, not weakened. An enormous amount of trouble was taken in Europe to ensure that Ireland, which is regarded as a troublesome and truculent nation in many ways, would not have an opportunity to torpedo, albeit not sink, the treaty.

The Taoiseach should warn the other Heads of State tonight and tomorrow that there is a real danger to them of Ireland rejecting the treaty. He should use it as leverage for getting something that we would not otherwise get. We have constantly sought an opening or leverage to write down the debt with which we were saddled willy-nilly by the last Government — the Taoiseach was right in that respect — and possibly by the banks and developers. Deputy Boyd Barrett addressed that point. If the Taoiseach openly or, if he preferred, quietly started to negotiate for major concessions in the form of a write-off of the Anglo Irish Bank promissory

notes, passing this referendum would be much easier. This is the sort of language that Europe understands. It would be the first time that Ireland stood up for itself in Europe and said that if Europe did not give us this, we would not give it that.

There is no moral or pragmatic justification for repaying these bills. People will make a clear link between what Deputy Boyd Barrett rightly called a series of austerity budgets and treaties and Anglo Irish Bank's promissory notes and bondholders. If we can write off the debt, we can assure the Irish people that there will be less austerity.

I do not want the Taoiseach and the Tánaiste, or whoever is with the Taoiseach, reporting that they rubber-stamped the treaty simply because that is how Ireland behaves in Europe. It may be difficult for the Taoiseach but the referendum gives him leverage. It is a threat. He does not need to go cap in hand to Europe today, tomorrow and Friday. He can tell Europe that the people, who do not like this treaty or its terms, are behind him. He can tell Europe that returning some of our economic sovereignty and writing off some of the debt would make delivering on the referendum easier. It is difficult for him to respond to this practical suggestion publicly, given that these negotiations are held behind closed doors. For the first time, however, he has leverage in Europe. I beg him to use it.

**Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore):** I welcome and appreciate Deputies' contributions to this debate, although I do not share some of their sentiments. As our national Parliament, the Houses of the Oireachtas are the right and proper place for an informed and measured debate on our engagement with our partners and neighbours in Europe. As there will be ample opportunity later today and during the coming period to address in detail the issue of the new intergovernmental treaty and the forthcoming referendum, I will confine myself in these remarks to the European Council meeting itself and to the significant issues it will address during the next two days.

This week's meeting of European leaders will address economic policy first and foremost. As a result of some recent positive developments, including the agreement on the second package for Greece, it will be the first such meeting for a considerable time to be held against a backdrop of calm. This is most encouraging. As I have often stated, Ireland's recovery depends on a return to stability and confidence. Europe is not out of the woods yet and important decisions remain to be taken, including on the strength of our firewalls. Collectively, however, we are on the right track.

The spring European Council meeting is the traditional opportunity for leaders to take stock of where we are in terms of economic policy in Europe. I am satisfied that, due to the proactive steps taken by the Government in concert with like-minded partners, we have ensured that this week's engagement will be framed in a balanced and realistic manner. We have consistently highlighted that the solution to the economic and financial crisis cannot be delivered by fiscal consolidation alone. We have been at the forefront of the member states that have clearly and consistently put the case that, in order to move beyond crisis, Europe must also focus on concrete measures to support a return to sustainable job creation and economic growth. Without job-creating growth, the challenge of getting back on track will be more difficult. It is the lever that will help us lift the substantial burdens we face. As has been the case at home in Ireland, these two elements must happen side by side in Europe.

We are meeting the commitments of our programme on time and in full, which is recognised and acknowledged internationally, including by the financial markets. The improved perception of Ireland, which we have been working hard for the past 12 months to develop, is not some kind of vanity project or beauty contest entered into for its own sake. International reputation matters. As a small, open economy dependent on trade, improved sentiment towards Ireland delivers real results in terms of restoring investor confidence, which reduces the cost of our

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borrowing, and attracting inward investment, which delivers growth and jobs to cities, towns and villages.

This week's meeting of the European Council will also agree on the EU's approach to a number of forthcoming international summit meetings. EU priorities will be agreed for the forthcoming G8 and G20 summits taking place in May and June, respectively. It is to be welcomed that a common EU approach is agreed for these meetings where Ireland is not a direct participant. Key principles will also be agreed for the EU's preparation for the UN Rio +20 conference on sustainable development, which will be held in mid-June.

In the foreign policy sphere, as well as considering developments in the EU's southern neighbourhood 12 months after the Arab Spring, the European Council will also address the developing situation in Syria. Last Friday, I attended the initial meeting of the Friends of Syria group in Tunis. I was struck by the broad based support within the international community for a resolution to this pressing situation.

This is not a case of Europe or the west trying to dictate the outcome. I salute the leadership being shown by the Arab League and look forward to strong European Council conclusions which reflect the urgency and gravity of the humanitarian crisis that President Assad's regime has inflicted on its own people and which will add to the growing international political and economic pressure. Building on the friends of Syrian people meeting, the Council will call for an end to the violence, access to humanitarian aid and the start of a peaceful and inclusive transition.

On behalf of the Government I welcome the agreement reached yesterday at the General Affairs Council to recommend that the European Council grant candidate status to Serbia. Ireland fully supports this decision and we look forward to its confirmation by the European Council on Friday. I also look forward to the outcome of this week's meeting of the Council in respect of the range of issues it will consider. This House will, of course, have an opportunity to debate these issues once the meeting has concluded.

### **Treaty on Stability, Co-ordination and Governance in the Economic and Monetary Union: Statements**

**Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore):** This country has come a long way in the past 12 months. Through the hard work and sacrifice of the Irish people we have re-established political and financial stability and we have laid the foundations for economic recovery. The choice facing us now in the referendum on the European stability treaty is whether we build on what we have achieved or go backwards. Nobody is trying to pretend that the treaty is the solution to the problems facing Ireland or Europe. It is an important part of the solution, however, and an essential building block in our economic recovery.

Ireland is a small and open economy. Our jobs and living standards depend on what we make and sell to others. Our prosperity depends on the stability and prosperity of others, including in particular the stability and prosperity of the eurozone countries. The euro is not an abstract concept. It is the very money in our pockets. It is a simple fact that what is good for stability in Europe is good for us.

Twelve months ago, Ireland was stuck in a profound economic and political crisis. This Government has gotten to grips with the problem, however. We have brought about far greater stability and worked hard to restore Ireland's reputation abroad. We are succeeding in our task but to make further progress we need the instability in the Euro area to end. As Minister for Foreign Affairs and Trade, I recognise that what is holding down confidence and investment

is not uncertainty about Ireland but uncertainty about Europe and the euro. We have to overcome that problem and this treaty is an essential part of achieving our objective.

Viewed from the outside, Europe as a whole has often seemed slow in responding to the crisis. There is some truth in that analysis. Europe has been deeply affected by the crisis of recent years, with its institutions and leaders having to navigate through uncharted waters. However, it is also true to say that a lot more has been achieved than is often appreciated and we are now making tangible progress. When the crisis broke, Europe lacked the tools it needed to deal with an unprecedented set of circumstances. Step by step, it has put a response in place and has moved to address the immediate crisis, while learning lessons as events unfolded. It was improvising when the first package of support for Greece was put in place but it has since put in place the temporary mechanism of the EFSF, under which Ireland has drawn down some of its funding, and building on its experience the permanent mechanism of the ESM will come into being in the middle of this year.

The Union has also taken steps to strengthen the rules through which economic and monetary union is built. At the end of last year six legislative measures were adopted and another two are currently in the pipeline, with a shared commitment to their early adoption. Taken together, these measures enhance our capacity to see what is really happening in each other's economies. For example, it will now be easier to spot imbalances, such as the property bubble and over-reliance on unsustainable taxes that contributed to Ireland's downfall. They enhance our ability to enforce the rules by ensuring that all member states, whether big or small, live up to the responsibilities that come with a shared currency. In the European semester and Europe 2020 processes, Europe has put in place systems that can ensure the structural reforms vital to a sustainable return to growth are delivered. These will be at the heart of the discussions that will take place at the European Council tomorrow and on Friday. Ireland has strongly supported this work as vital to our national recovery and investing in our future.

The stability treaty is another part of the solution that Europe is putting in place. The new treaty has to be seen as an important part of this overall picture. It responds, in particular, to a desire on the part of the countries of the euro area to deepen their commitment to each other in recognition of the responsibilities and obligations they share. It is a signal to the wider world that the problems which have undermined confidence in the currency cannot be repeated and that the necessary lessons have been learned. It is simple logic that if one asks people to fix a problem, one must make sure the mistakes that caused it are not repeated. Other elements of the picture include the measures being taken by the ECB to provide liquidity to the European banking system and the new firewalls that have been put in place to protect countries from the effects of contagion in financial markets.

Financial discipline is part of the solution but growth is another part. This Government has consistently called for the drive for discipline and reform to be matched by an equal commitment to growth and job creation. We have argued that any other approach is lopsided and doomed to fail. It is clear that our analysis is being taken on board. The Government is working with like-minded colleagues to drive the agenda forward. At the end of January the European Council identified priority areas for action. Tomorrow's meeting will build on this and in June the European Council will return to the matter to ensure that commitments are being honoured. The Taoiseach and I have engaged with our colleagues and are helping to shape the agenda in Europe. Matters are progressing and repairs are underway.

What will it mean for Ireland to ratify the Treaty? In a narrow sense it will commit us to implementing budgetary rules and procedures to which we are already substantially committed. Voting for the treaty also has far wider implications, however. It will send a message to our partners that we recognise and accept the fact that our fates are locked together. We are ready

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to shoulder the responsibilities this brings. It will send a message to those looking to invest in Ireland that we are deeply serious about restoring the stability and security of our currency and helping to provide the certainty that investors seek before they can commit their money with confidence. It will enable us to hold our partners to account in a way that has not been possible heretofore. The larger member states will no longer be able to use their weight to escape the rigour they apply to others. It also puts in place a set of rules about how future Governments will manage the public finances. The Government was already committed to this approach regardless of whether our partners in Europe were minded to do likewise.

We were already committed to a fiscal responsibility Bill containing many of the provisions now set out in the new treaty. As a small and open economy, we have to learn the lessons of this crisis and ensure that our national finances can endure the buffeting of future shifts and changes in the global economy. Ratification of the treaty will also mean that Ireland will continue to have access to emergency funding under the ESM should it ever be required in the future. We have made plain our determination to exit the EU-IMF programme of support as quickly as we can and without resort to the ESM. That remains the Government's steadfast intention but we should also recognise that having the ESM available as a backstop is a sensible and prudent precaution which will further enhance international confidence in Ireland.

I have no doubt that some people will seek to distort the truth about this treaty for their own ends. They are already doing so and we heard some of it earlier today. I believe the Irish people will see beyond such self-interested arguments and will recognise that the treaty is part of a package of measures at national and European level to restore stability, underpin confidence and support a return to growth and job creation. It is absolutely in our national interests to ratify it, as a step towards a more secure and sustainable future. In seeking that support, we are asking the people to cast their votes for economic and financial stability. In the end, this treaty is about providing a foundation of stability, on which we can build a sustainable and real economic recovery.

As I said to the House yesterday, the Government was elected to office in the face of the gravest political, economic and financial crisis the country has faced. Before that, the people had looked on in horror as the economy went into a nose-dive and as the economic crisis was followed by a political crisis. In the past year, the Government has taken a grip of the problem and we have been successful in restoring political, economic and financial stability. We have worked diligently in the slow and painstaking task of restoring our reputation as a country and our standing among the member states of the European Union.

Our efforts have been widely recognised, and they are showing results. As a country we are making progress together, step by step. Our cost of borrowing has fallen and we have improved the terms of our EU-IMF programme, saving the country €10 billion in interest payments. We are once again, as we were in the past, held in high regard internationally. Our credibility is being re-established and confidence in Ireland is growing. Investment is returning and with it jobs as we have seen in jobs announcements in recent weeks. We know where we are going and we have shown that we have what it takes to get there. Thanks to the hard work and sacrifice of the people, we are now in a far better position than we were a year ago. We now need to build on that stability, achieve economic recovery, create jobs and make existing jobs more secure.

However, we cannot take that stability for granted, and we must also recognise that we can only do so much for ourselves. We are part of the euro currency union. For Ireland to succeed, Europe must also succeed. For there to be stability in Ireland, we also need stability in the euro area. People should not listen to those who try to make cynical use of the debate to advance narrow partisan interests to the detriment of the interests of the people. The situation

is too serious and the issues involved are too important. In the face of the worst crisis we have weathered together, the people have shown their mettle. In doing so, they have gained the respect and confidence of our partners in Europe and beyond.

We now have an important opportunity to take a decision that will help to secure all that we have worked hard to achieve with a positive step towards our national recovery and a vote of confidence in our capacity to recover and regain control of our own affairs. I look forward to a full and respectful debate, to a clear and positive outcome and to moving forward together.

**Deputy Seán Ó Fearghail:** Ba mhaith liom buíochas a ghabháil leis an Rialtas as ucht an díospóireacht tábhachtach seo a bheith againn inniu. I wish to reflect the sentiments expressed by Deputy Ross in respect of the initiative taken on the advice given by the Attorney General, Ms Máire Whelan, who has done the State some service.

Yesterday at 3 o'clock, the eyes of Europe once more turned towards Ireland. Supported by the enduring strengths of our Constitution, the people, despite Government efforts to avoid it, have finally been given the opportunity to give their opinion on the future direction of the EU. It is a chance for the people to affirm our role in a Union that has transformed a war-torn continent onto the most peaceful and prosperous community in the globe. As it has since we guided Ireland into the European Economic Community in 1973, Fianna Fáil will support efforts to move Ireland and the European project forward.

Since the agreement of the outline of the fiscal compact in December, Fianna Fáil has consistently called for a referendum to be held. The democratic deficit that is gnawing away at the heart of Europe cannot be ignored despite desperate and ultimately failed Government attempts to avoid a referendum, which have weakened our position in the eyes of the electorate and our EU partners.

We will vote in favour of the treaty as a step towards facing up to the fundamental challenges facing the eurozone. However, we believe it does not go far enough and that the ECB's role needs to be reformed, fiscal union needs to be established and pan-European banking regulation needs to be set out. The fundamental design flaws of the euro need to be addressed in order to get Europe's and Ireland's economies moving again. Our policy of constructive engagement with Europe has benefited Ireland immensely and will continue to do so into the future. The benefits of free trade, infrastructural investment and unprecedented movement across the Continent are central parts of Irish people's lives today. The greatest assertion of Irish independence from Britain was the day we joined the EEC and broke the cords of economic reliance on the UK that had bound the country since 1922. Those who cynically play the nationalist card in the upcoming referendum should recall that independence is more than mere slogans.

Our engagement with the EU is founded on shared values of solidarity, human rights and democracy. It is an engagement that involves — like any good friend — criticism where necessary. We are profoundly critical of the limits of the fiscal compact, which is just one step in a far longer journey in addressing the crisis we all face. However, as the proverb goes, every journey starts with a single step and we will not indulge in cruel populism, demagoguery and snake-oil salesman solutions to problems that demand honest action. The responsibility that falls on us as public representatives deserves more than that.

It is important for us to consider the context of the treaty, its details and the potential future repercussions on Ireland. The European project stands at a crossroads. Internally, it is assailed by a currency crisis, a stagnant economy and rising unemployment. Externally, it faces a volatile globe with rising economic powers which threaten to sideline it and condemn Europe to increasing irrelevance. Europe needs to take decisive choices on what direction to take in order

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to address these problems. This treaty is just a step towards the decisive action necessary. The economic future of our country is bound up with the choices the EU as a whole makes in the critical coming months and years. Ultimately, no amount of action plans will solve the unemployment crisis if the broader European macroeconomic situation remains dire. All pathways to work will lead nowhere if the EU continues to lurch from crisis to crisis as it has done.

The 1992 Maastricht treaty created the common currency after years of grave volatility in the markets and an utterly transformed Europe after 1989. It aimed to face up to the dramatic seismic fall of the Berlin Wall and the collapse of the Soviet Bloc that had been a dark shadow over the free Europe since the end of the Second World War. It was envisaged by Jacques Delors, Helmut Kohl and François Mitterrand as a core part of a new framework for a new Europe. However, from the inception of currency, it suffered from fundamental design flaws. Monetary union requires fiscal union. The Stability and Growth Pact of 1996, which aimed to establish rules to co-ordinate budgetary policies across the common currency area, was wholly inadequate in this regard. The fiscal compact treaty on which we will vote on coming months is basically a ramped-up version of the Stability and Growth Pact from 16 years ago, which built on the Maastricht treaty of 20 years earlier. After the Stability and Growth Pact was consistently breached by Germany and France, it was clear that it needed stronger enforcement rules. More recently the economic governance six-pack passed by the Council and European Parliament took steps towards this in December. The fiscal compact treaty is not a radical departure or a shocking loss of sovereignty. It is not the quantum leap required to solve the crisis at hand. Essentially, the treaty attempts to reduce the chances of poor fiscal policy in one country affecting another country. The rules, as well as budgetary oversight, co-ordination and multi-year budgeting, are in place to enshrine such good fiscal policy by making imprudent fiscal policies harder to enact. The compact is an international treaty outside of the EU treaty framework. It will enter into force following ratification by at least 12 euro area member states. It is open to these countries and to EU countries currently not members of the EU area alike. Unlike the Lisbon or Nice treaties, it does not require agreement of all EU member states, including Ireland, to go ahead. Ireland now has a choice not a veto on whether it wishes to move forward with our EU partners.

Fianna Fáil does not believe in a two-speed Europe and considers the United Kingdom's decision to step outside this treaty with grave concern. The unity and solidarity of the EU across all member states is vital to its future success. Verification of the treaty is required to qualify for the European Stability Mechanism which replaces our current funding arrangements under the European Financial Stability Facility, EFSF, in January 2013. The ESM is the permanent funding mechanism designed to stave off future sovereign debt crises. If Ireland decides to vote against this referendum and we are unable to return to the sovereign debt markets after the end of the EFSF, we will not be eligible of the ESM. A "No" vote would be a self-fulfilling prophesy in preventing a return to the markets. The bond markets will inevitably react harshly to the removal of the security net of the ESM.

Fianna Fáil has set out clear views on what action must be taken to get the European and Irish economies moving again. The treaty is not enough to solve the eurozone crisis. It is one step towards a comprehensive set of policies. An overhaul of the eurozone design framework is needed to address the fundamental problems facing the eurozone. The three main problems are the limited mandate of the European Central Bank; the lack of uniform financial regulation, including a pan-European bank resolution regime; and the lack of a more ambitious fiscal union, in particular one which involves transfers between member states. Dr. Alan Ahearne correctly describes the treaty as an indispensable bridge to the policies necessary to confront

the crisis. Creating a framework to co-ordinate fiscal policy in countries sharing the euro currency allows for greater macroeconomic policy efforts throughout the eurozone.

Ultimately, a combination of fiscal and monetary measures is required to tackle the crisis by attacking the basic design flaws in the euro. Fiscal union is the only real solution to the crisis as well as generating economic growth and job creation. Without financial transfers the dominance of Germany and other northern European countries would be copper-fastened and the union would be placed under immense pressure because weaker countries cannot devalue their currencies to compensate. Fiscal union with eurobonds that pool sovereign debt will strengthen all member states' economic performance.

The ECB's mandate should be reformed to a model similar to the US Federal Reserve in which the ECB can expand monetary policy by buying debt from member states. Strong unified financial regulation throughout the union, reflecting the reality of international finance under the remit of the ECB, will be vital to ensure the banking crisis that we have endured does not recur. These changes are necessary to put the euro on a solid footing and secure the future of the European Union in a rapidly changing world.

The Government has wasted immense energy and political credibility in its attempts to avoid a referendum. In the eyes of the electorate, it is seen to be running away from going to the people on a difficult topic and to only grudgingly accepting a referendum now on foot of legal advice. In the eyes of our EU partners, the efforts to accommodate a Government that consistently emphasised the need to avoid a referendum have been utterly useless. No doubt a sense of shock and surprise spread throughout the corridors of Brussels yesterday evening. When the Tánaiste commented last July to the Institute of International and European Affairs, IIEA, about how the Government was determined to re-build our relationships and restore our standing within the European Union, did he mean haranguing other governments into changing the treaty to avoid votes, only to find out that, ultimately, it had to hold a referendum anyway?

Since the agreement of the outlines of the treaty in December 2011 Fianna Fáil has called for a referendum. We believe that without democratic legitimacy the steps necessary towards addressing the critical problems of the Union will be doomed to failure. The people must be consulted and the democratic values upon which the Union was founded should always be at the heart of major policy decisions. In the long term, the European project cannot survive if ordinary citizens do not have an active role in shaping its future. After the initial defeat of the Lisbon treaty in 2008, significant pressure was placed on the Government to press ahead with other routes to advance the treaty without another referendum. That was the wrong route to take. Hiding from the people in the ivory towers of Merrion Street or the Berlaymont building is no way for democratic states to work together. We took the right route and held another campaign. We made an effort to engage constructively with the people and ensure that the views of the people guided our way forward. The Government of the day should never avoid the people as any short-term gain is always at the greatest of long-term costs.

I regret the attitude taken by Cabinet Ministers towards the referendum. The views expressed by the Minister for Transport, Tourism and Sport, Deputy Varadkar, that a referendum would not be very democratic or that it would turn into a referendum on extraneous issues do not represent the sort of positive open engagement that this campaign needs to win. The people will not be impressed by a half-hearted Government forced into a referendum fighting a rear-guard action. The Government must transform its negative attitude towards referendums, a core part of Irish democracy, and run an campaign of open engagement easily accessible information and positive but not uncritical EU participation.

Just as we call for a referendum to allow the people a choice, we also call for a campaign that is not dominated by fear mongering on one side and charlatanism and conspiracies on



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the other. Europe is more than a “Goldman Sachs conspiracy”, as my good friend, Deputy MacLochlainn, has stated previously. His party, which claims to be pro-European, has voted against every European treaty since 1972. The people deserve honesty on all sides in this debate and not self-serving clinical political points with no real interest in solutions.

This is a high stakes referendum for Ireland which will have profound repercussions economically and politically. More important, it is also a chance at this juncture in history for a country on the geographical fringes of Europe to once more affirm its role as part of an unprecedented political community, a community which has turned a Continent ravaged by genocide and conflict between rival states into a transnational organisation unrivalled anywhere in the world and one that has allowed Ireland to break free from our historic reliance on the United Kingdom and drive on immense social and economic progress. *1 o'clock* Fianna Fáil will argue for a “Yes” vote as a step towards the actions we need to take to provide financial stability and establish a framework for jobs. We will argue for a “Yes” vote for our continued role at the heart of Europe. As is right and proper, the people will have the final say on whether we move forward on this treaty. I look forward to engaging them in the coming months.

**Deputy Pádraig Mac Lochlainn:** I imagine the mood among those in the Cabinet was sombre yesterday when the Attorney General’s deliberations were reported and it dawned on them that a referendum was unavoidable. I recall when the Tánaiste addressed the Joint Committee on European Union Affairs on this issue. We probed and determined that the term “preferably constitutional” was changed in the text. The only achievement our Government actively negotiated, apparently, was to weaken the text to avoid a referendum. The Tánaiste confirmed that——

**Deputy Arthur Spring:** Apparently.

**Deputy Eamon Gilmore:** Not at all.

**Deputy Pádraig Mac Lochlainn:** It is on the record so the Tánaiste can deny it all he likes.

**Deputy Eamon Gilmore:** Only what I said is on the record.

**Deputy Pádraig Mac Lochlainn:** He confirmed that our Government’s negotiators worked with other governments to achieve this weakening of the text. In return, we got the German Government’s insistence that ESM access would be conditional on supporting the treaty, a fine achievement.

The Government must have been gutted yesterday when the Attorney General reported on her deliberations. Of course, Sinn Féin had already sought and received the same expert legal advice and we were ready and willing to take the case to the courts if the Government had denied the people their say. Now the people have the outcome they wanted.

**Deputy Eamon Gilmore:** Sinn Féin must have been disappointed.

**Deputy Pádraig Mac Lochlainn:** As our party president said, the Government has saved us a lot of money. We are pleased the people have got their outcome and that we do not have to court as we did previously when Deputy Pearse Doherty took his case.

It is strange to look across the House and see the leader of the Labour Party there because as we debate these issues and make our statements, the European Trade Union Congress and the Irish Congress of Trade Unions — the Labour Party grass roots — are protesting outside

the European Commission building on Molesworth Street. They are protesting against what this treaty represents and against the right wing policies of austerity which have failed people across Europe. That should inform the Tánaiste as to the approach he should have taken on this issue and as to the negotiation strategy he should have adopted.

It is interesting that when people question the direction Europe is taking, we hear all sorts of statements about them being self-serving, cynical, conspiracy theorists, etc. Yet, when the European Constitution was put to the people of France, debates took throughout that country, in libraries, town halls and hotels and, on a progressive basis, the French people rejected the proposition of the European Constitution. They rejected the direction Europe was taking. The people of Holland did the same.

Before it came to Ireland, those in Europe stopped the process because the constitution was clearly being rejected. What happened instead? Did they go back to the drawing board saying they needed to reflect on the fact the European project was losing its way and was disconnected from the people on the ground? Not at all. They reconfigured some small parts of the constitution and put together the Lisbon treaty. The only reason Ireland had its say on the Lisbon treaty was thanks to Raymond Crotty, who took his case in the 1980s and against all the odds eventually won the right for the Irish people to have their say on these matters, the transfer of economic and political sovereignty to another remit. The Irish people then became the third country to reject what was, essentially, the same proposition.

What did Europe do about this? We know what the Tánaiste did about it. He went into the US embassy and told the US ambassador we would go back and do it again.

**Deputy Eamon Gilmore:** I did not. I never went to the US ambassador and never talked to him about it.

**Deputy Pádraig Mac Lochlainn:** It is good the Tánaiste is on the record now as saying that was not the case and that he gave absolutely no assurance to the US ambassador. Despite the Tánaiste's protestations, that is what was reported through WikiLeaks at the time and that disturbed the Labour Party grass roots.

**Deputy Eamon Gilmore:** The Deputy should not believe everything he reads in the media.

**Deputy Pádraig Mac Lochlainn:** Here we were again and we came back with the second Lisbon treaty referendum. We had an alliance of Fianna Fáil, the Labour Party and Fine Gael with their leaders walking down the street and telling people to vote "Yes" for jobs, growth and prosperity.

**Deputy Eamon Gilmore:** Sinn Féin voted on that.

**Deputy Pádraig Mac Lochlainn:** The economic crisis was just beginning at that stage and people's concerns were heightened, which made that a powerful combined message and promise to the people. They believed and voted "Yes", but they did not get jobs, growth and prosperity. Did they even get solidarity? No.

When economists across the world, both left and right, analyse the situation in Ireland, they all agree that the fact that our people were saddled with horrendous banking debt, which was a result of the failure of regulation at European level, was completely unfair and unjust. Have we got justice and did we get jobs, prosperity and all the good things promised? We did not. Yet, you wonder why Irish people are turning against the institutions of Europe and why people across Europe have lost confidence.

**Acting Chairman (Deputy Olivia Mitchell):** The Deputy should address his remarks through the Chair.

**Deputy Pádraig Mac Lochlainn:** I am addressing the issue clearly. I am explaining the context of how this treaty came about.

This crisis was about free market capitalism, deregulation of markets, privatisation and all of those things that came with Reagan and Thatcherite policies, which were embraced in Europe against the will of the European people. This led to a collapse of that system. What did we get in response to the collapse of that ideology and belief system? We got more of it. We have a treaty now that blames investment in public services for the crisis.

**Deputy Eamon Gilmore:** Where does it do that? In what paragraph does it do that? The Deputy is making this up.

**Deputy Pádraig Mac Lochlainn:** People talk about conspiracy theories with regard to Goldman Sachs. The technical Prime Ministers of Greece and Italy are of the Goldman Sachs stable. The president of the ECB is from the Goldman Sachs stable. We have senior treasury secretaries and economic advisers in America from that stable. We must ask the question whether if these people and Governments have failed so catastrophically that people are saddled with recapitalising and nationalising banks and with the resulting devastation — one need only look at the situation here — how they can be rewarded and promoted. How can their ideology be put at the forefront and those with a different view be sidelined — the views of those who believe in the principles of Keynes that at a time of recession the cycle must be countered and the economy must be stimulated? Remember how Barack Obama, the US President, explained the role of government to his people in clear, cogent terms. In a time of recession, it is the task of government to intervene and try to restore confidence by investing public funds into the economy to get it moving again.

In Ireland and in Europe we are defying economic logic and the policy is failing catastrophically. We have more of the same in this treaty.

**Deputy Arthur Spring:** We are investing in the economy. Some 1,000 jobs are coming to Deputy Adams' town of Dundalk. The Deputy should get behind the flag he is talking about.

**Deputy Pádraig Mac Lochlainn:** The Tánaiste knows I am right about this treaty. This treaty is about Angela Merkel's insistence on austerity. She has given the impression to her own people that this was about irresponsible, reckless feckless people in the periphery — the banks and so on, but mostly ordinary people — who now need to be cleansed for their recklessness through austerity and that when the people can prove they are responsible citizens, they can avail of the supports. This is a lie. The core responsibility, particularly of German banks, is evident. I could quote George Soros, the former German Minister for Foreign Affairs, Joschka Fischer, and former British Prime Minister, Gordon Brown, on this. This is the reality, yet Germany has not shouldered its responsibility when communicating to its people. However, we buy into this narrative. This is from where this treaty came and this is what it is about.

The Government talks about solutions. There are four key elements to the crisis. There is the investment crisis, the unemployment crisis, the sovereign debt crisis and a banking crisis. On the issue of investment and unemployment, we have a huge resource in Europe, the European Investment Bank, which could be deployed in a strategic fashion to get the stimulus started across Europe. It has a track record of prudent investment and return and provides an intelligent way of redistributing wealth throughout the European area, but in a way that provides a return on the investment.

**Deputy Eamon Gilmore:** Sinn Féin was opposed to the treaty that set it up.

**Deputy Pádraig Mac Lochlainn:** In Ireland we could deploy our National Pensions Reserve Fund, €5.3 billion of our own resources, in partnership with the European Investment Bank and consider key strategic projects. However, we have decided that capital investment, the low hanging fruit, will be drastically reduced. There is no vision. The emphasis is on always complying with the numbers.

On sovereign debt, we all know there must be a realistic write-down of debt. That is what the markets will respond to. They know that we cannot sustain our levels of debt. We cannot have growth in these countries and in the wider eurozone unless we have a realistic and fair deal for our people. We must also look at the European Central Bank and redeploy its resources and give it the capacity to purchase government bonds in the primary markets. The banking issue is a core issue. The core banks in Europe that engaged in reckless lending——

**Deputy Eamon Gilmore:** Sinn Féin voted to guarantee them.

**Deputy Pádraig Mac Lochlainn:** ——are exposed to all of the various vehicles that are proposed. They have not been rigorously stress tested. All of the books across Europe — not just in Ireland — should be opened. The truth should be put on the table. When the rigorous stress tests reveal all the facts about the reality of the extent of this crisis, the banks can deleverage and we can recapitalise them on a case by case basis. Why has that not happened already? Why has the need for truth not been dealt with? I suggest that the core states want to ignore the truth. It is easy to sell a narrative about Greece, Ireland, Portugal and Italy being feckless and to suggest that people in the south of Europe and on the periphery of Europe do not have the same sense of discipline, responsibility and organisation as people in the core states.

**Deputy Arthur Spring:** Nobody has said that.

**Deputy Pádraig Mac Lochlainn:** This treaty fits the narrative. That is what this is all about. It is completely wrong.

**Deputy Eamon Gilmore:** Are you going to say anything at all about the treaty?

**Deputy Pádraig Mac Lochlainn:** The context of the treaty is very clear.

**Deputy Eamon Gilmore:** You have spoken for 15 minutes without referring to it.

**Deputy Pádraig Mac Lochlainn:** You tell me and — far more importantly — you tell the Irish people how we are going to get to——

**Acting Chairman (Deputy Olivia Mitchell):** Deputy, you are meant to address the Chair. You are not having a conversation with the Tánaiste.

**Deputy Pádraig Mac Lochlainn:** In fairness, the Tánaiste addressed me.

**Acting Chairman (Deputy Olivia Mitchell):** I ask the Tánaiste to allow you to have the floor.

**Deputy Pádraig Mac Lochlainn:** Would you like to make that point to him too?

**Acting Chairman (Deputy Olivia Mitchell):** I am making it. You are entitled to speak uninterrupted.

**Deputy Pádraig Mac Lochlainn:** That is fair enough. I am happy to address you. When the Tánaiste asked me a question, I tried to be polite by responding to him.

**Deputy Eamon Gilmore:** In fairness, you are always polite, Pádraig.

**Deputy Pádraig Mac Lochlainn:** Of course. I will address the Chairperson because I cannot address the Tánaiste.

**Deputy Arthur Spring:** She cannot answer you.

**Deputy Pádraig Mac Lochlainn:** The Chairperson is insisting on this process. How does the Government suggest the Irish people can meet the demands of this treaty, such as the 0.5% deficit ceiling and the requirement to reduce the 60% debt to GDP ratio over a defined time-frame? In such a climate, how can we facilitate economic growth and restore confidence to entrepreneurs and people who want to make things happen in this country? All Deputies listen to their constituents. When we get telephone calls, we hear similar stories. As I have said on many occasions, I do not claim to have a greater insight into people's concern or worry.

**Deputy Shane McEntee:** They are very happy in Dundalk and in my area.

**Deputy Pádraig Mac Lochlainn:** The core issue is that this treaty does not offer a solution to our economic crisis. The really interesting thing is that the strongest defence of this proposition that I have heard in the debates on it is that the ATMs will shut down and we will be unable to pay our doctors if we cannot access a bailout.

**Deputy Arthur Spring:** Who said that?

**Deputy Pádraig Mac Lochlainn:** That has been the strongest defence of it.

**Deputy Eamon Gilmore:** Who said that?

**Deputy Pádraig Mac Lochlainn:** No economic defence of this proposition can be made.

**Deputy Arthur Spring:** Who said that?

**Deputy Pádraig Mac Lochlainn:** That is why the Government wilfully tried to avoid a referendum.

**Deputy Arthur Spring:** We welcome the referendum.

**Deputy Pádraig Mac Lochlainn:** The text was weakened.

**Deputy Arthur Spring:** It is great news.

**Deputy Pádraig Mac Lochlainn:** As Deputy Ross has pointed out, the Attorney General has done the right thing. The Government knows this is a ridiculous proposition that does not offer a solution to our crisis. That is why it will resort to scaremongering again.

**Deputy Eamon Gilmore:** The Deputy is doing a good job of that.

**Deputy Pádraig Mac Lochlainn:** We will hear about jobs and growth. We will be told we will not get any money if we do not support this. We will hear suggestions of "better the devil you know", etc. Fair play to Raymond Crotty for giving the Irish people a chance to have their say on these matters. When the Irish people rejected the Lisbon treaty, that decision was celebrated not only in Ireland, but also by ordinary progressive people across Europe. I firmly believe that if the Irish people reject this proposition, far from being isolated, we will be celebrated across Europe for making a stand against the madness, insanity and lack of political leadership

that have dominated in recent times. At last, the people have the opportunity — it is a unique and precious gift — to make such a stand.

**Deputy Shane McEntee:** We are going back to the 1950s.

**Deputy Pádraig Mac Lochlainn:** If one needs any evidence of the lack of collective political leadership, it is the letter that has been written by 12 political leaders. There are 27 leaders in the EU. France and Germany were not involved in the letter. The Government is making it up as it goes along. This proposition is bad for Ireland and bad for Europe. The Irish people have a chance to make a stand and I believe they will make it.

**Deputy Shane McEntee:** All of the fishermen will vote “Yes”.

**Deputy Clare Daly:** I would like to share time with Deputies Catherine Murphy and Thomas Pringle.

**Acting Chairman (Deputy Olivia Mitchell):** Is that agreed? Agreed.

**Deputy Clare Daly:** People probably smiled as they listened to the Minister of State, Deputy Creighton, on the radio this morning. She said that jobs will be jeopardised if we do not vote “Yes”. It is a clear case of history repeating itself, first as tragedy and then as farce. When we were voting on the Lisbon treaty, the same people told us we had to vote “Yes” for jobs. We now have a level of unemployment that is worse than anything we had previously. Having attempted to drag its heels and avoid the need for a referendum, the Government is now being forced to put this matter before the people. I am absolutely delighted that this vote will take place. I do not believe the Government spokespeople who are saying they are delighted. I do not think they are. They have every reason not to be. The people of this country will shortly have a huge opportunity to have a say on how we are being governed. We are already seeing the beginning of the outline of the debate. I do not doubt that those who enjoy scaremongering will threaten us that this is about the future of the euro and our participation in the EU. Even though all of that is not the case, it will be thrown in front of us.

This treaty, which requires to be passed by just 12 countries, was designed specifically to enable Ireland and other countries to make a stand without stopping it from going ahead. We have already heard the argument that investment will be jeopardised and jobs will be put at risk if we do not vote “Yes”. The experience of previous referendum campaigns demonstrates that such suggestions are utter rubbish. The only other argument the Government has made is that if we do not agree to this measure, we will not be able to access funds in the future. The problem with that argument is that the Government is telling us we will not need any more funds because the loans we have at present are secured under the current arrangements. It claims that its strategy is working and that it will meet our future borrowing requirements by getting money from the bond markets. If that is the case, we have nothing to worry about, but we all know that is not true.

The issue of a second bailout will arise if the Government continues to pay Anglo Irish Bank bondholders and other bondholders. It is inevitable that another bailout will be guaranteed in such circumstances. This treaty enshrines the annual repayment of over €4 billion of principal debt repayments after 2014. It basically amounts to a legal requirement. That is in addition to approximately €8 billion in interest payments on foot of the speculation of bondholders, etc. In that context, the Tánaiste’s suggestion yesterday that this will be a blow to “casino capitalism” is absolutely and utterly ironic. Equally, we totally reject the threat of exclusion from the European Stability Mechanism, which is publicly funded by all member states, including Ireland. This is an austerity treaty, plain and simple. I hope the Irish people vote to reject it.

[Deputy Clare Daly.]

One of the key components of this debate is the whole issue of the structural deficit. If we adopt this treaty, we will enshrine in law an absolute requirement to have a structural deficit of 0.5% of GDP. We all know that the Maastricht guidelines already provide for a deficit of 3% of GDP, with regard to the Government's general level of spending over revenue. The structural deficit requirement will be in addition to that. There is no real clarity on what the figure will be. If we look at the Department of Finance's figures in this respect, as Michael Taft of TASC has done, it is clear that if we accept the principle of introducing extra cuts and additional taxes amounting to €5.7 billion, in addition to the measures that are already in place, in budgetary terms we are talking about an increase of 66% in austerity measures. We can say that with certainty because the Government is already planning to introduce an €8.6 billion package of spending cuts and tax increases over the next three years. If this structural deficit provision is taken on board, another €6 billion will be added to that. When the Government is campaigning in advance of the referendum, I would like it to explain to the Irish people, who are already being bled dry, how we will pay for such continued austerity into the future. That is why we are saying this is an austerity treaty. There is no doubt that it enshrines austerity in law.

This treaty also removes basic democratic provisions from elected Parliaments. I never thought I would quote a Tory MEP, but I would like to refer to the synopsis of this treaty that was given by one of them:

At best it is a distraction from the real economic problems we face. The fiscal compact effectively renders socialist high-spending policies illegal. As a fiscal conservative I should be delighted. However, a nation's economic destiny should be determined by the people through a ballot box, not political elites in a room in Brussels.

That is exactly about robbing the Irish electorate of a right to control their own government and to have the policies they want.

**Deputy Catherine Murphy:** I welcome yesterday's announcement because now the power will truly reside with the people, which is where it should have been. I was always of the view there was a moral obligation to hold a referendum on such a major issue and now there is deemed to be a legal obligation to do so. According to the Taoiseach's statement yesterday, the Attorney General in her formal advice said that the treaty is a unique instrument outside the European Union architecture and on balance a referendum was required to ratify it. This treaty is outside the European Union to which we all signed up and of which we have been a part for so long.

We are being told there is nothing new in what we are signing up to. For example, the criteria for entering the euro enshrined in the Maastricht treaty included that we were not to exceed 3% of a fiscal deficit or 60% of debt to GDP ratio. However, if we were to apply today to become members of the eurozone, our current economic situation would cause us to be refused. I use the term, "bailout" advisedly but even after this bailout we will have a debt to GDP ratio of somewhere close to 120%.

It is not a case of, "we are where we are", rather we must look at how we got here. It is clear there was major political, regulatory and domestic financial failings but I ask if those failings could have occurred if there had not been a failing at the heart of the euro. I refer to the supply of cheap money, of low interest rates, which fuelled the property bubble and an unsustainable lending pattern. We were instructed by the ECB not to allow a European bank to fail. The private debts of the banks were then assumed as a sovereign debt. The instruction

of the ECB should have been accompanied by, at the very least, a sharing of the burden by the ECB with the Irish banks.

We are told the fiscal compact treaty and the debt are two separate issues but I cannot agree, they are one and the same. Much and all as I would like to take on board the optimistic tone of the Taoiseach yesterday when he stated that after years of crisis and sacrifice the Irish people now have the basis on which to build a sustainable economic recovery, I ask how can he possibly make such a statement. Signing up to this treaty will mean we are not signing up to the noble goal in theory of fiscal responsibility but rather we are signing up to reducing our fiscal deficit below 3% and as important, we are signing up to reducing our debt to GDP ratio to 60%. This will require to be reduced by one twentieth per year and this amounts to between €3 billion and €5 billion, depending on interest rates and a range of different matters. This will be a continuation of what we have experienced over the past six budgets and it will continue into the long term.

We know the consequences of this approach will be increased taxation, a range of new stealth taxes and significant cuts in public spending. We are already at the point where our domestic economy is in deep trouble and I ask the House to imagine if this were to be continued into the future. If we are being honest in signing up to these terms, we must say we cannot abide by them because our debt is not sustainable. Where is the social Europe we joined? Where is the Europe of equals constructed after the Second World War and over decades? Where is the EU Charter of Fundamental Rights? Without the economics to underpin it, this measure is not worth the paper it is written on.

Our debt to GDP ratio is connected with the euro, as is our budget deficit. While there is undoubted political and economic failures, I do not believe they could have occurred without a failure in the construction of the euro. I ask the Government to outline in detail how the terms of the treaty will affect this country beyond 2015. It is easy to scare people by asking who will pay the pensions, the nurses or the gardaí. Equally the question could be asked that if we are signing up to the terms of the fiscal compact treaty, knowing we have an unsustainable debt, how will we be in a position to pay on the exacting terms laid down? All the taxes we will collect will go to pay nothing but the debt. We might have a lender of last resort but that lender of last resort will be required to pay only debt. I have much more to say but I will contribute at another opportunity.

**Deputy Thomas Pringle:** I welcome the opportunity to contribute to the debate on the ratification of the treaty. In 2011, the president of the German constitutional court said that it would be tragic and fatal if we were to lose democracy on the road to saving the euro. Thankfully, the Attorney General was brave enough yesterday to give the advice to the Government that we must recognise that Ireland is a democratic nation with democratic sovereignty. She advised the Government there would be no choice but to hold a referendum on this fiscal compact treaty. This has been a good day for the Irish people and a good day for democracy. At the very least, the Irish people deserve to have a debate on this issue and to have the opportunity to answer as to whether they agree with the ratification of this treaty.

I will campaign for a “No” vote because I believe that this treaty is wrong, that it is an attack on democracy and that if passed, it will be a tragic outcome in that we will have lost democracy in order to save the euro, in the words of the president of the German constitutional court. This is the fact of the matter because it removes any democratic power of this Parliament or of the Irish people in exercising fiscal control in the future. The treaty sets cast-iron rules with which we must comply, as has been outlined by other Members today. It means we will be in a situation of permanent austerity and that we will be continuously working to fund the reduction of debt and the payment of interest on the bailout and to the troika.



[Deputy Thomas Pringle.]

The Tánaiste in his contribution said that this treaty gives us guarantees and protections but I disagree. He argued this treaty contains nothing new, that it merely confirms the six pack and the other agreements made in December at European level. This treaty gives the right to another member state, another contracting party, to take Ireland to the European Court of Justice if that member state is of the opinion that Ireland is not in compliance with the restrictions imposed by this treaty. We will then be at the mercy of the court, regardless of what short-term measures we need to undertake in order to protect our economy and our society.

This treaty also gives the right to other nations who may be viewed by the Commission to have breached the terms and conditions of the treaty, to use their reverse majority voting to ensure that they are not brought before the European Court of Justice. In effect and in practice this means that Germany and France, combining with a couple of other smaller nations, will have a sufficient blocking majority to ensure that they would not be brought before the European Court of Justice and held to account for not complying with the terms of this treaty.

The Government will argue that this is not the case and that it could never happen. The first two countries to breach the Stability and Growth Pact were Germany and France. When it suits their needs in the coming years, when it suits their agenda, they will breach this treaty also, in the full knowledge that with the reformed voting rights they possess, they will be able to combine and perhaps force a couple of smaller member states to join with them in order to achieve that blocking majority to ensure that they will not be made to comply with the terms of the treaty. We can rest assured in this House and the Irish people can be assured, that Ireland will be made to comply with every letter and word contained in the treaty. Therefore, I argue there are new provisions in this treaty which are very dangerous for us, for our democracy and for our sovereignty. Those things need to be discussed and considered very carefully by the Irish people to ensure that we get the right answer. I hope that answer on the day will be a “No” vote.

In the coming weeks leading to Easter, the House will be asked to ratify the European stability mechanism treaty. This treaty is linked in its preamble to the fiscal compact and the two treaties go hand in hand. I call on the Government and the Attorney General to ensure that the ESM, European Stability Mechanism, is also put before the people and that on the day we vote on the fiscal compact, we also vote on the ESM treaty because the two go hand in hand; we cannot have one without the other and we need to put those questions to the people.

Debate adjourned.

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

## **Ceisteanna — Questions**

### **Priority Questions**

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#### **Job Creation**

1. **Deputy Willie O’Dea** asked the Minister for Jobs, Enterprise and Innovation with regards to his target to have 100,000 more persons in work in his action plan, the gross number of jobs he intends to create to achieve this target; the projected rate of unemployment he used as the basis of the plan for each year to 2016; and if he will make a statement on the matter.

[11689/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The action plan for jobs has set a target of supporting the creation of 100,000 net new jobs over the period 2012 to 2016. Even in good times, businesses close and jobs are lost so, as the Deputy recognises, a significantly larger number of new jobs will clearly need to be generated on a gross basis over the period in question to achieve the target. Such jobs are not created by my Department and its agencies but by successful enterprises.

There is no reliable data published on gross job creation forecasts across the economy. However, we develop targets in respect of client companies of my Department's agencies. Over the period of the action plan for jobs, Enterprise Ireland and IDA Ireland are targeting the support of more than 100,000 gross jobs in client firms. Experience has shown that such job creation is matched by a similar number of approximately 100,000 connected jobs in the economy through the supply chain. Approximately 5,000 full-time jobs and more than 3,500 part-time jobs will be created by the county and city enterprise boards each year. Of course, further jobs will be created by companies which are not supported by the enterprise agencies but data are not collected on this in any systematic way.

The objective of the action plan for jobs is to transform the operating environment for business to make it easier to start up, expand, access finance and to find new markets. The plan is built around four key themes: supporting indigenous businesses; attracting more international start-ups and multinational companies; targeting sectors of potential; and improving competitiveness across the economy.

The action plan does not make projections of the rate of unemployment. It is seeking to influence the direction of growth and to change the trends in respect of enterprise, employment and of unemployment. Clearly, trends in global economics will have an effect on our trade and investment ambitions but we are stepping up the performance of enterprise and employment. It is about grinding out reforms to our policies, structures and systems, one by one, to create the environment where jobs can be created and sustained.

**Deputy Willie O'Dea:** I am sorry. Maybe I was not paying sufficient attention but I did not quite get what the Minister said. How many jobs will be created? Page 7 of the document states that the ambition is to have 100,000 more people in work by 2016. The Minister seemed to recognise in his reply that if we are to have 100,000 more people net at work by 2016, obviously, we will have to create more than 100,000 jobs in between because we will have attrition of various sorts, as he mentioned. What was his gross figure again in order to achieve a target of 100,000 net? Did I understand him to say the gross figure was 200,000?

**Deputy Richard Bruton:** As I explained, we have a figure of more than 100,000 gross in respect of the agencies — IDA Ireland and Enterprise Ireland — and there is a figure in respect of county enterprise boards. There is also a figure which has been used as to the multiplier effect of one job — the supply chain impact. We are indicating approximately 250,000 across that set of the economy.

Of course, we are not setting targets explicitly — we do not have that sort of analysis — in respect of businesses which are not agency assisted. Clearly, they create gross jobs which would be over and above this. In terms of the ones within the remit of our Department, those are the figures — more than 100,000 in respect of direct and indirect impact and then topped up to 250,000 in all, taking in the county enterprise board structure.

**Deputy Willie O'Dea:** The Minister is now telling us to believe that, as a result of this plan, 250,000 jobs gross will be created by 2016. Unfortunately, that is the third figure we have got because I think he said 200,000 previously. More important, a Minister of State in a different Department, Deputy Cannon, said on “Prime Time” recently — I do not have the date but I

[Deputy Willie O'Dea.]

can get it for the Minister — that it would require the creation of 350,000 jobs gross, so where are we?

I wish to ask the Minister a few specific questions. Approximately how many people does he envisage being on the unemployment register by 2016 when this particular plan comes to an end? What is being presented as different about this plan is the regular policing, the quarterly reports. What sanctions does the Minister have in mind for people who are not performing as expected because we are not only talking about Departments, which must all perform in regard to some subjects, but about organisations such as Enterprise Ireland, Sustainable Energy Authority of Ireland, Forfás, the Department of Tourism, Transport and Sport, the company law review group, Fáilte Ireland, research funders and the prioritisation action group? What possible sanctions can be applied to those people? How could the Minister even imagine that the company law review group or all Departments would be embarrassed if some action that was supposed to be done within a certain period of time was not done?

**Deputy Richard Bruton:** The Deputy has raised a number of points. As I pointed out in my reply — I am sorry but perhaps I glossed over it — there is no reliable data on gross job creation in the economy. The CSO did a once-off study, which is worth looking at, where it estimated that in 2010, gross job creation was approximately 12%. I suppose that would be equivalent to a little over 200,000 jobs in that year. There is much job creation that is not captured by the agency work. No one has accurate projections in that area. What we are working on are the areas of policy which we control and the potential impact. Our ambition is to grow employment — that is central — not only gross, but to see more people net at work.

The Deputy raised issues as to how one introduces sanctions. Performance accountability will be a key feature throughout the public service and it will influence not only individual careers and promotional opportunities, but the allocation of budgets. It is also simply reputation. People in the public service want to be seen to be delivering good quality performance against best practice. The public servants I work with are up for that challenge. This is about setting benchmarks and recognising success when it comes. That is what we are seeking to do.

There is a huge energy across the agencies involved to deliver this and I believe we will deliver it. It is about people's reputation and their commitment to achieve things for the country. That is a big part of this and it is important that, from the Taoiseach down, the delivery is monitored, people are recognised for success and questions are asked about disappointment, and that it has impacts for other things like budgets and performance indicators which are applied to staff and everything else.

### **County Enterprise Boards**

2. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation with respect to the new action plan for jobs, if he will detail the future relationship between county enterprise boards, local authorities and Enterprise Ireland; if his plan will necessitate the relocation of the physical enterprise facility to the local authority; if it will necessitate a reduction in the CEB work force; the overhead savings as a result of the reform; the future of the existing CEB boards; the way he will facilitate a reorientation of local authorities to ensure that they are enterprise focused in future; and the steps he will take to ensure uniform quality support for the small and medium enterprise sector following the amalgamation. [11687/12]

**Deputy Richard Bruton:** The new structure of local enterprise offices, LEOs, will build on the significant work done by the county enterprise boards to date. It will be achieved through the dissolution of the existing CEBs and the creation of a new micro enterprise and small business unit within Enterprise Ireland that will work with the local authorities to establish a

local enterprise office in each local authority. The local enterprise offices will be staffed with a combination of local authority and CEB officials. The precise HR arrangements will be finalised as the process moves forward.

The aim of the proposal is to enhance the State services to small business at local level by delivering a one-stop-shop for small business; establishing a more integrated network between local and national enterprise support which will ensure high standards, uniformly delivered to benchmarked standards of best practice; offering a seamless service for small companies to take up the wider range of Enterprise Ireland programmes for companies with rapid growth potential; simplifying the structures that small businesses have to deal with; enlisting the local authorities into a more active role in small business support and local economic development; and encouraging innovative approaches to support small business.

In conjunction with the dissolution of the CEB legal structure, Enterprise Ireland and the local authorities will be tasked with the practicalities of setting up and rolling out a local enterprise office structure. There is clearly a lot of detailed developmental work to be done over the coming months to effect these changes and to put appropriate new structures in place. I will shortly establish a steering group chaired by my Department which will move this process forward and address all of the relevant issues. Clearly, it is essential that all relevant parties continue to work together to bring about this positive change as a priority and that the continuity of a high level of service to the micro-enterprise sector is preserved in the transition phase.

**Deputy Peadar Tóibín:** Today we found out that 7,131 young people, under 25 years of age, left the live register in the past month. Most of them left due to emigration and there is a strong view that we are entering into the times of the 1950s and 1980s with regard to the level of emigration. Some 76,000 people, or 1,300 every month, left last year. There is a view that county enterprise boards are the first line of enterprise development. They are what most young people have access to, given that they deal with small, start-up businesses. Hundreds of young people have used county enterprise boards. The amalgamation of the county enterprise board infrastructure into local authorities is dangerous. I do not say that it has no opportunity of working but there is danger. Local authorities have not been oriented towards enterprise in the past.

**An Leas-Cheann Comhairle:** I ask Deputy Tóibín to frame a question.

**Deputy Peadar Tóibín:** In many cases, local authorities have been orientated against enterprise. Given the seriousness of the jobs crisis, which cannot be underlined enough, what resources will the Government put in place to reorient local authorities to ensure they have an enterprise culture? An enterprise culture will not be created overnight or in a year. Local entrepreneurs and small businesses see local authorities as the place to pay fees and rates.

**An Leas-Cheann Comhairle:** I must call on the Minister to reply.

**Deputy Peadar Tóibín:** It is very important that this is done properly and that the necessary change in culture happens in local authorities. What will the Minister do to achieve that?

**Deputy Richard Bruton:** I could not agree more with the Deputy. The implication of this is vital. There are two dimensions, one of which is creating a strong small business unit in Enterprise Ireland, which will create excellence and standards, allocate budgets and hold local authorities to benchmarks of business friendly standards. There will be that level of engagement from a centre of excellence in Enterprise Ireland. Equally, local authorities are being enlisted to reform their small business units and county development boards and to orient themselves towards the needs of local enterprise and become more active in shaping local economic

[Deputy Richard Bruton.]

development. There are wins on both sides. There is access for small businesses to all programmes developed by Enterprise Ireland and oversight by a centre of excellence in Enterprise Ireland of enterprise culture and instruments. There is also a call to action within local authorities to deliver to small businesses according to the standards expected.

Like Deputy Tóibín, I meet businesses that complain about the response of local authorities. This is about reforming that and bringing local authorities to be part of the solution to the enterprise challenge. It is very exciting, with great potential for wins, which the Deputy recognises in his question while also saying *bí cúramach*.

**Deputy Peadar Tóibín:** The Minister mentioned that Enterprise Ireland will have a significant part in directing this process. The fears of Deputies is that regionalisation of administration often leads to uneven delivery of service. For example, Kildare gets nine times as much investment from the IDA as Meath. My view is that this is because it is delivered on a regional basis. If the driving of the new enterprise function in each county is regionalised by an Enterprise Ireland office, there is a danger that it will become uneven in its delivery.

Many third level institutions have incubation centres. Unfortunately, counties such as Meath do not have third level institutions or incubation centres. While this is being rolled out, the Minister should examine the savings achieved and ensure countries without a third level institution have an incubation centre.

**Deputy Richard Bruton:** Nurturing social enterprise and commercial enterprise at local level is vital. Much of what county enterprise boards and Enterprise Ireland do is demand-led. We must nurture but we must also see them come forward with proposals. There is a strong regional mandate of Enterprise Ireland to nurture businesses. In the south east, we put in extra resources to create a better seedbed for enterprises to grow and come forward. The IDA is a different issue but we can build up both, so that there are standards and benchmarks of expectation. Mentoring must come to a certain standard and the way companies are dealt with must increase to a certain standard. That will be built into the service level agreement between Enterprise Ireland and the local office. We also seek to engage local authorities in creating the environment in which businesses can thrive. It is a two-way process. We create incentives at both ends and we hope this is what will drive the matter.

**Deputy Peadar Tóibín:** What about incubation centres?

**Deputy Richard Bruton:** There are 105 Enterprise Ireland community enterprise centres.

**An Leas-Cheann Comhairle:** I remind Deputies there are six minutes for each question.

3. **Deputy Seamus Healy** asked the Minister for Jobs, Enterprise and Innovation in view of the fact that according to the Central Statistics Office, the Quarterly National Household Survey for Quarter 3 of 2011 shows that the total number employed in the economy declined by a further 20,500 in that period, his views that the outcomes of the QNHS on the total employed in the economy over the next year will be the definitive verdict on his action plan on jobs; and if he will make a statement on the matter. [11691/12]

**Deputy Richard Bruton:** The action plan for jobs has the objective of supporting the creation of 100,000 net new jobs over the period to 2016, with a longer-term objective of having 2 million people at work by 2020. The action plan does not pretend to be an instant solution to the scale of the unemployment problems we are facing. It is, rather, about addressing the fundamental requirements to enable businesses to start-up and grow. It is about grinding out

reforms to our policies, structures and systems, one by one, to put in place the environment where jobs can be created and, most importantly, sustained in the long term.

In this context, trends in employment over the next few quarters cannot be the definitive verdict on the action plan. The plan will be judged by the successful implementation of reforms, the monitoring of their impact, the development of further actions in 2013 and beyond and the employment trends over the horizon of the plan to 2016.

We recognise that 2012 is going to be a difficult year due to the downgrade of forecasts in many of our export markets. Clearly, trends in global economics will have an effect on our trade and investment ambitions but we are trying as far as possible to be masters of our own destiny through the action plan for jobs.

The Government recognises that many problems in our economy must be fixed in order to put enterprise in the position to expand output, win new markets and employ more people. We are targeting sectors of the economy that can grow and we will work with employers and business representatives to identify what we can do better to maximise job creation.

This action plan differs from reports published by previous Governments, which failed to deliver due to the lack of determination on the part of Ministers to follow through on implementation. It is not a strategy document but a series of actions we have committed to delivering and is supported by detailed tables that identify the key steps to be taken each quarter and the people or agency responsible for delivering the intended outcome. These tables have been published and progress on the deliverables is being overseen by a monitoring committee comprising senior officials from the Department of the Taoiseach, the Department of Public Expenditure and Reform, my Department and Forfás.

**Deputy Seamus Healy:** Is it not a fact that this Government is a jobs destruction Government and that the number employed in the economy since the Government came to office has decreased significantly? The CSO figures for 30 June show a decrease of 4,000 jobs. The CSO figures for 30 September show a reduction of 20,500 jobs. Surely that is the definitive judgment on the so-called jobs budget introduced last year. Are we destroying jobs? Is it time for the Government to get involved in the direct creation of jobs and to forget about the idea that the Government is only there to provide the environment for jobs? It is time for the Government to recognise what has happened up to now has been a failure. It needs to get directly involved in the creation of jobs.

**Deputy Richard Bruton:** I do not know whether Deputy Healy got a chance to go to the Mansion House today, where 92 of the most exciting companies in Ireland committed to create 1,600 jobs over the next two and half years across every region. They are the sort of people who will create the economic future of this country. Their story needs to be celebrated more. It would do the Deputy a power of good to go down and feel the energy there.

The record does not show that the jobs initiative was a failure. As the Deputy knows, it cut VAT and PRSI rates for the tourism sector. We secured growth as a result. The employment figures to which he referred show there was growth. We are going through an extremely difficult transition. Some sectors grew beyond sustainable levels in this economy. We know about construction and banking, which grew to unsustainable levels. We now have to undertake the difficult task of rebuilding the sectors that can bring us growth in the future. That is what the action plan for jobs is about.

**Deputy Seamus Healy:** It is quite clear that up to 30 September last year there were 25,000 fewer jobs in the economy. They are black and white statistics from the CSO. It is an indictment of the Government. We all welcome any job announcements from any companies. Unfortu-

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nately, the record shows there has been an investment strike over the past few years by private funds. The ESRI is forecasting a reduction of 41,000 jobs in the economy over the next two years. On the basis of those figures, it is time for the Government to start creating jobs.

**Deputy Richard Bruton:** The Deputy knows the Government is constrained in its public finances. Effectively, the country has been in a form of receivership. Only one agency will lend to us, namely the troika, and we have to abide by certain stringencies that result from that.

*3 o'clock* Within that, we are using the money we have extremely creatively. The strategic investment fund and NewERA are taking €250 million from the pension fund and leveraging it to a €1 billion fund which is available for infrastructural investments. The sort of quality investments that can improve our infrastructure now have a fund available to them. The rolling out of that into projects will be an important element.

A lot of the initiatives, such as the development capital fund and the innovation fund, are bringing in private sector money and making it available to companies that are starved of credit from the banks. Again, that is innovative in that it is bringing in investment money that is lying fallow and using it for companies with high potential. We have to box cleverer in this environment. There is not the scope for the huge bankrolling spending programme the Deputy feels ought to happen. It would be great if we could have that but we have to be cleverer about the way we promote employment, and that is what we are seeking to do.

### County Enterprise Boards

4. **Deputy Willie O'Dea** asked the Minister for Jobs, Enterprise and Innovation if he has carried out a cost benefit analysis, or an analysis of the effects on jobs and unemployment, of abolishing county and city enterprise boards; and if he will make a statement on the matter. [11690/12]

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):** Much work has been done in advance of the decision to restructure and reposition the enterprise support model. The new structure of local enterprise office will build on the significant work done by county enterprise boards, as the Minister, Deputy Bruton, stated, to date. Therefore, the dissolution of county enterprise boards in their current legal format is not an end in itself and will be done in conjunction with the establishment of the creation of a new micro-enterprise and small business unit within Enterprise Ireland that will work with local authorities to establish a local enterprise office in each local authority.

The aim of the proposal is not just about abolition or dissolution, rather it is about developing and enhancing the State services available to small businesses at local level by delivering a one-stop shop and offering a seamless service for small companies to take up the wider range of Enterprise Ireland programmes for companies with rapid growth potential, which we saw in the Mansion House today.

The proposal will also simplify structures and enlist local authorities into more active roles in small business support and local economic development by dealing with the stacked costs of local government such as rates or water charges. It will establish a more integrated network between local and national enterprise supports which will ensure high standards are uniformly delivered and small business development is supported by appropriate benchmarking within Enterprise Ireland.

Immediate expected Exchequer savings will be modest and over a three to five year period will be in the order of €750,000. There will be significant new benefits for the micro sector, which is the most important aspect. The benefits and job potential of the new one stop shop

for the small business sector are anticipated over time from the enhanced enterprise support model. There will be a new configuration of services at local level which will be very beneficial.

**Deputy Willie O’Dea:** I thank the Minister of State for his explanation. The jobs plan implies there will be a combination of county enterprise boards, which are already in place, and people from business support units in local authorities. I appreciate what the Minister, Deputy Bruton, said about a steering group. He must have some idea about how the body will look.

For example, there are four people working in Limerick county enterprise board and five working on the business development side of Limerick County Council, but only one is working on enterprise. I am not sure whether the person is working full-time on enterprise, as most of the work is oriented towards community type projects. Will that be the totality of the staff? Will staff have to undergo some sort of retraining? A one stop shop implies that they will be able to get information on IT, export potential, public procurement, accountancy and finance, all in one place. Is that what is envisaged?

**Deputy John Perry:** A one stop shop will be delivered. It is not rocket science to envisage that there will be supports such as mentoring. We know how effective the county enterprise boards have been to date. They will be working with local development units. The mandate of job creation will be under the Minister, Deputy Bruton, led by Enterprise Ireland.

This will be managed by Enterprise Ireland, working in partnership. We do not need extra staff to deliver the service. Rather, the mindset of all staff and local authorities should be about working together. There is a local development board in every county council and some very fine people are on them. Social enterprise is taking place in every county. Community enterprise is regenerating communities.

Putting all staff together in a one stop shop facility means they can advise, recommend or work with other bodies, such as third level institutions. If people have an idea and want to develop a concept they can go to a front of house facility, whereas until now the county enterprise board structure was very much geared towards manufacturing. We want to develop the range of services available, such as mentoring and accounting, and redirect people to where they can avail of them. It is about recognising the potential and tapping into it. It is a huge opportunity for enterprises in every county to have a one stop shop where they can get advice to develop businesses.

**Deputy Willie O’Dea:** I could not agree more with the Minister of State. It is a wonderful concept. I am trying to ascertain how it will work in practice. He seemed to imply no extra staff will be available. The staff I have spoken to in Limerick told me they would not have the range of expertise to handle such inquiries. I am not referring to county enterprise board staff, rather to those they will presumably join in the local authority. Extra staff or very substantial retraining is required.

When does the Minister of State envisage the new body will be put in place? Will the new local enterprise centres have any power to give grants, equity funding or loans towards the establishment of businesses?

Will it simply be a signposting body advising one to apply to Ennis, Cork or Dublin, for example?

In a letter to Deputy Martin last week on micro-enterprise, the Taoiseach said that under the action plan for jobs, it is proposed to establish a new one-stop-shop micro-enterprise support system. We have all understood micro-enterprise to involve ten or fewer jobs. Will the agency be advising enterprises with between ten and 50 employees, which fall into a gap between Enterprise Ireland and the county enterprise boards? Will its remit extend to them?



**Deputy John Perry:** On the last point, where there has been a lacuna affecting enterprises with between ten and 50 employees, Enterprise Ireland will have overall responsibility and a mandate regarding the staff employed in local government and the enterprise staff in their new role. They will very much fall under the remit of the Minister, Deputy Bruton.

It is very important that we develop expertise. There is considerable expertise in every county. When the potential in third level colleges and those who are currently working within the enterprise structure is taken into consideration, it will be apparent that these people will still be in the service. People with expertise in local government can tap into the voluntary sector. Under the current structure, people give of their time voluntarily on the county enterprise boards and have been very effective to date in delivering sustainable jobs in small communities. We hope to expand beyond this and offer a host of enhanced services that include companies that were excluded up to now.

With regard to the timeframe, the Minister, Deputy Richard Bruton, will be bringing forward legislation as soon as possible on the dissolution of the enterprise boards and the setting up of the new structure. The Government is determined to roll out the service as quickly as possible. If we are talking about kick-starting the 200,000 small companies which generate €90 billion in the Irish economy, we must take these points on board. Since my appointment, I have been greatly encouraged by the determination of Irish companies, including small businesses with brilliant ideas and which want to commercialise them.

The Deputy referred to expertise. The micro-finance fund will be announced. It will be geared specifically towards those with new ideas to grow jobs. As the Minister stated correctly, this proposal involves a fundamental change in the roll-out of services locally. It involves a big difference of mindset. We are committed to ensuring that people with ideas will be supported in every possible way.

### **Job Protection**

5. **Deputy John Halligan** asked the Minister for Jobs, Enterprise and Innovation his views on whether it would be beneficial to the State to sponsor struggling small and medium businesses with a view to encouraging employment; his plans to liaise the Department of Social Protection in relation to this matter; and if he will make a statement on the matter. [11744/12]

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock) (Deputy Sean Sherlock):** Supports to business by successive Governments over many years have focused on supporting viable businesses in the manufacturing and internationally traded services sectors, where the benefits to the economy of such supports significantly exceed their cost. In continuing that approach, this Government's objective is to facilitate the creation and maintenance of the maximum number of sustainable jobs in the economy by improving the operating environment for business and focusing on companies that demonstrate growth potential.

The Action Plan for Jobs 2012, which was published on 13 February, sets out a range of measures which are designed to support new business start-ups, improve enterprise competitiveness and help firms to grow. Small and medium enterprises will benefit in particular from measures in the action plan. These include the establishment of a new one-stop-shop structure for micro-enterprise support. Also included is the roll-out of the micro-finance fund for small new start-ups. The fund will go live following the finalisation of its delivery structures and the scheme's approval by the European Investment Fund.

Another measure is the introduction of a new temporary partial credit guarantee scheme, which will address the problem of access to finance for viable SMEs that do not meet the

normal lending criteria of the banks. This scheme will go live as soon as possible following the enactment of primary legislation in Quarter 2 of 2012. Other measures include the expansion of mentoring schemes, particularly between multinational companies and SMEs, and measures to improve access to public procurement opportunities for SMEs.

In addition, the south east action plan, which was launched by the Minister, Deputy Bruton, on 2 December last, contains specific actions to address the unemployment problems affecting the south east. The plan identifies many actions that can help deliver on that ambition of having a stronger local enterprise base. There are challenges for all agencies in the region to help build up the region's competitive advantage and then to promote it in a co-ordinated manner.

*Additional information not given on the floor of the House.*

The Action Plan for Jobs 2012 is part of a wider, whole-of-Government response to the jobs crisis, which includes the recently published plan for labour market activation, Pathways to Work. Both documents are fundamentally linked and recognise the need to reform our policies and structures to secure long-term and lasting results for our enterprise base and for job-seekers.

The action plan sets out over 270 measures to be implemented this year to support job creation. Pathways to Work will reform the public employment services and the further education and training services to facilitate people to access the job opportunities that become available. Under the Pathways to Work approach, over 85,000 job experience and work placements will be made available by the Department of Social Protection this year, with a further 457,000 training and education places available through the Department of Education and Skills. These initiatives will impact positively on all regions of the country.

**Deputy John Halligan:** Statistics show that over 1,400 businesses, medium to small in size, went bust over the past two years. According to the Central Bank, 30% of all loans to SMEs are in trouble. Those who could obtain loans are in trouble. In the business section of *The Irish Times* during the week, it was stated a leading Irish supplier and installer of small-scale renewable energy systems has turned to the United Kingdom to expand his business. His reason is the lack of a feed-in tariff or Government support for the industry. He states, "In many cases, UK producers who availed of a feed-in tariff and fixed their costs have taken their market share, in contrast to their Irish counterparts". He states the number of mushroom growers in Ireland two years ago, 400, has dropped to 60.

The job creation programme states specifically:

Job creation is central to any recovery strategy. Every person who leaves the dole and goes back to work reduces the deficit by an estimated €20,000, spends on average an additional €15,000.

If it costs between €22,000 and €35,000 to keep somebody on social welfare, surely innovative thinking outside the box is required. I refer to the sponsoring of small businesses, which are not paying reduced rates or rent, as is evident in my constituency. Would it not make sense to sponsor a business at a reasonable rate with the amount required to keep somebody on social welfare? We could immediately take 10,000 to 20,000 people off social welfare.

**Deputy Sean Sherlock:** I take the point the Deputy is raising. We are being imaginative in ensuring there is a micro-finance fund for small businesses. The new partial credit guarantee scheme is designed to help the SME sector. If one talks about the direct subsidisation of a business — I take the point made by the Deputy on the encouragement or retention of employment within existing businesses — one must be mindful of the consequences. Where there are two companies trading in the same sector, one thriving and the other not, and one supports

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directly the one that is not thriving, one must realise there are permutations regarding State aid rules on direct subsidisation. We are, therefore, seeking to create the types of programmes to which all businesses will be able to subscribe, such that we can try to retain employment.

In the two types of businesses to which the Deputy alludes, the phenomenon he described could be seen a consequence of a direct drop in consumer demand, which is having a major impact. We must also factor that into the equation. The Deputy's point is well made but we are trying to address the problem through programme supports and direct-credit supports for companies that are thriving and will survive.

**Deputy John Halligan:** I am not critical of the jobs initiative in its entirety, as the Minister of State knows and as I have said publicly. In Pathways to Work, there is an initiative to pay private companies thousands of euro in taxpayers' money for each person taken off the dole. Why do we not turn that on its head? When small businesses' incomes begin to decline, their first step is to let part-time people go. I have dealt with a small business in the south east in which a husband and wife work 70 or 80 hours per week for a very small wage. They would be better off on social welfare. They say they must work these hours because they had to let somebody go, the paying of whom represented a considerable cost. I urge the Minister of State to think outside the box and sponsor employees with the money paid to social welfare recipients.

**Deputy Sean Sherlock:** To be fair and objective about this, we are thinking outside the box. Research and development tax credits will encourage greater business growth.

**Deputy John Halligan:** Yes, I accept that.

**Deputy Sean Sherlock:** The Revenue job assist scheme will also help, while PRSI programmes entice employers to retain employees and there is a tax break for that purpose. On the demand and supply side we are trying to encourage companies to retain people in jobs. It is an extremely difficult thing to do because one must adhere to State-aid rules in doing so. We have been imaginative in trying to get people back into the work force through labour market activation measures, including the pathways to work scheme. We will stay on that course. The essential point in the Deputy's question concerned a direct subsidy to individual businesses. We are trying to take a more imaginative view on that by putting in place the temporary credit guarantee scheme and the micro-finance fund. In addition, we are encouraging employers through tax breaks and PRSI credits. That is the way to stimulate growth.

### Other Questions

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### Trade Missions

6. **Deputy Sean Fleming** asked the Minister for Jobs, Enterprise and Innovation the way his proposal to roll out a schedule of sector-specific trade missions and market evaluation missions that reflect the priority markets identified in the trade strategy as well as firms' interest and stage of development, aiming for at least 15 ministerial-led missions per his action plan, is different from the current practice of trade missions; and if he will make a statement on the matter. [11564/12]

**Deputy Richard Bruton:** The Government has introduced a new approach to trade promotion and trade missions. A total of 18 trade missions are planned for 2012, compared to 12 in 2011

and 13 in 2010. This is a step change in the number of trade missions. This increase in activity will also see a more intense focus on BRIC economies. This year, trade missions will be made to Brazil, Russia, India, China, South Africa and other high potential markets such as Saudi Arabia and the United Arab Emirates.

Last year, I led the first trade mission to India since 2008. Following an invitation from the Chinese Vice President, during his successful visit to Ireland last week, it was announced that the Taoiseach would lead a trade mission to China next month — the first Taoiseach-led mission to that country since 2008. Three missions are planned to China this year. Other missions will include Canada, Malaysia and Japan. These are designed to drive benefits from negotiations on EU free trade agreements that are likely to start or are close to finalisation.

The character of these missions has also changed. The Tánaiste and Minister for Foreign Affairs and Trade now plays a central role in trade promotion. This represents a new and important focus for Ireland's overseas diplomatic representation on the challenge of growing exports. It is vital that we build a vigorous export-led recovery and this reorganisation recognises this challenge. This new approach is supported by the Export Trade Council, chaired by the Tánaiste and on which I also participate.

The focus of trade missions also reflects the views of business and exporters who are represented on the council. The plan for trade missions in 2012 is to intensify the level of missions and to place a new emphasis on emerging markets. They are now designed to support the priority objectives of the ambassador and agency market teams that have been put in place under the Trade Council to accelerate new business in many emerging economies. These new teams report to that council where I monitor their activity.

This work builds on a concept developed by the last Government, to co-ordinate the efforts across agencies and Departments in support of our trade objectives.

**Deputy Willie O'Dea:** I was intrigued by the wording of the Government jobs plan in which the Minister refers to grandiose notions such as sector-specific trade missions and market evaluation missions. Basically, we are talking about more missions focused on the BRIC countries, which is a simpler way of putting it.

I am delighted, however, that the Minister is focusing more on the BRIC countries. He will be familiar with a document produced in March 2011 called "A Blueprint for Ireland's Recovery". It suggests that: "Small diplomatic missions and commercial service offices should be put in place in key countries, especially in Asia, to support the drive for global investment and trade." Does the Minister agree with that and, if so, is it his intention to do it?

The document suggests that a target of 20% FDI should be coming to this country from China and India by 2015. Does the Minister regard that as realistic?

**Deputy Richard Bruton:** Those two questions are somewhat unrelated. There is also a new sectoral emphasis and a recognition that opportunities — particularly in the emerging markets — exist around specific sectors. For example, the education sector presents an important opportunity and consequently the Minister for Education and Skills, Deputy Ruairí Quinn, will be leading trade missions. The reference to sector-specific is to recognise that we cannot do everything in these markets and so we need to target specific areas.

As regards the FDI target for 2015 from emerging markets, so far there has not been a substantial flow from that source. The IDA is obviously making a long-term commitment there. We must set down roots and can expect to develop them over time.

The "Succeed in Ireland" initiative which will be launched next month is about using Irish people abroad as ambassadors in support of the IDA's role. It is a way of extending our reach.

[Deputy Richard Bruton.]

With limited resources, we are trying to do something more innovative to spread the impact. While I do not know for certain, I suspect that the target of 20% of FDI by 2015 is not realistic, based on the experience to date. We are committed to a long-term strategy to support trade and investment with China. We got off on a really good footing with the recent memorandum of understanding both on trade and services, and investment. It does open a door but I am not pretending that we will suddenly transform the situation. It is nonetheless an important growth market and we now have some momentum and an opportunity to get behind the Taoiseach's trade mission.

**Deputy Peadar Tóibín:** Can the Minister tell the House how much is being spent on promoting indigenous Irish exports, and how it compares to making FDI attractive in Ireland?

**Deputy Richard Bruton:** I will have to get the Deputy a separate briefing on that. In general terms, Enterprise Ireland has about 31 locations overseas and they support export missions. Under the new arrangement, we are also seeking to mobilise diplomatic representation. In those individual countries, there is a collective group which I acknowledge was introduced by the previous government. Representatives of Bord Bia, the IDA and Enterprise Ireland, along with the ambassador, work together on formulating a plan. I do not have a figure in my brief for expenditure, as sought by the Deputy. Much export promotion, however, is done here at home. It involves getting people ready to enter new markets and making them familiar with the challenges. We support them and build networks which they can contact. In that way they can use contacts through the global diaspora network as opportunities to enter markets. It is not all about hard cash, it also concerns such contacts.

### **Jobs Funding**

7. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the extent to which employment creative industries here have availed of direct or indirect aid through compliance with innovation and technology objectives as set out by the EU Commission; the extent to which he expects such funding to be drawn down in the coming year on the basis of enquiries to date and likely qualification for such assistance by Irish firms catering for the home or export markets; and if he will make a statement on the matter. [11572/12]

**Deputy Sean Sherlock:** The seventh EU Framework Programme for Research and Development, also known as FP7, with a budget of €55 billion for the period 2007 to 2013, is the EU's main instrument for funding research and development in Europe. FP7 offers Ireland's SMEs, multinationals and research institutions valuable opportunities to participate in high-calibre research collaborations with our European counterparts.

The framework programme enables companies to work with academic research groups and other industry players across Europe, as well as deriving the benefits associated with collaborative research. This enables them to gain benefits such as access to knowledge networks and specialist equipment, sharing costs and risks, and, in particular for industry, the possibility of opening up commercial opportunities.

The total funding secured by companies based in Ireland since the commencement of the seventh framework programme in 2007 — to November 2011, the latest figures available — is €87.8 million. The figure for 2011 was €25 million and the corresponding target for 2012 is €30 million. Of the €87.8 million secured by companies based in Ireland, €66.4 million went to SMEs and €21.4 million went to multinationals based in Ireland.

The European Commission's fourth monitoring report on FP7, covering the years 2007 to 2010 and published in August 2011, states that, in one of the main funding programmes within

FP7, Ireland has the highest participation rate of SMEs of the EU 27. This is the rate of SME participation in FP7 compared to the population of SMEs in the country. The national target for drawdown by Ireland from FP7 over the seven-year period, for both industry and research institutions, is €600 million. To date, Ireland has secured €362 million under FP7 since it commenced in 2007. We are on track to reach our national target of €600 million when the programme ends in 2013.

*Additional information not given on the floor of the House.*

EU support for innovation is also provided through the Competitiveness and Innovation Framework Programme, CIP, which runs from 2007 to 2013, and which has a budget of €3.6 billion. Unlike FP7, funding under the CIP does not go directly to companies; almost 50% of the funding is via European Investment Fund, EIF, guarantees which are provided to financial intermediaries, and the remainder is used to fund actions such as best practice exchanges and provision of information networks through the Enterprise Europe Network.

**Deputy Bernard J. Durkan:** I thank the Minister of State for his comprehensive reply. With regard to the companies which have availed of the benefits under this particular programme, will the Minister of State indicate how many jobs were affected and how many were created arising there from? Will he also indicate the extent to which existing enterprises have benefited from the scheme by way of increased efficiencies, improved competitiveness and better market penetration as a result? Will he assure the House this will be maximised in the following 12 months and thereafter?

**Deputy Sean Sherlock:** Truthfully, it is not possible to say how many jobs have been created as a result of this programme. It is important to note the number of successful applications in the SME sector is over 1,000 while in the multinational sector, it was 270. In the SME sector, we have taken in over €66 million in funding with €21 million in the multinational sector.

While it does not answer the Deputy's questions directly, it does signify the scheme is supporting existing jobs. The criteria set down for adherence to the programme is one of excellence in terms of the research industry and academic collaboration.

The key message in my reply is that if we hit the €600 million target for the current framework programme, it would be an extremely good result. Moving into the new framework programme for 2020 which has a potential pot of €85 billion, I am ambitious for this country that we would hit or surpass the €600 million target. That will benefit existing employment and create further jobs.

**An Leas-Cheann Comhairle:** Is Deputy Durkan happy with that? Does he want a supplementary? If not, we will move to the next question.

**Deputy Willie O'Dea:** That must be a first for Deputy Durkan.

### **Redundancy Payments**

8. **Deputy Richard Boyd Barrett** asked the Minister for Jobs, Enterprise and Innovation if he intends to bring forward legislation to ensure that the treatment of workers such as those at La Senza, Jane Norman, Lagan Brick and Vita Cortex does not happen again; and if he will make a statement on the matter. [11609/12]

**Deputy Richard Bruton:** The cases referred to specifically by the Deputy relate to a range of circumstances for which several legislative provisions exist.

In the cases of Vita Cortex and Lagan Brick, the issues at the heart of the disputes fall primarily in the industrial relations sphere. While I remain concerned the issues at the centre

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of these disputes have yet to be resolved, I believe the parties to each of them should be capable themselves of finding resolutions drawing, as appropriate, on the experience and expertise of the Labour Relations Commission and the other dispute resolution services of the State.

The difficulties that have arisen with La Senza and Jane Norman relate mainly to the means by which the intentions of both companies were communicated to staff. Such a failure to keep employees adequately informed of developments and to provide adequate notice of redundancies worsens an already difficult situation.

The Protection of Employment Act 1977 places an obligation on employers to consult employees' representatives on proposals to create collective redundancies. It also places obligations on such employers to supply specific information on these redundancies as a means of providing an opportunity in which to consider the capacity to avoid or lessen the effect of any such redundancies. The Act also places an obligation on such employers to inform the Minister in writing of their proposals to create such collective redundancies.

Both Jane Norman and La Senza were placed into administration by the UK courts. In this jurisdiction, certain exemptions from the collective redundancy obligations of employers are provided for where they arise as a result of an employer's business being terminated following bankruptcy or wind-up proceedings or for any other reason as a result of a decision of a court. I have asked my officials to examine, together with the Office of the Attorney General, whether these exemptions should continue to apply.

**Deputy Richard Boyd Barrett:** The Minister will agree the treatment of the workforce in Vita Cortex, Lagan Brick, La Senza and Jane Norman was outrageous, unacceptable and should never be repeated. Given the current recessionary environment, it is very likely, although I hope it will not be the case, that we will see workers in other firms which go into liquidation or administration finding themselves in the same unacceptable circumstances. The Minister seems to be saying it is the *status quo*, however, that we do not have to do much. He suggested some possible review of how redundancy is communicated to workers.

Unless something changes in this regard, workers will draw the conclusion they need to engage in occupations to vindicate their rights with rogue employers. The workers in the companies in question only gained some, not full, satisfaction because they engaged in occupations.

Will the Minister ensure companies cannot be allowed to hide assets elsewhere in other companies or subsidiaries in their possession to avoid paying workers what they owe them? In cases of administration or liquidation, can we not put an obligation on the employer to ensure workers get first call on moneys owed to them?

**An Leas-Cheann Comhairle:** Thank you, Deputy. I will allow you come back with a supplementary question.

**Deputy Richard Bruton:** I sought to draw attention to the fact the disputes in question are different in their nature. I signalled we need to look again at the law in the cases of the Jane Norman and La Senza disputes where effectively an administration decision in the UK courts led to these companies closing. There is an exemption in law from the terms of the Protection of Employment Act 1977 where a company is in liquidation or the court has initiated the closure. I said we are examining whether that remains a valid approach. If a liquidator is appointed to a company, for example, should the liquidator carry forward the obligations to consult with the employees, operate a 30-day period and so on?

The issue of company structures being used to conceal assets goes well beyond labour law into much wider issues of company law. The Office of the Director of Corporate Enforcement

looked at the company structures in the case of one of those companies to which the Deputy referred. While he found there were complex transactions, there were no grounds to indicate illegality in what had been done.

**Deputy Richard Boyd Barrett:** On the second point, it is not just a question of whether there was illegality. It is a question of whether the law is robust enough to vindicate the rights of workers in a case where the owner of a company has assets and moneys elsewhere which, if they could be accessed, would discharge his redundancy payment obligations to the workers instead of leaving them high and dry. The Minister should be considering legislation to ensure this will be the case.

I welcome the fact the Minister is reviewing the exemptions under industrial relations legislation. Would that ensure there could be no question that employers or the administrators who are subsequently appointed could act in the same manner as Jane Norman? Jane Norman is up and running again and is employing other people on lower rates while the company still has not paid off the workers it let go last summer. Is it the purpose of the review to ensure that this will not happen again and that those workers will be paid?

**Deputy Richard Bruton:** The Deputy raised this issue on the previous occasion and I have checked it out. What happened in respect of Jane Norman is that some of the outlets were sold to an entirely new company by the administrator when it was appointed. The new company also purchased the brand “Jane Norman”. Jane Norman Limited remained the company that had a responsibility to the workers employed. The new company that acquired the brand, the goodwill and certain outlets does not have a legal obligation for the activities of the previous company. It purchased the company out of administration. It is not a phoenix-like situation where the same company has re-emerged but the new company is using the old brand as a matter of trading goodwill.

**Deputy Richard Boyd Barrett:** The goodwill was built up by the workers.

**Deputy Richard Bruton:** Yes, but the company is operating legally.

**Deputy Peadar Tóibín:** Currently, a total of 29,000 people are awaiting their statutory redundancy claims. That is an incredible figure. People are also waiting ten months to get minimum pay to which they are entitled from businesses that have been wound up. Has the Minister spoken to the Minister for Social Protection to ensure the issue is resolved for those individuals, many of whom are suffering greatly from the lack of income and are now waiting for the State to get its act together and to solve the problem?

**Deputy Jonathan O'Brien:** The Minister mentioned the Vita Cortex situation and the complexities around it. The question was whether he is considering legislation to ensure that this can never happen again. That is an important point. Today the workers in Vita Cortex are going into their 76th day of occupation in the factory as the dispute has not yet been resolved. The important issue is that once the dispute has been resolved we must introduce legislation to ensure it never happens again.

**Deputy Mick Wallace:** The Minister is dead right to say that much of the behaviour of companies that leaves a lot to be desired is not illegal. However, I wish to raise a different point, that much of the behaviour should be illegal. Too often what companies do is legal but it should not be.

**Deputy Richard Bruton:** Many issues have been raised. The Minister for Social Protection has been intimately involved with the Vita Cortex situation and moved rapidly to ensure that



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the process that is in place under law where an employer is unable to pay was triggered. I acknowledge that there is a long waiting list for redundancy payments but in this case the Minister intervened directly to ensure that there would be a quick response.

It is clear that the cases of Vita Cortex and Lagan Brick are continuing industrial relations problems. We are seeking to resolve them through the labour relations structures and we will continue to work on them. I met the workers in Vita Cortex just the other day. I fully understand their frustration at what has happened. We sincerely hope we can resolve the problem. On the issue of future reform of the law, I am actively examining the issue whereby putting a company into administration automatically seems to close down some of the obligations. We must look at that afresh.

Deputy Wallace raised wider issues, which Deputy Boyd Barrett also raised, of company law, the relationships between related companies and the priority of various debtors in wind-up situations beyond those involved in the disputes in question. It is clear that the State has moved to ensure that workers are protected through the insolvency fund in the event of a company winding up. The State has not intervened in cases that go beyond statutory redundancy entitlements. Changing company law is a much wider issue on which I would have to take advice. It is not strictly within the sphere of employment law; it is a much wider issue that would have many knock-on effects.

**Deputy Richard Boyd Barrett:** Will the Minister examine the possibility of introducing legislation?

### **Social Welfare Code**

9. **Deputy Dara Calleary** asked the Minister for Jobs, Enterprise and Innovation if he will publish the Forfás report presented to him on the impact on employment and competitiveness of changes to sick pay; and if he will make a statement on the matter. [11539/12]

**Deputy Richard Bruton:** As I indicated to the House in reply to Questions Nos. 129 to 131, inclusive, from Deputy Willie O'Dea on 6 December last, I asked Forfás to examine the potential impact on competitiveness and employment of statutory sick pay, if such a scheme were to be introduced in this country. I indicated at the time that it would be premature of me to comment on the report provided to me by Forfás until the Cabinet has completed its consideration of the issue.

I reiterated the position to Deputy O'Dea in a topical issue debate on Tuesday, 21 February, when I explained that interactions between an agency and a Minister engaged in a consultative process are not generally published. For this reason, I do not propose to publish the Forfás report at this stage.

The Minister for Social Protection, Deputy Joan Burton, who has policy responsibility for the illness benefit scheme, held a consultative meeting recently to discuss the feasibility and potential impacts of introducing a statutory sick pay scheme in this country. That was very much a first step in considering a range of issues that need to be examined in detail before any proposals can be progressed to possible implementation. The Minister, Deputy Burton, clearly indicated at the consultative forum that nothing has been decided yet on statutory sick pay.

Forfás attended the Minister's consultative forum and commented that any proposal that would increase costs for business would be of concern, and that further work was required to assess the potential cost of the proposal to enterprise, how these costs might be borne across different sectors, what implications the costs might have for employment, and what other

actions could be taken to achieve the required goal of reducing the cost to the Exchequer of illness benefit.

I also appreciate the concerns of business representative bodies about the cost a statutory sick pay scheme might have on businesses. For those reasons, while I recognise that there are legitimate issues regarding the management of illness benefit budgets, it is clear that further research is required before any decision can be made by the Government on a statutory sick pay scheme.

**Deputy Willie O’Dea:** The Minister has said that it is premature to publish the Forfás report at the moment. Could I deduce from this that he intends to publish the report at the appropriate time? Could I ask him for an assurance now that he will publish the report before the Dáil debates the matter because if a scheme of this nature is introduced, most assuredly it will be contested and debated in the Dáil?

Does the Minister agree that it is only fair that if one has an expert report on the implications for employment of the proposed action by the Minister for Social Protection that the report, information and research should be available to the Dáil? What interaction has the Minister had to date with his colleague, the Minister for Social Protection, about this potential scheme?

**Deputy Richard Bruton:** The Deputy is well aware that Government discussions are privileged and are not made known. Where decisions of this nature occur for consideration they are rightly protected by Cabinet confidentiality and collective responsibility, which are very important. Any presentation of such a proposal will be accompanied in the usual way by a regulatory impact assessment. Whatever information is available will be presented to the House in order for Members to see its impact. That would be the normal course which I am sure will be followed in this case.

**Deputy Willie O’Dea:** I put it to the Minister that such a scheme would be unjust in that employers are already paying illness benefit substantially through employer’s PRSI. There is no doubt the cost of such a scheme would be passed on to employees. It has a tremendous capacity to destroy jobs at the very time we least need to do something of that nature.

What are the Minister’s views on the reasoning put forward that part of the effect of such a scheme would be to combat and reduce absenteeism in the private sector? Does he agree that this is a baseless argument, in that absenteeism in the private sector is running at approximately 2.5%, which is less than half of the public sector’s figure?

**Deputy Richard Bruton:** As the Taoiseach stated last week when the Deputy’s leader asked this question, absenteeism is a greater problem in the public service, which generally accounts for a relatively small proportion of PRSI. We need to examine this issue. Most small businesses do not have a sick scheme and this would be a fresh burden were it applied to them.

On the other side of the discussion, the OECD shows that the rate of reliance on invalidity and sickness payments in Ireland is higher than it is in comparable countries. When demographics are taken into account, it is higher still. This presents an issue. A debate that would give representatives of small and larger businesses an opportunity to have their say would be important. We are out of line in this area. If a large number of people must receive long-term sickness payments, they lose the opportunity to use their potential, the State suffers a loss and there is a cost to the Exchequer. The debate is legitimate and we need policy proposals that balance a number of requirements.

### Job Creation

10. **Deputy Mick Wallace** asked the Minister for Jobs, Enterprise and Innovation when the

[ Deputy Mick Wallace.]

development capital scheme outlined in the action plan for jobs will be operational; the way Enterprise Ireland will identify indigenous companies eligible for the scheme; if consideration has been given to targeting indigenous companies operating in unemployment blackspots such as the south east; and if he will make a statement on the matter. [11569/12]

42. **Deputy Mick Wallace** asked the Minister for Jobs, Enterprise and Innovation if priority will be given to indigenous companies located in unemployment blackspots such as the south east in addressing the funding gap for mid-sized, high growth indigenous companies with significant prospects for jobs and export growth, as per the development capital scheme outlined in the action plan for jobs; if he will detail the time frame for the design and launch of this scheme; and if he will make a statement on the matter. [11570/12]

**Deputy Richard Bruton:** I propose to take Questions Nos. 10 and 42 together.

The development capital scheme as outlined in the Action Plan for Jobs 2012 has been developed to complement the existing range of financial supports offered by Enterprise Ireland. Other initiatives are already in place for the provision of capital at the early stage and scaling phases and a clear market failure was identified in the availability of risk capital for established companies seeking to sustain growth and achieve greater scale. Longer term investment capital is not readily available to growth-focused companies in the form of debt or equity and there is little private equity funds or debt available to innovative small and medium-sized enterprises, SMEs. This situation has resulted in an equity gap, which is constraining the development of a key cohort of established growth companies. Development capital can be defined as equity funding for the expansion of established and profitable firms, that is, those that have passed the start-up stage.

It is proposed that the scheme will be launched and marketed by end of the first quarter of 2012. This will entail a call by Enterprise Ireland for expressions of interest from fund managers followed by a three-month period prior to a closing date. The timing of actual investments under the scheme will depend on the ability of the fund managers selected from the expressions of interest to raise the matching funding to “close” their funds and to commence investing. While both funds are development capital funds — there are two tranches — aimed at established companies, they will be managed by separate managers, thereby generating competition in the market. Investment in two funds also allows Enterprise Ireland to commit to two funds with slightly differing investment strategies, thereby benefiting the market.

The scheme will be demand led and will target the cohort of companies that are growth focused. It will be open to all firms in that cohort regardless of their location in Ireland. However, under the south-east action plan, Enterprise Ireland is taking steps to target opportunities for start-up and expansion among enterprises in the region. These are the sort of growth-focused companies that would avail of the fund.

**Deputy Mick Wallace:** We are all aware that Ireland is organised in a centralised fashion and it is not easy for the Minister to address counties individually. Instead, he must discuss the south-east region. County Wexford’s population is 145,000 whereas County Waterford’s is 113,000, yet no town in Wexford could even dream of having the benefits enjoyed by Waterford city. Wexford loses out due to the centralised way Ireland is organised.

The unemployment rate in the south east is 18.9% whereas the national average is 14.2%. In the Action Plan for Jobs 2012, the section on assisting indigenous business to grow by accessing finance reads: “Design and launch a new Development Capital Scheme, aimed at addressing a funding gap for mid-sized, high-growth, indigenous companies with significant prospects for jobs and export growth.” I have asked the Taoiseach and the Minister for Finance

about this matter, but a strategic investment bank as promised in the programme for Government would be of significant benefit to many people in the indigenous business sector. Will the bank ever come on stream or has there been a change in plan?

**An Leas-Cheann Comhairle:** I must call the Minister, as we are almost out of time.

**Deputy Richard Bruton:** The proposal on a strategic investment bank is being studied within Government. A series of banking products are emerging from the Government, for example, the micro-finance product, the partial loan guarantee product, the development capital product and the innovation funds. We are providing products across the range of SME needs to respond to what is recognised as a market failure in the banking system. The banks are risk averse and are not meeting businesses' needs. Maybe they never did. They need to be refocused on the needs of export-led, small companies.

A strategic investment fund is being established. This will tap into the National Pensions Reserve Fund, NPRF, and make funds available to be drawn down by small companies. While it is not a bank in the strictest sense, we are introducing a range of banking products to complement what is available from the banking system and to address the issues raised by the Deputy.

*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 Peadar Tóibín — the provision of sufficient gaelscoileanna; (2) Deputy Colm Keaveney — the redundancy dispute at Rehab Recycling, Galway; (3) Deputy Patrick O'Donovan — the participation by Irish citizens living overseas in referendums and elections; (4) Deputy Kevin Humphreys — the proposed incinerator at Poolbeg, Dublin; (5) Deputy Bernard J. Durkan — issues surrounding the rights of burglar and the those of householders; (6) Deputy Michael Healy-Rae — the refusal of planning permission for the national children's hospital; (7) Deputy Robert Dowds — the industrial dispute at Eddie Stobart hauliers, Ballymun, Dublin; (8) Deputy Pat Breen — the new regulations in respect of the allocation of resource hours and teachers in primary schools; (9) Deputy Michael McCarthy — the steps being taken to prevent the outbreak of new animal disease in Britain from spreading to Ireland; (10) Deputy Pat Deering — the need to maintain adequate mental health services in the Carlow area; (11) Deputy Charles Flanagan — the future of small rural Protestant schools; (12) Deputy Jack Wall — the provision of funding in respect of women's refuge centres; (13) Deputy Catherine Murphy — the need to make provision for landlords who do not reduce rents in line with reductions in rent assistance payments; (14) Deputy Eamonn Maloney — indicators of savings made to date within the day-to-day spending of Departments; (15) Deputy Mattie McGrath — the provision of adequate home care in respect of a person (details supplied) in County Tipperary; (16) Deputy Derek Keating — the need to address the issue of inappropriate television advertising; (17) Deputy Alan Farrell — the need to provide adequate primary school places in Balbriggan, County Dublin; (18) Deputy Thomas P. Broughan — the need for the HSE to have a child care expert assess the needs of a person (details supplied) in Dublin 5; (19) Deputy Mick Wallace — the putting together of a list by NAMA of social housing units; (20) Deputy Michael McNamara — the need to consider that rents collected by local authorities from their tenants should be deducted at source; (21) Deputy Ciarán Lynch — the need to combat the increased number of thefts of gold and other precious metals; (22) Deputy Dessie Ellis — the need to resolve the problems faced by residents of Priory Hall, Dublin; and (23)

[An Leas-Cheann Comhairle.]

Deputy Olivia Mitchell — the anomalies that exist between and within counties in establishing waivers for the household charge in respect of unfinished housing estates. The matters raised by Deputies Peadar Tóibín, Pat Breen, Colm Keaveney and Bernard J. Durkan have been selected for discussion and will be taken now.

### Topical Issue Debate

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#### Irish Language

**Deputy Peadar Tóibín:** The development of the gaelscoileanna sector has been one of the few positives in terms of the Irish language, even though we usually hear negative stories about the Irish language. Some 30,000 children attend gaelscoileanna, representing approximately 5% of the child population. According to a Foras na Gaeilge study, approximately 25% of parents would send their children to gaelscoileanna were any available to them. This is a significant issue. According to the English language media in particular, Irish is being forced on kids and parents. In reality, parents and children want more Irish language education. The Government is failing them and has previously stopped them receiving that education.

Many in the Irish language sector are struggling on a daily basis. They believe that, at best, the Government is oblivious to the Irish language as an issue or, at worst, is against the language and is rolling it back. Prior to the election, Fine Gael wanted to get rid of the Irish language as a core leaving certificate subject. Recently, Young Fine Gael repeated that call.

The Government does not seem to understand that this is an important issue. Given the research on the subject in recent years, there is a strong understanding that Irish as a spoken language has 15 or 16 years left. A couple of years ago there was an advertising campaign that read: “Ná lig dúinn a bheith inár nglúin dheireanach.” Do not let this be the last generation of spoken Irish. The link could be broken.

The Government has a raft of opportunities. For example, there are a number of voluntary Irish language radio stations, but they have limited licences that prevent them from being professional and limit their geographical output. This situation could be changed. A number of mobile telephone licences are coming up for renewal. That the companies should provide customer service, Internet and billing services in the Irish language could be built into their new licences to provide for the 100,000 Irish speakers in line with their language rights. That would not cost the State anything.

The Government has a critical opportunity to allow 25% of schools to become gaelscoileanna in the context of the ongoing review of school patronage. This would allow approximately 150,000 children to voluntarily attend 700 gaelscoileanna, with a further 40,000 willing students pursuing secondary education lán-Gaelach. Such a reform would have a radical impact on the development and viability of the Irish language. I would like to hear the Government's plans for allowing this to happen.

**Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon):** I am taking this topical issue debate on behalf of my colleague, the Minister for Education and Skills. Primary education plays a pivotal role in the preservation and expansion of the first official language. The promotion of the Irish language has been an important aim of successive Irish Governments and its place in our education system has been consistently protected. This is reflected in the fact that in recent years a significant number of new gaelscoileanna have been recognised by the Department of Education and Skills. A total of 18 new gaelscoileanna

have been established since 2005 and another gaelscoil is scheduled to open this September in Mulhuddart, County Dublin. These openings bring the total number of Gaelscoileanna to 141, with a combined enrolment of 29,675 pupils in the 2010-11 school year. In addition, there are 106 Gaeltacht all-Irish primary schools with a total enrolment of 7,302 pupils in the 2010-11 school year.

As the Deputy will be aware, the Minister announced in June 2011 that 20 new primary and 20 new post-primary schools are to be established in the next six years across a number of locations. The Minister also announced new arrangements for the recognition and determination of patronage of these new primary and secondary schools. The new arrangements published by the Department provide a balanced approach to allow applications to be made by prospective patrons for the establishment of schools. The criteria to be used in deciding patronage of the new schools place a particular emphasis on parental demand for plurality and diversity of patronage, which also includes preference for all-Irish school provision.

The Deputy will also be aware that the forum on patronage and pluralism in the primary sector, which is a key objective of the programme for Government, was officially launched by the Minister in April 2011. The outcome of the forum will inform him on the practicality of how transfer and divesting of patronage would operate for individual primary schools in communities where it is appropriate and necessary to take such an initiative. It will also inform him on how such transfer and divesting can be advanced to ensure that demands for diversity of patronage, including from an Irish language perspective, can be identified and delivered in areas where parental and community demand is greatest. It will be interesting to see how the actual identification of demand for all-Irish provision, both nationally and within particular areas, compares with the survey results to which the Deputy referred. The Minister expects that the report of the forum will also include recommendations on how demand for all-Irish primary education can be met in areas where demographic factors would not justify the establishment of new primary schools.

The advisory group appointed to convene the forum held a number of public meetings during June and November 2011. The group sought and received submissions from the education stakeholder groups and the public as part of its work. It is now finalising its report and the Minister expects to receive it shortly.

**Deputy Peadar Tóibín:** The Government has to start recognising rights in regard to the Irish language. The fact that two new Irish schools will open in September reveals the contrast between the Government's actions and the level of demand that exists. Other European countries have managed to meet this target. In Wales, 23% of children attend all-Welsh schools, up from 18% ten years ago. In the 1980s only 5% of children in the Basque country attended all-Basque schools but the figure has since increased to 65%.

A considerable amount of debate takes place in the Irish language media on the development of the Gaeltacht and Irish in the Gaeltacht but as many of those in the commentariat or the Government do not have Irish, that debate remains invisible to them. In my local gaelscoil in Navan children are not guaranteed a place even if they are enrolled at birth because it has a waiting list of approximately 70 children. When I asked the Department to provide a second class, it issued a firm refusal.

Unless the Government changes direction and gives priority to the Irish language, it will become an impediment to its development. It is not the case that the Government is forcing Irish education on parents and kids. According to this research, it is suppressing demand for the Irish language. That is a sad indictment of a Government that could be creating significant opportunities for growth and development of the sector.

**Deputy Ciarán Cannon:** This Government has every intention of respecting people's rights, including the right to their language of choice. A considerable number of new all-Irish schools have been established in recent years on foot of parental demand. Ultimately, the expansion of Irish language education will only be driven by parental demand.

**Deputy Peadar Tóibín:** There are not enough places to meet demand.

**Deputy Ciarán Cannon:** Some of these schools are expanding and perhaps there are opportunities for other all-Irish schools to expand in future. When the report of the forum on patronage and pluralism is completed, there will be an opportunity to establish the patronage models for our schools. This will be driven solely by parental choice and if demand exists, whether in the heart of Connemara or in Athlone, I am confident that we will respond to it. It is open to the patrons and boards of management of existing English medium schools to consider providing some or all of their tuition through the medium of Irish, depending on the level of parental demand. There will be ample opportunities for parents and communities to make that decision and I am confident that many will do so.

### School Staffing

**Deputy Pat Breen:** I welcome the opportunity to discuss the new regulations on allocation of resource hours and teachers in primary schools.

Investment in education is critically important, particularly at primary level. The education that children receive in their formative years is the foundation block for their future. While I recognise in the current economic environment that the Minister has to juggle scarce resources with an ever decreasing budget, it is important that we continue to provide a comprehensive support network to ensure no child is left behind in our education system. We have made considerable progress in reducing the barriers to education for all children and the benefits are tangible. This is recognised in the OECD 2012 report on equity and quality in education. However, the report also warns that there is still room for improvement. In reading, almost 17.2% of students in Ireland performed at below level two on PISA in 2009, compared similarly to the OECD average of 18.8%.

Despite our economic circumstances we need to continue our efforts to ensure that children leaving school are better equipped to secure employment opportunities and to reduce the number of children opting out of the education system at an early stage. Shortly before the Minister announced the teaching allocations for September 2012, I attended a public meeting in Ennis organised by the INTO which was attended by more than 600 parents, teachers and members of the local community. The meeting was very well organised and I listened attentively to the genuine concerns that were raised. I assured those present that I would bring their concerns to the Minister's attention.

There is widespread concern about the future of small schools. As someone who attended a small school which closed in the 1970s, I recognise the value and importance of small schools to their communities. I will be visiting a number of smaller schools over the next several weeks to discuss the situation at first hand.

I welcome the decision by the Minister to retain the 235 legacy posts in DEIS schools and I was glad to hear that two posts under threat in Kilrush will now be retained.

The biggest issue that has been raised with me since the teaching allocations were announced is the combining of learning support and language support, and the fact that schools are no longer able to combine resource hours with GAM hours. This is posing considerable difficulties for schools, particularly rural schools, with the fear that teachers will now spend more time travelling the roads than teaching in the class room, particularly given that a base school will

now be required to have at least 15 RT hours to hold its base school status. I cite the example of Kilshanny national school, which is a base school in north Clare. In order to retain the resource teacher, it has formed a cluster with neighbouring schools in Doolin and Lisdoonvarna. While individually, Kilshanny does not have the 15 hours which is now required, collectively they have 24 hours between the three schools. The same situation arises in Moyasta national school which is another base school in west Clare and which also has a satisfactory arrangement in place with other local schools in the vicinity.

For many schools the problems are typical to those of Scoil na Realt in Kilkee which has an allocation of 20 hours. Instead of having two teachers to cover its needs, it might need to employ an additional teacher for a few hours which it will find virtually impossible given that the majority of these schools are in rural areas. If a school has an allocation of five RT hours and no school cluster available, what will happen? The majority of schools have very satisfactory systems in place and have already formed clusters with other schools close by which is working very well for them. The difficulty the new regulation poses is that they fear that there will be more teachers on the road than in the classroom, thereby losing valuable time with the children. At the moment, the teachers who are travelling do so during break and lunch times with no disruption caused. However, if they have to travel further afield, there will be some impact.

I seek an update on learning support and resource teachers' hours. I hope the Minister will meet representatives of the schools concerned in order to reach a satisfactory, cost-effective solution with the least disruption.

**Deputy Ciarán Cannon:** I am responding to this topical issue on behalf of the Minister for Education and Skills, Deputy Quinn. I thank the Deputy for giving me an opportunity to outline to the House the reforms to the teacher allocation process that are being made and that will take effect from September. The overall objective of these reforms is to enable the teacher allocation and redeployment process to operate more smoothly and efficiently within the new climate of fixed ceilings on teaching posts. The detail of how the new arrangements will operate is set out in the Department's staffing circular which has now been published.

The new arrangements incorporate a long overdue updating of the GAM-learning support allocation for all schools. This inevitably involves changes to existing clustering arrangements whereby a teacher is shared between schools. A further change is that schools in any locality are being empowered to cluster and arrange their GAM resources in a manner that best suits their local needs. This should be completed by schools in March.

The new GAM allocations for schools are in five-hour blocks — equivalent to one school day — and are specifically designed to facilitate clustering arrangements between schools. Schools can operate their sharing arrangements in a manner that enables a teacher, who needs to travel to a neighbouring school, to do so from the start of the school day.

The new GAM arrangements treat all schools equally irrespective of size. A standard GAM allocation is given to all schools based on the number of classroom posts in the school in the current school year. Of the total overall allocation of approximately 4,100 posts, approximately two thirds will be in full-time, 25-hour, posts. This approach is the most straightforward and efficient method to ensure that the GAM allocation for schools reflects each school's requirements for teaching support. Given that the GAM is being updated through a redistribution of existing posts, there will inevitably be some changes in the GAM allocations at individual school level.

There are also new and separate arrangements for how resource hours for individual pupils are converted into teaching posts in schools. As part of the reforms, existing posts are being



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used to put in place a network of more than 2,500 full-time resource posts in close to 1,700 base schools throughout the country. These posts will be allocated on a permanent basis and the teachers in them will undertake NCSE approved, low-incidence, resource hours in the base schools or in neighbouring schools. This approach builds on the interim arrangements that operated in 2011, but in a more structured and transparent manner.

The requirement for resource hours in a school varies from year to year depending on the number, if any, of its pupils with autism, etc. Small schools generally have a lower requirement for resource hours. The new arrangements take account of the later timescale for the allocation of these hours necessitated by individual assessment by the NCSE.

**Deputy Pat Breen:** I thank the Minister of State for his comprehensive reply giving me an update on the reforms. The most important requirement is the education of children, particularly disadvantaged children. I hope that any changes that are made are made for the benefit of the children and are done in a cost-efficient manner. The learning support and the resource teachers to whom I have spoken expressed the concern that they would spend too much time travelling. In the past they could remain within the cluster but now might be required to travel to Ennis from west Clare, which is a waste of resource time. I hope in the new arrangement that each individual school's concerns would be considered and that the most efficient system would be introduced in the interests of all concerned.

**Deputy Ciarán Cannon:** I assure the Deputy that the Department will be working with schools and all our education partners to ensure these new arrangements operate as efficiently possible. As the process proceeds and we start to allocate the actual hours, the work can take account of any appropriate local arrangements that might be made to further optimise the travel arrangement between the schools.

### **Job Losses**

**Deputy Colm Keaveney:** I recently brought an urgent matter concerning a forced, contested redundancy situation in Galway to the attention of several Ministers, including the Minister for Social Protection and the Minister for Jobs, Enterprise and Innovation. Rehab Enterprises plans to make 18 employees in its recycling centre in Galway redundant. Only a limited number of employees have indicated that they will partake in voluntary redundancy, with 14 or 15 employees to be forced out the door. Many of these employees have been on short time for the past two and a half years, despite the significant increase in the Rehab Group's operating surplus from €1.9 million in 2009 to €2.3 million in 2010.

Most of the employees affected are unskilled and some have a disability. Both of these factors will make it difficult for them to find alternative employment. Workers have contacted me concerning this case and are looking for ideas from the Government with regard to an attempt to engage with the employer to seek a positive outcome. Worker representatives have asked for a three-month pause in the redundancy process to allow for a working party from the community to attempt to find a way to maintain the viability of the Galway plant. To date, Rehab has not acceded to the wish of the workers to give them a window of opportunity to retain the jobs of the vulnerable people affected.

SIPTU has also asked for the accounts of Rehab to be opened in order that an open assessment may be made of the merits of the case for redundancy, but to date nothing has been forthcoming and unsubstantiated accounts of the company's position have been related.

On its website, the Rehab Group claims to be "a leading non-governmental organisation which works towards a world where every person has the opportunity to achieve their poten-

tial". It further claims that "Rehab enables people to make the most of their skills and talents, to take up employment or further education and to live more independent lives". It makes a virtue of "directly employing a further 200 people with disabilities in our commercial division". However, when it comes to determining who should be made redundant, it uses selection criteria that seem predetermined to be punitive on those with a low-skill base, which Rehab never sought to address over the years of its existence by offering vulnerable workers an opportunity for retraining or reskilling. Other selection criteria used were irrelevant to the skills needed for the job at the employment.

This approach was not appropriate in terms of the care of vulnerable workers where a genuine effort is intended to set out and to help to achieve their potential. They are entitled to have dignity in the workplace. To date all those affected by this proposal have been affected by poor communications from the employment. There is a lack of transparency with regard to the company's position in respect of their representatives. At most we are seeing an unpaid transition from employment to a process of support, possibly without as much as a curriculum vitae.

I call on the Minister to assist in some resolution of the redundancy situation in Galway for these vulnerable people. Some of these people have worked for Rehab for almost 20 years. It has been their life. Time must be given for a possible working group to give solutions to Rehab with regard to the long-term viability of the facility in Galway. I call on the Rehab group to actively participate in a discussion with the Department, which plays a critical role in subsidising vulnerable workers in society. It is unacceptable that Rehab would put in place corporate selection criteria based on people's skills and their capacity to be in work on time and to use their skill-set as an opportunity to retain or force them out the door, especially in light of the fact that we underpin this organisation and we support the hourly rate of pay. I call on the Minister to examine this situation carefully.

**Minister for Social Protection (Deputy Joan Burton):** I thank Deputy Keaveney for raising this important matter. I heard about the redundancies in Rehab with great regret. However, I emphasise that they do not arise as a result of any reduction in funding by the Department of Social Protection. As Deputy Keaveney is aware, the Department of Social Protection has recently taken over full responsibility for the wage subsidy scheme since the former FÁS employment services division joined the Department of Social Protection with effect from 1 January last. The funding available to Rehab under the wage subsidy scheme from the Department of Social Protection has not been reduced in any way.

I emphasise that as a result of these redundancies the employment services unit of the Department of Social Protection will engage with the workers being made redundant to assist them to find alternative employment or appropriate training. I have been informed by the Department of Social Protection local team in Galway that in total, 19 posts have been made redundant. A total of 16 of these were supported through the wage subsidy scheme and local departmental offices are working with the wage subsidy scheme clients to provide them with ongoing support in what is, I realise, a most difficult time for the workers involved. I have been assured that the local office in Galway will work vigorously to ensure that as many of these individuals as possible are given the necessary further training, guidance and support that they may require.

I wish to give some context in respect of the wage subsidy scheme, which plays an important and valued role in supporting employers to provide job opportunities in the open labour market for people with disabilities. The objective of the scheme is to increase the numbers of persons with a disability in employment. The scheme provides payment of a wage subsidy to the employer to compensate for the reduced productivity of the disabled worker. The wage subsid-

[Deputy Joan Burton.]

ies are designed to provide an incentive to employers to consider more closely the potential of disabled people to meet their labour force requirements. The wage subsidy scheme is applied to all commercially oriented enterprises in the State which provide employment to disabled workers. It does not include the voluntary sector.

The RehabRecycle group in Galway has 34 employees for whom it receives a strand 1 wage subsidy of €5.30 per hour, subject to a maximum of €10,748 per annum in respect of each employee. The company also receives the maximum 50% top-up subsidy under strand 2. Nationally, Rehab employs 192 people with disabilities, for whom it receives wage subsidy scheme funding. It is the only employer currently eligible to receive a strand 3 subsidy. This hourly subsidy rate of €5.30 per hour was originally index-linked to the minimum wage. However, the hourly rate was not altered when the minimum wage was last reduced. Subsequently, as Deputy Keaveney is aware, the minimum wage was reinstated.

Arrangements have been put in place by the Department of Social Protection in the event that an employee for whom a wage subsidy is payable can no longer continue in employment for any reason. If this arises, their income support payment will automatically be restored without the need to re-apply. I understand that SIPTU will meet the director of Rehab Enterprises on Friday to discuss the matter further. I hope these discussions will be positive.

I wish to restate that the Department of Social Protection will continue wage subsidy scheme funding to Rehab. I emphasise that the wage subsidy scheme continues to be available as an incentive for employers which provide jobs for people with disabilities. I look forward to hearing a report from the meeting on Friday. As Deputy Keaveney stated, Rehab is in receipt of considerable funding from various organs of the State in respect of its activities. I hope there is a positive outcome for the workers concerned.

**Deputy Colm Keaveney:** I am pleased that the Minister has expressed an interest in looking forward to the outcome of Friday's discussions concerning the affected workers. I draw the Minister's attention to the fact that Rehab posted a surplus of €1.9 million in 2009 and a surplus of €2.3 million in 2010. I note the commitment by the Department of Social Protection to the wage subsidy scheme. However, I am at a loss to understand how these redundancies could be legitimate in the first instance if the State is subsidising €5.30 per hour of a €9.10 hourly rate based on €10,700 per annum. I call on the Minister to bear this in mind when she receives her report on Friday. How authentic are these redundancies? These are vulnerable people forced out the door. They have not volunteered for this process. I call on the Minister to take a particular interest in this situation.

I welcome the Pathways to Work initiative launched last week. It is a great policy innovation for the Department and the country. However, I hope it does not afford opportunities for organisations such as Rehab to consider shedding vulnerable workers and shift the liability of how people with disabilities are supported and maintained in employment. They make an invaluable contribution to employment. The organisation does not pay for raw materials. It is paid to take in raw materials and sell them on with an hourly subsidy of €5.10 per hour. I call on the Minister to give as much attention as possible to the outcome of Friday's discussions.

**Deputy Joan Burton:** I await with interest the outcome of the discussions between SIPTU and the Rehab director. I take the points made by Deputy Keaveney. We have just taken over the wage subsidy scheme since the relevant division of FÁS joined the Department on 1 January. Recently, I launched the EmployAbility Service, which provides job coaches and other supports to individuals with a disability seeking employment and employers. This includes a range of possible subsidies. Currently, we are re-advertising this scheme to employers. As the

Deputy noted, the subsidy is significant and helpful, so I hope there will be a positive outcome to the discussions. Rehab has been a trailblazer with regard to the employment of people with a disability and I would be concerned by any redundancies within that company. I expect to receive further reports on the situation and hope the outcome of the discussions will be successful for the workers involved.

### **Householders' Rights**

**Deputy Bernard J. Durkan:** This has been an issue for some time and relates to the unfortunate situation in the context of householders who react aggressively when their homes are burgled. In the particular case to which I refer, a householder and his wife woke up at 5.30 a.m. to find a burglar walking around and inspecting the bedroom. He did not indicate why he was there, but it can be presumed he did not come to read the meter or to check the air conditioning or the like. The householder presumed he was there with felonious intent and reacted accordingly. He pursued the individual for some time and, as a result, the individual who had intended to commit a crime suffered injuries for which he received considerable compensation, an amount of €175,000 from the householder's insurance company, by agreement.

Fortunately for the householder, he was acquitted of having assaulted or caused grievous bodily harm and was not penalised. It is ironic and strange, however, that the burglar received a suspended sentence. Every so often issues arise that challenge the imagination and credulity of the public. If there was ever a case that illustrates beyond shadow of doubt that it is profitable to become involved in crime, to break into somebody's house and lodge a claim against them in the reasonable expectation of winning the claim, this is it. Why would anyone work in legitimate employment? Is it not easier for burglars to go off and rob a few houses from time to time and if they get injured while doing so, make a claim against the insurance of the householder or factory owner? They cannot lose. They will get an award and will only end up with a suspended sentence. What could offer them more encouragement?

The time has come to say enough is enough. This kind of nonsense goes on from time to time. I remember a case some years ago when a burglar who broke into a warehouse was injured and he sued the owner of the warehouse successfully in court. In the case I mentioned earlier the case was taken against the insurance company. Therefore, there are two issues. The first is the readiness and willingness of insurance companies to pay out in situations of this nature when it is quite clear the person has no authority to enter the householder's home. In the case I mentioned, he did not have the householder's permission and was not there to paint the walls, the ceiling or any other part of the property. He had a different intention. He had entered the house with the intent to commit a felony, which is something for which a person should not get a suspended sentence. He was breaking the law with intent. Furthermore, the victim then found that he could have been charged with committing a crime by defending himself. The Criminal Law (Defence and the Dwelling) Act 2011 has already been passed and should have applied in this case, but it does not. I will have more to say on that in my short response.

**Minister for Justice and Equality (Deputy Alan Shatter):** I thank Deputy Durkan for raising this matter which is a concern for him. As the Deputy would know, legislation that is enacted does not apply to events that occurred in the past. Therefore, the Deputy is wrong to say the legislation to which he referred should have applied to this case.

As the Deputy is aware, the Criminal Law (Defence and the Dwelling) Act 2011 came into effect on 13 January 2012. I consider this an extremely important piece of legislation. There had previously been a lack of clarity on the rights of a householder when confronted with a

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burglar in their home, but this Act in one piece of legislation sets out what those rights are and makes it clear that a person may use reasonable force to defend themselves in their home. The Act recognises the special constitutional protection which applies to a person's home under Article 40.5 which states: "The dwelling of every citizen is inviolable and shall not be forcibly entered save in accordance with law."

It is important to clarify that the provisions and protections in the Act only apply when a person is in their dwelling or curtilage and does not apply to a public place. The Act allows a householder, where they believe a trespasser is entering the dwelling to commit a criminal act, to use such force as is reasonable in the circumstances in order to protect people in the dwelling from assault, to protect property, to prevent the commission of a crime or to make a lawful arrest. The Act explicitly provides that a person is under no obligation to retreat from their home. A person who uses reasonable force, as provided for in the Act, cannot be sued for damages by a burglar. I emphasise this in response to Deputy Durkan's comments.

It is also important to remember that other laws also deal with the issue of burglary and in particular the penalties which apply to those convicted of such offences. Burglary is a criminal offence which carries serious penalties. The law in this area is governed by the Criminal Justice (Theft and Fraud Offences) Act 2001. Section 12 of that Act provides:

A person is guilty of burglary if he or she—

(a) enters any building or part of a building as a trespasser and with intent to commit an arrestable offence, or

(b) having entered any building or part of a building as a trespasser, commits or attempts to commit any such offence therein.

A person guilty of burglary is liable to a fine or imprisonment for a term not exceeding 14 years or both. I note what the Deputy said about the particular case he raised. The courts are independent and it is for the Judiciary to determine the appropriate sentence to impose in any particular case.

Section 13 of the 2001 Act provides:

A person is guilty of aggravated burglary if he or she commits any burglary and at the time has with him or her any firearm or imitation firearm, any weapon of offence or any explosive.

A person convicted of aggravated burglary is liable to imprisonment for life. In addition, section 26 of the Criminal Justice Act 2007 provides that a court may make a monitoring order for persons convicted of aggravated burglary. The court may also make a protection of persons order. Such an order prohibits the offender from engaging in any behaviour that would be likely to cause the victim of the offence fear, distress or alarm or would be likely to amount to intimidation of any such person. The same Act provides mandatory minimum sentences for repeat offenders.

It is not a matter for me as Minister for Justice and Equality to comment on the particular circumstances of any settlement made in a private civil action. The settlement of any individual claim is a matter for the relevant parties to decide on. In the case mentioned by the Deputy, it seems the claim made by the person convicted of burglary was addressed by the insurance company of the person against whom the claim was made. Insurance companies are free to make settlements for pragmatic reasons in any given case. However, as Minister, I regard the reported level of settlement reached and compensation paid in this case surprising.

**Deputy Bernard J. Durkan:** I thank the Minister for his reply and I am glad to hear he is surprised by the settlement. I assure him I was surprised and I am sure everybody in the country was surprised by it. I note the Minister's comment with regard to the retrospective application of the law. It is unfortunate that the court case only took place in recent times, since the passage of the legislation into law, because in the people's minds it looks as if the legislation should apply. If other cases of a similar nature are pending, we must ask whether the relevant legislation is strong enough to deal with those cases. I am not sure it is. It should be clearly indicated to all and sundry that if a person enters another person's house with the intention of committing a felony, there should be no recourse to the law and no insurance payment nor compensation payment if that person falls and break his neck or if someone else injures him. That is the way it should be.

Much debate has revolved around the definition of "reasonable force". I can never understand how in the calmness of the courtroom it can be decided that perhaps a victim used excessive force in repelling a burglar or intruder. That decision is made in the calm of the courtroom, whereas the unfortunate householder who may have been woken up in the middle of the night had to respond in the heat of the moment and in the absence of calm. He or she may have been motivated by fear, which is the greatest motivator of all. We should be cognisant of that at this time. I emphasise that regardless of the legal niceties of a particular case or whether we like it, the message being given to the public is not the right one at any time, particularly at this time.

**Deputy Alan Shatter:** The message being given to the public by this Government is the right one. After many years of promises by previous Governments, this Government has put into effect a law covering this issue — the Criminal Law (Defence and the Dwelling) Act 2011. The clear position now is if someone burglarises someone else's home, the home owner is entitled to use such force as is reasonable based on the threat that he or she perceives resulting from the circumstances that have arisen. It is not simply a question of the threat as it is perceived "in the calm of the courtroom". It is a question of the subjective threat that an individual believed he or she faced in the circumstances in which he or she found somebody unlawfully in his or her house. We cannot legislate for past events. The legislation that has been enacted applies to any burglary that takes place as and from 13 January 2012, which is the date on which the legislation came into effect. There is no particular reason the public should take any wrong message of any nature from that.

The Deputy mentioned a recent case in which a prosecution was taken against a home owner. As he is aware, the individual in question was found not guilty by a jury. Those criminal proceedings took place because the events that gave rise to the prosecution occurred substantially prior to 13 January 2012. We now have an entirely new legal position. Individuals are now protected against being sued by those who unlawfully enter and burglarise their homes, where the actions taken by such individuals to protect themselves, their family members or their properties was reasonable in the circumstances as they perceived them. This major change in our law is very important. I hope it will ensure that in future, no burglar will successfully sue any individual who took reasonable action to confront the burglar in order to protect himself or herself, his or her family or his or her property. I emphasise that the actions taken by such individuals must be reasonable, based on the circumstances as they perceive them. That is very important.

As I always say in these circumstances, although there is no obligation on one to retreat when one's home is burglarised — one can take reasonable action to protect one and one's family — I urge that one should contact the gardaí if one has an opportunity to do so and, where possible, try to avoid confrontation. It is of crucial importance that ordinary citizens do

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not unnecessarily put themselves or their family members in harm's way, even when faced with unlawful conduct by others.

### **European Council: Statements (Resumed)**

**Deputy Dominic Hannigan:** I would like to share time with Deputies Paschal Donohoe and Arthur Spring.

**An Ceann Comhairle:** Is that agreed? Agreed.

**Deputy Dominic Hannigan:** I welcome the opportunity to speak about the decision to put the fiscal compact to the people. When I was elected Chairman of the Joint Committee on European Affairs, I knew that a great deal of work would have to be done. The joint committee meets each week to debate how European decisions will affect Ireland. The committee has led the debate on many European issues. It has been debating the fiscal compact since it was agreed in January. We have had a number of meetings with various economists, including Dr. Alan Ahearne of NUIG, Professor Karl Whelan of UCD and Mr. Paul Sweeney of ICTU, at which we have discussed the impact of the fiscal compact treaty on our economy. We have also met the Minister of State at the German Federal Foreign Office, who spoke with the committee about Ireland's recovery and the impact the fiscal compact will have on the eurozone. Ambassadors from Spain, Germany and France will attend tomorrow's meeting of the joint committee to talk about the fiscal compact and the European economic situation. I do not doubt that it will be a frank and robust debate.

As we want the debate on the compact to be inclusive, we have invited members of the public to make submissions on it to the committee. The more engagement we have with the public on this issue, the better. A national debate is welcome and will help the eventual outcome of the vote. In my view, the Irish people have nothing to fear from this treaty. The fiscal compact is largely a restatement of current agreements — there is little new in it. If we reject this treaty, it will not mean that we reject any of the measures in the six pack. They would still remain. The treaty restates our commitment to ensuring the euro is underpinned with a stable and secure governance mechanism. This stability will lead to greater investment, more consumer confidence, higher levels of funding for our businesses, increased growth and more jobs for our people.

I listened to other Deputies talking about how small countries like Ireland will suffer if we break the rules. They suggested that under reverse qualified majority voting, we will have to pay fines whereas larger countries like France and Germany will not have to do so. That is not true. I encourage all Deputies to examine reverse qualified majority voting. It will be very difficult for France, Germany or any other country, regardless of its size, to overturn a decision. The purpose of this treaty is to ensure we all play by the rules and, in the process, maintain a stable and secure currency. Opponents of the fiscal compact have argued that if it is introduced, Europe will face constant austerity. This is not the case. Under the six pack agreement, we will need to reduce the debt to GDP ratio to 60%. We will have to do this regardless of whether the treaty is voted through. The ratio can be reduced in many ways. Austerity is not a foregone conclusion. The debt to GDP ratio can be reduced by means of growth — by making the pie larger. In 1991, our debt to GDP ratio was 95% but by 1999, it had reduced to 35%. That was not achieved by cutting, but by making sure the Irish economy grew. That is what we need to do again.

We need to see growth in the Irish economy. We saw growth of almost 1% last year. That needs to continue. We launched the action plan for jobs last week. We hope this will lead to a structural change in how we do business. We hope it will make it easier to start new businesses,

to build businesses and to run businesses. Our economy should grow further as a result of that. I spent the last two days in Brussels at a meeting with other parliamentarians and with various EU Commissioners. The mood across Europe is for greater efforts to be made to generate growth, more work to be done on economic drivers, more focus to be given to youth unemployment and more support to be given to new businesses. We need to push this agenda. We need fiscal responsibility. We need to take actions to stabilise our currency. Measures such as the fiscal compact will make it easier to ensure economic growth takes place. I look forward to the debate in Ireland over the coming months. I look forward to engaging with the public on this crucial issue.

**Deputy Paschal Donohoe:** I thank Deputies Hannigan and Spring for allowing me to contribute to this debate. I would like to focus on two matters, the first of which relates to what this fiscal compact is for. I hope the fiscal compact will be in place in the future to make sure the mistakes of the past are not repeated. It will help to get Ireland to a place where it is able to borrow on the financial markets with the support of the European Union as a backstop. It is very straightforward. It will bring more credibility to the efforts of a small, highly open and, unfortunately, highly indebted economy to borrow what it needs in the future.

Opponents of the fiscal compact will have their opportunity to outline their case but they need to answer the simple question. Ireland outside the fiscal compact will probably be unable to borrow from financial markets at a rate it can afford and we will not have access to any future bailout mechanism. How will Ireland be able to source money to deliver the borrowings to fund our schools, hospitals and to help fund our social welfare payments? Anyone advocating a “No” vote needs to answer the question of where will the money come from. Already I hear people who advocate the course of action that Ireland should vote “No” and take the consequences; that we should leave the consequences up to the Commissions to determine. This might be a good move in a game of poker or in a game of cards but one does not gamble with the welfare of a nation, with the health, well-being and the economic security of an entire State. This is not making a decision on behalf of people, rather it is a reckless gamble which no country should be exposed to, least of all one which has already gone through this convulsion of an economic depression over the past number of years.

We are going to have to make efforts to bring down our levels of debt and our deficit levels, to encourage confidence in our economy so that it can stabilise and grow again in the future. We will have to take those steps and it will be easier to do within the architecture of this treaty rather than from the outside.

**Deputy Arthur Spring:** I thank Deputy Hannigan for sharing his time with me. I agree with my Government colleagues who have spoken. It must be acknowledged that we are on the way back and we have the choice to get off at the next floor or not. The welfare of the nation is at stake and I would prefer to have some certainty in this regard. Those 447,000 unemployed people would also like to see some growth, some certainty and a future for our country. This is the first time in the history of the State that the IMF is in the country. The gravity of the situation has been lost at times by some politicians and journalists and some sections of the public. This is an opportunity for us to explain the situation and what it means to be left outside in the cold on our own as a peripheral country in Europe.

The people of Ireland will make the ultimate judgment on whether we should join in this fiscal policy. We have a currency but we do not have a fiscal unity and this was the reason I stated publicly before the event that Ireland should never have joined the eurozone. However, we are inside the eurozone now and we have to live with the situation as we find it.



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I refer to some outstanding journalism written in the past few days by Arthur Beesley and Dan O'Brien in *The Irish Times*. They have written responsible articles about the impact of a "No" vote and the certainty associated with a "Yes" vote. The headline over Arthur Beesley's report states: "His vote may decide if Ireland survives storm or faces catastrophe." It is incumbent upon us as politicians to make an effort not to persuade people to do anything rather to explain the information and to ensure that misinformation does not influence how people cast their vote. I am delighted to note that Fianna Fáil has also supported this fiscal treaty as being the correct option.

Like Deputy Hannigan, I have the proud privilege of being an ambassador for this Government in that I am a member of the OSCE Parliamentary Assembly. Last week in Vienna, at an economic forum I was given the impression that people were very happy with Ireland's response but they also acknowledged the need for more action to be taken. This treaty is one further step towards resolving the woes of our Continent and our currency but at that forum, every parliamentarian from around Europe and further afield, acknowledged that growth is the way forward. In my view, Ireland will get there if we adopt the right corrective measures and if there is certainty about the future of the currency. We will get people back to work. I advise the opponents of the treaty that the welfare of this country should not be jeopardised for political gain if this is the reason for their opposition. I ask them to hold off until the next election.

**Deputy Timmy Dooley:** Since the agreement of the fiscal compact treaty, Fianna Fáil has consistently called for a referendum to be held. Now that it is to be held, we will vote in favour of the treaty as a step towards facing up to the fundamental challenge facing the eurozone. However, we believe that it does not go far enough and that the ECB's role needs to be reformed substantially, fiscal union established and pan-European banking regulation set out. The fundamental design flaws of the euro need to be addressed in order to get Europe's economy moving again. Friday's European summit meeting has dramatically changed in tone with the announcement yesterday in the House of an Irish referendum. I welcome the fact the announcement was made in this House rather than elsewhere. No doubt, a ripple of shock spread through Government buildings in Merrion Street and in the Berlaymont building in Brussels when despite the Government's best efforts, the Attorney General recommended a referendum. This need not have been the case as the Government should not fear making a fair and open argument and putting a critical decision to the Irish people. This is of such a critical nature that it is right and fitting that the Irish people be given an opportunity to address it.

The Government has committed significant diplomatic and political energy in pursuing the avoidance of a referendum. It is automatically on the back foot going before the people as it was seen as running away from a vote on the issue. Its relations with our EU partners, which it emphasised was being rebuilt, have taken a blow after its futile efforts in negotiating a treaty on the basis of avoiding a referendum.

The original treaty wording that balanced budget laws need to be "constitutional or equivalent" was been replaced with "preferably constitutional". This phrase was included for a purpose and it was part of the negotiation process in a move to avoid an Irish referendum, despite German anxiety about weakening the treaty. Indeed, this was confirmed by Germany's Minister for European Affairs, Michael Link, who stated that European Union negotiators sought to design the eurozone fiscal compact in such a way as to avoid a referendum in Ireland. He specifically said: "We are trying to design everything that is on the table in a way which would be okay in the eyes of the Attorney General and the Irish Constitution so that no referendum

is needed.” The Government has been at pains to point to something different with regard to comments made but it is clear from Mr. Link’s comments this was not the case.

Fianna Fáil has consistently called for a referendum to be held on this critical issue. When the outline of the fiscal compact treaty was hammered out in December 2011, we called for a referendum to ensure that the steps taken by the EU to move forward should enjoy popular democratic legitimacy. Short-term gains in avoiding awkward referendums and dodging fundamental issues are always outweighed by the costs of undermining the legitimacy of the European project. This has been illustrated in the past. In the long term, the European Union can only flourish with the active engagement and support of its citizens.

Efforts by the Government to avoid a referendum and the sentiments expressed by Cabinet Ministers that referendums by their nature are not “very democratic” are not constructive. Those comments should not be made and have no place in this debate. Likewise, European leaders must address the democratic deficit that is steadily eroding the entire European project. This referendum should be engaged with in a constructive and open manner. Information must be easily accessible and demagoguery and crude populism avoided. Open, honest debate on the future direction of the Union should always be at the heart of the major decisions of the EU.

The euro was established in the Maastricht treaty of 1992 as an integral facet of a new Europe after the reunification of Germany and the collapse of the Soviet Bloc. However, it suffered from fundamental design flaws that remain to be addressed. Deputy Spring has alluded to these flaws. The currency enjoyed an initial period of tranquility. Member states coalesced around German bond levels and this obscured the underlying difficulties of the currency. However, the financial crisis has ruthlessly shown up those structural problems. This treaty is a step towards tackling those profound problems. In the view of Fianna Fáil, the main problems with the euro have been so badly exposed over the past four years. I refer to the limited mandate of the European Central Bank; the lack of uniform financial regulation, including a pan-eurozone bank resolution regime; and the lack of a fiscal union, in particular, one which involves transfers between states and eurobonds.

This treaty is a bridge towards a framework of polices and infrastructural changes that will tackle these problems. In essence, it takes the previously existing rules set out in the 1996 Stability and Growth Pact and ramps them up with stricter enforcement rules. These rules have already been reInforced by the economic governance six pack in December 2011. The fiscal compact aims to limit the opportunity for financial imprudence by member states which will spill over into other member states and damage the currency, which is really the root of the current crisis. It establishes a framework that will allow for a more expanded and effective EU response to the euro crisis.

More sweeping and decisive action is required to fundamentally address the euro zone crisis and to generate a stable fiscal and monetary space for the economy to grow and jobs to flourish. We argue that the following steps must ultimately be taken. Fiscal union with euro bonds that pool sovereign debt will strengthen all member states’ economic performance. Utilising fiscal transfers and euro bonds to invest in infrastructure and launch strong counter cyclical economic policies will be crucial to preventing future recessions on the scale of this one. The ECB’s mandate needs to be reformed to a model similar to the US Federal Reserve where the ECB can expand monetary policy by buying debt from member states. The strong action taken by the ECB on the secondary bond market helped stave off the threat to Spain and Italy.

Recent liquidity measures for the banking system through three year loans have also prevented the disastrous, complete freezing of the banking system. Strong unified financial regulation across the Union, reflecting the reality of international finance under the remit of

[Deputy Timmy Dooley.]

the ECB, will ensure that the banking crisis that we have endured does not happen again in the future. Regulation across Europe is a far more effective mechanism to prevent the disastrous banking decisions that have fuelled boom and bust economics.

This treaty is a building block towards putting in place the institutional framework and policies that are necessary in addressing the euro zone crisis. It is a single block in what needs to be a far greater and more ambitious programme of change. Failing to take these steps will haunt the EU as it continues to lurch from crisis to crisis with the fundamental problems of the euro continuing to plague the Union.

There are legitimate concerns about the treaty. I have expressed our view that it does not do enough and can only be seen as a step towards greater action in the future to tackle the euro crisis that is strangling economic growth, sapping business confidence and, ultimately, undermining jobs in Ireland. Economists have also concurred with this opinion and others have stated that not enough is being done to promote investment. These are fair and valid opinions that deserve to be heard and the people can weigh them up when they cast their vote in the coming months.

However, as others have said, campaigns of misinformation and dishonesty do not have a role to play. Conspiracy theories about EU plots with Goldman Sachs, which certain elements have put out, should have no place in the debate about the treaty. This is a pivotal moment for Ireland and its role at the heart of the European project. A campaign twisted by fear mongering, crude populism or outright misinformation has no place in public discourse. The citizens of Ireland, who rightly have the choice to make this decision despite the Government's best efforts to the contrary, deserve and demand open honest debate to thrash out the issues at hand.

As I said, Fianna Fáil believes in the European project. It guided Ireland into the then EEC and has always led the way in advancing our progress in Europe. The people know the immense benefits of being part of the European community of 27 member states and more than 500 million people.

The choice before the people is one to stay at the heart of a Union which has driven on social and economic advancement on this island. Fianna Fáil will fight to secure that place at the heart of Europe and looks forward to bringing that case to the only people who should ever decide on these critical issues, the citizens of Ireland.

**An Ceann Comhairle:** I call Deputy Breen who is sharing time with Deputy Durkan.

**Deputy Pat Breen:** I welcome the opportunity to speak in this very important debate. Like my colleague, Deputy Dooley, I welcome the fact this announcement was made in the Dáil Chamber. For the first time, I felt the Dáil was relevant because in previous years, announcements were made outside the Dáil. I commend the Government which got the information at 12 p.m. and made the announcement in the Dáil at 3 p.m. I also welcome the fact the Leader of the Opposition, Deputy Martin, immediately supported the Government's move to hold a referendum. That is important and is a good start to the campaign.

Over the past number of years, there has been too much negativity about referenda and, unfortunately, the negativity has started, in particular from Sinn Féin which said there were alternatives. It is easy to stand for everything but, in the end, to stand for nothing. Will Sinn Féin clarify the other options available, in particular given that it said the IMF would bail us out completely? It is extremely important the campaign is positive, whether one is voting "Yes" or "No", and the majority of people and parties support this referendum.

From the Government's point of view, the fact we are having a referendum means the people will have an opportunity to decide on their future involvement in the European Union, which is extremely important. It is also important the public is well informed. The Tánaiste and Minister for Foreign Affairs and Trade, Deputy Gilmore, and the Minister of State at the Department of Foreign Affairs, Deputy Creighton, will ensure the public is well informed in their campaign.

Deputy Dooley referred to the fact that referenda sometimes get sidelined. It will get sidelined if we are not positive and if the proper message is not sent. Experience has shown that debates are turned into anything but what referenda are about. However, it is far too important on this occasion to talk about other issues because the future of Ireland is at stake.

I concur with the Taoiseach and the Minister of State, Deputy Creighton, that ratifying this treaty is in the national interest and that non-ratification would send out a very bad message from Ireland. As Chairman of the Oireachtas Joint Committee on Foreign Affairs, I meet members of the diplomatic corps on a weekly basis. One of the things they highlight to me, whether formally or informally, is how Ireland has measured up, unlike other European countries. Our Ministers have always said we are not like Italy or Greece and that we have met our targets. That is paying off for us. Over the past 12 months, this Government has brought confidence to the country and that confidence is paying off for us in regard to foreign direct investment. Last year, we created 16,000 jobs, which is important.

Sending a positive message is important and, as I said, the diplomatic corps looks on Ireland as a country which has done extremely well in the midst of an economic recession in Europe. For that reason, it is important we send a positive message and deal with the issues. We have met our targets. Ireland's recovery is very much linked to the eurozone and growth is extremely important because it brings jobs and that is what the economy is all about. Ireland's exports are doing extremely well. There was modest growth in exports of 3.6% last year, which is real progress. We must be competitive.

The fact this referendum will take place in the near future will send a positive message. I know the people will vote "Yes" because they know their future lies in Europe. Sending a positive message to our partners in Europe will certainly make Ireland a very favourable place for investment in the future.

**Deputy Bernard J. Durkan:** I thank my colleague, Deputy Breen, for sharing time in this most important debate. Like other speakers, I compliment the Attorney General and the Government on reaching a clear decision without equivocation and deciding to hold a referendum not because a referendum is absolutely necessary, but because if there was even the slightest possibility of somebody bringing a constitutional challenge to the Supreme Court between now and the passing of legislation, it would be a disaster. I compliment all concerned as it is the correct way to go.

It also gives an opportunity to the people to recognise the progress over the past 11 months as a result of the work the Government has done. It may not be commonly known, and it certainly will not be promoted on the opposition benches, but €18.4 billion has been shaved off the indebtedness of this country in the past 11 months by way of negotiation and the tactics employed by the Taoiseach, the Tánaiste, the Minister for Finance and various other Ministers. That is an amazing achievement in a very short space of time.

All the people who contacted my constituency office in the past 24 hours since this announcement have said they totally support the concept of holding a referendum and they will participate positively in the debate.

[Deputy Bernard J. Durkan.]

It also gives an opportunity to the negative people, the no-pay brigade, who run around telling everyone not to pay or comply because they do not have to and because it is an attack on our sovereignty. The only attack on our sovereignty is that we have overspent. Like many other European countries, we have got into debt. We have two options: either we work our way out of it or we fall down and say we are sorry but we cannot pay. I challenge any Member to tell me how a household or a company that has overspent and overborrowed can go into a financial institution, apologise for overspending and say that while it does not intend to repay the debt, it needs money to work in the future. I am not an economist and it is a long time since I was in business but if people can find an institution willing to lend money in those circumstances, we should all know about it.

The stability pact is something required of all European countries so that no one repeats the breaches of the Stability and Growth Pact, as some countries did to their advantage at particular times. No European country can go there again. Much hate has been generated towards the German people, Ministers and Government over the past 12 months. There has been finger-pointing. Whether we like it, the German people made many sacrifices over the past ten or 15 years. They took a considerable drop in standards of living and quality of life in order to achieve what they set out to do. It is true that they broke the Stability and Growth Pact, as did France and other countries, but they took a decrease in quality of life and standards of living. We took the opposite choice. It is great to see that the Irish people recognise and stand behind the Government in attempting to turn around the ship. That will be rewarded.

5 o'clock

Something was said about the Government not doing enough to encourage investment. I hear chatter from the opposite side about stimulus packages. Will we ever learn one thing? We cannot have a stimulus package or economic expansion of any shape or form unless it is based on sound economic fundamentals. There were two oil-based recessions in the 1970s and there was a famous stimulus package here after one of them. The coalition Government at the time had put in place constructive measures to work our way out of it. In the general election campaign, a stimulus package was presented to the people. The theory was that putting more money in people's pockets, abolishing rates and reducing car tax would ensure the consumer had more money to spend. Within 18 months, the country was broke. We cannot afford a repetition of that nonsense. The campaign pursued by the Government, although not easy, is the correct one. It is a challenge for the country to fulfil. We can act as an inspiration not only to ourselves, but to other people in Europe similarly affected.

**Deputy Jonathan O'Brien:** I welcome the announcement yesterday of a referendum. It needed to be put to the people and, thankfully, the Attorney General has agreed. Deputy Breen referred to having an honest debate. We should start by saying that the Government did everything in its power to ensure there would not be a referendum on the issue. The Tánaiste said at a recent committee meeting that people were working to ensure this would not go to a referendum and reports from Europe suggested the same. The negotiating position of the Government on this makes it clear that the last thing it wanted was a referendum. It was no surprise to see the expression on their faces yesterday. Like the previous speaker, I welcome the fact that the announcement was made in the Chamber. That is the right way to do business. The fact that the Opposition got eight minutes notice is irrelevant; at least the announcement was made in the Chamber. Maybe there is a learning curve for the Government and next time we will receive more notice.

**Deputy Brendan Howlin:** Does Deputy O'Brien agree all Members are equal and should be told at the same time?

**Deputy Jonathan O'Brien:** I do. All Members are equal and perhaps the Minister and his Government backbenchers should remember that when heckling Sinn Féin across the floor. We are all equal, our opinions are valid and we all have the right to articulate opinions here. The Minister may not agree with them, but we have the right. I do not agree with the Minister's opinions, but I do not heckle him when he is speaking.

**Deputy Brendan Howlin:** Hear, hear.

**Deputy Jonathan O'Brien:** There was discomfort on faces when the announcement was made because people realised that we all have to campaign on the treaty, put the issues to the people and give the people their say. I found it ironic that the Minister for Justice and Equality said that, if needs be, there would be a second referendum. That rhetoric does not help the debate.

Despite the gloomy faces in this Chamber, I am sure there were happy faces across Europe because, finally, the people suffering under austerity have gleaned a glimmer of hope that at least one country will have a real debate on the issue and one nation will give its people the opportunity to make an informed decision. This is not an EU treaty or an agreement that all 27 member states hammered out as was the case previously. It is a mishmash of legal problems trying to get agreement across Europe. The Minister knows that one of the first rules of treaty making is to try to get everyone to agree. That philosophy was thrown out the window for the sake of convenience. Thankfully, the Attorney General has seen through that and we will have a referendum. We should not be surprised that the Government tried to avoid a referendum because the people were the last element the drafters of the treaty had in mind. The treaty has no impact analysis on how it will affect ordinary citizens, those looking for jobs or those forced to emigrate. This is all about gamblers, speculators and bankers because they are the ones the treaty is designed to protect and keep in jobs. There must be a real, honest debate.

We have seen how Europe reacts to countries attempting to put proposals to the people. We can look at Greece, when there was a quick row back at the thought of a referendum. It was quickly slapped down and that is not what EU democracy is about. It is clear to my party and those opposed to the treaty that the targets in the treaty are unattainable in the specified timeframe. It does not make sense. It will tie us into austerity for years and it is not scaremongering to say so. That is the way we see it. Even the IMF warned about austerity. We cannot just have austerity, we have to have stimulus and investment.

This is a bad deal for Ireland. It is short-sighted and I do not see the logic behind the treaty. I have to ask why we are being asked to sign up to it. It is not in the interest of the Irish people. We heard commentators say yesterday and today that we have to have a real debate and cannot scaremonger or get sidetracked with other issues, such as septic tanks, the household charge and cuts to schools. The reality is this is an austerity treaty.

I can understand why the Government does not want to want this debate to involve household charges, cuts, extra taxes, cuts to rural schools and septic tank charges. The reality is that because the treaty is about austerity, all of these issues are the real and tangible effects of austerity. They are linked to the treaty and should form part of the debate. Anyone who is arguing in favour of the treaty is arguing for austerity. One may disagree with my opinion but the facts will bear me out.

I was amused to hear Deputy Dooley say we need to ensure the debate is about the real issues and that we do not engage in scaremongering. He is from a party which, during the debate on the Lisbon treaty, along with the Labour Party and Fine Gael, told people if they did not vote in favour of the Lisbon treaty no jobs would come.

**Deputy Brendan Howlin:** I heard about European conscription.

**Deputy Finian McGrath:** Battle groups.

**Deputy Jonathan O'Brien:** We have battle groups. Is it any wonder people will be cynical when the three main parties have continued to rip people off, stick their hands into the pockets of ordinary householders and take every last penny to pay bankers and speculators? Is it any wonder they will have no faith in the message being put forward? I am quite confident that if this issue is debated on its merits people will reject it.

**An Ceann Comhairle:** There are four speakers and 16 minutes remain for the debate. Each speaker can have four minutes. Is that agreed? Agreed.

**Deputy Noel Harrington:** I welcome the opportunity to speak. This is an important debate. As we enter our second year as elected representatives, it is particularly important that we have a chance to speak on what is a fundamental debate on a referendum. This debate goes to the nub of all political issues in that our primary function in this House is to raise and monitor taxes to pay for all the public services we approve under Vote to provide for all of our citizens.

In doing that we must be realistic. The fiscal compact sets out a framework as to how we plan our financial affairs as a nation and member of the European Community and common currency. Some, like the previous speaker, Deputy O'Brien, have called it an austerity referendum. In reality, it would be better to call it a reality treaty. He referred to stimulus and investment. One can only provide them in an environment where those people that will invest can achieve certainty and stability. That is what the fiscal treaty is all about and why I am very pleased to support the referendum.

In doing that we must be realistic and this fiscal pact sets out a framework as to how we plan our financial affairs as a nation, a member of the European community and as members of a common currency. Some, like the previous speaker, Deputy O'Brien, have caused it an austerity referendum. In reality, it would be better to call it a reality treaty. He referred to stimulus and investment. One can only provide them in an environment where those people that will invest can achieve certainty and stability. That is what the fiscal treaty is all about and why I am very pleased to support the referendum.

It is only right that we have a constitutional referendum on adopting this reality pact. In doing so, we are writing the rules which can provide a framework for our monetary affairs now and, more important, in the future. In simple terms, we cannot borrow money if we cannot pay it back and we are currently living way beyond our means. The situation we have inherited is, according to the 2012 Estimates, that we as a Parliament on behalf of the Irish people will spend €55.75 billion or €12,192 for every man, woman and child in the country. The real problem is that we are only raising €38.08 billion or €8,312 for every man, woman and child in Ireland, in taxes and other income. We are overspending by €3,879 for every single person in the country.

I know Members opposite will oppose every effort to increase revenue by a euro or cent or by cutting expenditure. They do not want to pay back one red cent. Regrettably, those policies and ideology are as bankrupt and defunct as this country. We have and need a plan to reform our country's financial affairs and I look forward to some Deputies accepting this reality so they can reform their ideology and policies.

After a year in the House it is important to reflect on how every taxpayer sees his or her money being spent. The money spent on every man, woman and child in the country can be divided in broad terms. It comprises: €4,485 on social welfare; €3,065 on the health service; €1,971 on education; and just over €500 on the provision of justice system. We take in per

person: €3,294 in income tax; €2,130 in VAT; just over €1,000 in excise duties; and €305 in stamp duties. That is the current situation and it is not good.

I want to see a better way of planning our nation's finances so that my children and grandchildren do not have to face this situation again in 20 years' time. By agreeing to the treaty we are ensuring stability, not just for our citizens, but to increase investment and make a better way of life for our country.

Any previous Administration could have made mistakes. There was a series of up to 20 projects, such as PuncHESTOWN, the Media Lab, the Cork courthouse, e-voting, marine projects in Kerry, Galway and Sligo, accommodation for asylum seekers, PPARS, residential abuse in institutions, overruns, medical card for the over-70s miscalculations, Kilkenny flood relief, east and west toll link overruns, Stadium Campus Ireland or the Bertie bowl, the new passport system overrun, the LUAS overrun, the Dublin Port tunnel overrun and the Thornton Hall prison site debacle.

Such projects amounted to €7.3 billion of mismanagement and waste over a period of ten years. If the Deputy wants to vote for that and continue to vote for the possibility of it happening again, he should by all means reject the treaty. However, we are in a different time and need a different reality. Is there any better reason to vote for a reality treaty?

**Deputy Dara Murphy:** My Opposition colleague from the north side of Cork City spoke about this being a debate on ordinary Irish citizens, some of our people emigrating and the gamblers, speculators and profligate Governments we have had in the past. I agree with him. This is a treaty that will protect Irish citizens. It will build a country that will allow Irish people to come back from abroad and find jobs, and stop and prevent the type of government that has brought this country to where it is now and the speculation, abuse and poor banking we had in the past.

The austerity package we are currently under will remain in place no matter how people vote. I heard a person on the radio this morning talking about the household charge. That will not be affected by the referendum or how people vote. This is a package for the future of our country. It is a treaty which is not based on austerity but stability. It is about learning the lessons from the mistakes that not only we in the Republic of Ireland but many countries in Europe and around the world have made in the past number of years.

We have a responsibility to play our part. There is also an opportunity for us as a people to re-engage with the debate on the periphery of what it means to our country to be a member and partner of the European project and vision. Ireland and Europe are not separate entities. Ireland is part of and at the heart of Europe Europe has been exceptionally good to Ireland. Many of the billions of euro that enter Ireland each year come from our European colleagues. We will have an opportunity to put in place measures that will ensure individual nations, including Ireland and perhaps others in future, will not be able to put a project involving hundreds of millions of people, a Continent, at risk through poor economic management.

The referendum is very straightforward. I accept that the last two referenda on treaties were extremely complicated. While issues were raised that should not have been raised, the complexity of the treaties gave rise to questions on corporation tax and neutrality. Amendments were made to the second Lisbon treaty in this regard. The treaty before us is no such treaty. It is extremely straightforward and there are extremely clear and identifiable targets which countries such as Ireland must work towards.

It has been suggested that if every country in Europe were to have a referendum, they would all vote against the treaty. We must have regard for the fact that 16 of the 17 eurozone governments have all agreed, through their own legal frameworks, to put the treaty in place. It is



[Deputy Dara Murphy.]

extremely misleading to suggest that people in other countries, whose governments have signed up to the treaty on their behalf, would vote in a different fashion. This is a chance for Ireland to return to where it once was, a country that shows true leadership to the people of the Continent and which has a positive and strong economic outlook. We will be watched but it will not be a question of how others perceive us, nor will it be a question of our being perceived as the good boys and girls of Europe; it is ultimately for us to be selfish about our economic future and that of our children. This is why we must vote “Yes”; it is not for anybody on the mainland of Europe.

**Deputy Finian McGrath:** I thank the Ceann Comhairle for the opportunity to speak on this urgent debate on the European fiscal compact treaty. It is important to have a debate on it and on the facts. I am entering the debate with an open mind and will listen to all sides, after which I will make an informed decision on the facts and what I believe is in the best interest of the people of Ireland. I urge all Deputies to do so.

When one considers the details of the treaty, one will see the new fiscal compact imposes fines and will have repercussions for countries that break the agreement. This is a new departure. The treaty does not affect our current bailout arrangement and nothing will be changed by accepting or rejecting the deal. The treaty covers all future deals. If Ireland does not sign up to the deal, it cannot apply for a second bailout at any stage. Ireland may have other options, such as arranging unilateral loans from the United Kingdom or other countries and the IMF. However, people understand that this could be messy. Each country would impose its own conditions on any loan.

The treaty gives strong powers of oversight to the European Union. It removes the Dáil as being the final arbiter of budgetary policy. As such, the treaty signs away Irish sovereignty and freedom and admits there are powers above the Irish people that can determine what happens. These are concerns the people will raise and I would like to hear the Minister’s response.

Governments will no longer have a free reign on wide economic policy and when to spend to stimulate the economy. The treaty marks the first genuine step towards a federal state, in which national governments are subservient to the European Commission or European Central Bank.

Owing to the current world crisis, Germany is the only country in a strong negotiating position, and this moves the entire European Union into the German model for the future. Corporation taxes will be placed on the agenda and they will come under threat. We should deal with this in a sensible way. The treaty opens the door for the European Union to decide exactly how money is spent in Ireland. The current troika arrangements may become a standard in the future.

The treaty carries no easing of the debt burden for Ireland and commits it to a very large task in order to repay. In such circumstances, it seems both unreasonable and unfair, and the burden will cripple Ireland as an entity, making it no more than a footnote to the European Union. These concerns are important and I would like them to be addressed in the debate.

Deputy Durkan raised major concerns over stimulus packages. Everybody wants to balance the books, stay within budget and sort out the economic crisis. Nobody differs on that but some of us in the Opposition benches see the way forward as being able to propose constructive policies on trying to stimulate the economy and generate growth.

The fiscal compact treaty is designed to improve the strength of the European Union in dealing with the financial crisis. It strengthens the so-called bailout arrangements and imposes new conditions for countries’ participation. In short, it makes a stronger fund available to

countries that need it. In return, they must commit to tighter oversight by the European Union. Since the Maastricht treaty, the European Union has had oversight powers. Guidelines were set out for all countries as regards borrowing and spending.

I have an open mind on the issue. I will listen to all sides and then make a decision.

**Deputy Mattie McGrath:** I am delighted to have the opportunity to speak on this issue. I am delighted there is a referendum because the people who voted for a new Government a year ago based on promised change got no change. There was just a change of seating arrangements in the House. The people are anxious to have their say on the referendum and are entitled to it. I have an open mind on this matter and will weigh up the arguments very carefully.

I want the Taoiseach to put on the green jersey this time and state when in mainland Europe, where he is going this Friday, that we have a real problem. Since we must pass the referendum, he should demand that we be treated fairly and as equal partners. He should demand that we not be fleeced with high interest rates. We are being charged up to 6% in interest on the EU-IMF bailout loan. I voted against this, against my own party, at the time because it was not a bailout; it was a clean-out. The European Central Bank is giving banks money today at a rate of 1% while Ireland is paying at a rate 6%. Any economist or layman will say that is not fair. Money is being given to the banks that caused the problem and austerity measures must be imposed here and elsewhere in Europe to pay back the funds. The banks caused the failure. Hey presto, what happened this morning? A sum of up to €800 million was paid. There is no fair play. The Taoiseach must achieve some recognition for the plight of our people. He needs to have the debt halved. As I have always said, we owe only half of it because the European banks recklessly lent money to Irish banks. We are on our knees trying to pay it back.

We must extend the date of repayment over 30 years. The Germans finished paying money owed since the last war only quite recently. We must be realistic and apply the same standards that were applied to Germany when it got into huge debt. We must achieve fair play and be seen to do so. The people of Ireland will vote in favour of the treaty if they secure some recognition for their plight.

Deputy Durkan stated we have shaved €18.4 billion from our indebtedness. I do not know where he got that figure. I commend the Government on achieving some writing down of interest — I give credit where credit is due — but we now need a major carrot. I am not saying we are blackguarding or threatening; we need to be treated with respect and dignity. We should not be kowtowing to the bully boys, Dr. Angela Merkel or the rest of the gang in Europe. We just require fair play and to be respected as an equal.

Previous treaties have had these concepts written into them and they have all been flouted. I know in my heart that people will not vote for this treaty unless they see the debt is dealt with and that there will be stimulus packages that will get the country moving again. Austerity is not working. This morning on the Order of Business, we heard no business is being transacted because people do not have money or confidence. Above all, there is no fair play. I urge the Taoiseach to travel to Europe to tell his colleagues it is now time to step up to the plate. There is no point in his getting pats on the back, the back of the head or the neck. We want our people to be able to vote for the treaty if our European colleagues guarantee they will treat us fairly and respectfully, and allow us breathing space to pay the debts we owe, not those we are perceived to owe and which are crippling us. We are a fair people and have been good Europeans, but we are being blackguarded here. The first bailout was a clean-out, but we must get justice. If we do not, this will be going down the swanny.

**Minister for Public Expenditure and Reform (Deputy Brendan Howlin):** I welcome the many contributions that have been made by Deputies to today's debate. The number of interventions,

[Deputy Brendan Howlin.]

and their quality, is a testament to the importance that Members of the House rightly attach to this new treaty on stability, co-ordination and governance in the Economic and Monetary Union.

The Houses of the Oireachtas have been engaged in a lengthy and detailed debate on the merits of this treaty for some months now and particularly since the beginning of December 2011, when it was first mooted. The Taoiseach, the Tánaiste and the Minister of State for European affairs have been very active in engaging with the realities of the treaty in this House, in the Seanad and at the Joint Committee on European Affairs. The Government welcomes the initiative taken by the committee to begin a process of public debate about the treaty. To this end, it has already invited submissions from members of the public, as well as organisations, on the treaty and its detailed implications for every citizen. This was a prescient and timely initiative on the part of the joint committee. Clearly, the level of engagement with this treaty, on all our parts, will now have to be stepped up. All Members of this House have an obligation make themselves conversant with the detailed implications of the treaty and to engage with the electorate.

In deciding yesterday to call a referendum on the new treaty, the Government has taken the first step in opening a genuine national debate directly with the people on its merits and implications for Ireland now and in the future. An informed, calm and respectful debate on the new treaty is what is needed. We need to engage vigorously with the public. I hope and believe that those efforts will be led by Members of the Oireachtas.

Nobody has argued for a moment that this treaty will be the answer to all the ills that have afflicted the eurozone; on its own, it will not be. The treaty is one important piece of the picture, but a critical one nonetheless. Restoring stability and confidence in the 17-member euro area and in our shared currency, has been a central focus of our efforts, nationally and at European level. This treaty will contribute to that end.

Europe has broken new ground, however, in responding to the economic and financial crisis by putting in place support funds, initially in the case of Greece on an *ad hoc* basis. That support was then institutionalised through the establishment of the European Financial Stability Facility, the EFSF — from which Ireland is currently drawing funds — and its proposed permanent successor, the European Stability Mechanism or ESM. Late last year, Europe also adopted a comprehensive package of six legislative measures designed to strengthen economic governance throughout Europe. These are now being supplemented by a further two measures, designed further to strengthen surveillance within the eurozone.

As a package, these measures represent an important development in our ability, within a common currency area, to genuinely hold each other to account. That is all it is. It is about implementing the arrangements that we all signed up to when the currency was first founded, so that we will live up to our word on these matters.

This crisis has brought into stark relief the fact that member states, sharing a common currency, are inextricably linked. We have seen the negative impacts that spill-over effects from what is happening in one member state can have on all the others. It is no longer enough to be doing the right thing. We must reassure ourselves and the financial markets that we in the eurozone are looking out for the currency union as a whole. Every member of the currency union must play a full part.

This new treaty will ensure that all contracting parties, whether big or small, from north or south, meet their obligations. This is very good for the euro area but it is also critically important for Ireland. We have nothing at all to fear from this treaty. Ireland is meeting its EU-IMF programme commitments on time and in full. The Government is determined that

will remain the case. This is not an easy course but it is an essential one, and is already showing dividends. In 12 short months, sentiment towards Ireland has been turned around through the actions of this Government and the forbearance of the Irish people to difficult policies in difficult times.

Such a positive sentiment is not just desirable, it has concrete impacts on the real economy here and on the lives of every citizen. Sentiment matters in restoring investor confidence, which reduces the cost of our borrowing, and in attracting inward investment, which delivers growth and jobs throughout the country. It is clear, therefore, that these views of Ireland matter a lot.

An endorsement directly by the Irish people in the forthcoming referendum would be a powerful and eloquent statement from Ireland that we are serious about playing our full part in restoring confidence and stability to our common currency. Such a statement would be in the national interest of Ireland and all its citizens, as well as bring in the common interest of the euro area.

The Government looks forward to the national debate that lies ahead, in which we will play a full part. We will be fully engaged in it and hopefully the people will support the treaty when asked to do so.

### **Education (Amendment) Bill 2012 [Seanad]: Second Stage**

**Minister for Education and Skills (Deputy Ruairí Quinn):** I move: “That the Bill be now read a Second Time.”

I am pleased to introduce this Bill for the consideration of the House. A previous version of the Bill, namely the Education (Amendment) Bill 2010, was brought before the Dáil in October 2010 by my predecessor, Mary Coughlan, but was never presented on Committee Stage here. On becoming Minister for Education and Skills last March, I asked my Department to set about resurrecting that legislation with some changes. The Bill currently before us thus retains most of the technical, house-keeping parts of the 2010 Bill but also reflects the changed priorities of the current Government for our education system.

Perhaps the biggest change to the Bill is that it no longer provides for the involvement of vocational education committees in the provision of primary education. As an Opposition Deputy in 2010, I was of the view that the manner in which the Department of Education and Skills introduced a new pilot form of community national school at primary level, while welcome, should only have been done following consideration of the matter by a forum on patronage and pluralism in the primary school sector. One of my first acts as Minister was to establish that forum and I expect that its final report and recommendations will be published shortly.

The advisory group to the forum on patronage presented its initial reflections last November and indicated that it is broadly supportive of the continuation of the community national school model. As a result, I believe it will be necessary to provide this patronage model with a statutory footing in the near future. This reform will require separate legislation and provides an opportunity for the Oireachtas to pass one consolidated piece of legislation dealing with every aspect of VEC education. I believe that will be a more appropriate place in which to put, on a statutory footing, the arrangements for the establishment and running of primary schools by the successors to the VECs, which will be known as the local education and training boards. It is the Government’s intention to make progress in this regard before the end of the year. Members of the House will be aware that I have already circulated the heads of that Bill to the Committee on Jobs, Social Protection and Education.

I will now turn my attention to the Education (Amendment Bill) 2012 itself. This Bill provides for the amendment of the Education Act 1998 and the Teaching Council Act 2001 on several education matters. These include clarification on the delivery of speech therapy services

[Deputy Ruairí Quinn.]

to students; the abolition of the educational disadvantage committee; revised provisions in the procedures for the appointment, suspension and dismissal of teachers and other staff; arrangements for the employment, in certain exceptional and limited circumstances, of persons who are not registered teachers under the Teaching Council Act 2001; and provision for the Teaching Council to make regulations to apply certain conditions to the renewal of registration of teachers.

The Bill also provides for the repeal of the Scientific and Technological Education (Investment) Fund Act 1997 and the Scientific and Technological Education (Investment) Fund (Amendment) Act 1998.

Sections 1 to 3 contain the standard provisions such as the Short Title, commencement and collective citations, interpretation and expenses.

Section 4 provides for three amendments to definitions contained in section 2(1) of the Education Act 1998. The definition of “educational disadvantage” is amended in section 4(a) as a result of the repeal of section 32 of the Education Act 1998 which is provided for in section 7. This section also provides for the substitution of the definition of “principal” to take account of the changes to appointment procedures proposed in the Bill.

Section 4 provides for an amendment in the definition of “support services” in sections 2 and 7 of the Education Act 1998 to clarify the position in the delivery of speech therapy services and other health and personal services to students of school-going age. The Education Act 1998 lists the planning and co-ordination of support services, including speech therapy services, as a function of the Minister for Education and Skills. The legislative framework will be regularised in accordance with the de facto position, which is that the provision of speech therapy services is a matter for the Health Service Executive, HSE. This position is already acknowledged by the Oireachtas through the provision of voted moneys to the HSE to deliver such services.

The continued existence of sections 2 and 7, as currently phrased, causes confusion for parents, schools, and professionals as to who is the service provider. There are no services which are currently being provided by the Department of Education and Skills which will no longer be provided as a result of the revised legislation. Rather, the amendment is necessary to clarify the actual position in the delivery of speech therapy services to students of school-going age. The proposed provisions will not impact on the availability of speech therapy services for children with special educational needs through the HSE. Additional funding of €7.2 million for disability was provided to the HSE in budget 2009 for the provision of 90 additional therapy posts targeted to support children with disabilities of school-going age and including speech and language therapists.

The Department’s commitment to support the co-ordinated delivery of services to families of children with special educational needs is not diminished by this amendment. The Department will continue to work with partners in the health and disability sectors through the vehicle of the cross-sectorial team, as established under the auspices of the office of the Minister of State with responsibility for disability and mental health, and the national disability strategy stakeholder monitoring group.

The amendment under section 5 follows on from the amendment made in section 4, to amend the definition of “support services” in section 2 of the Education Act 1998. Section 2 of the 1998 Act has been amended to clarify the position that the delivery of health and personal services, including speech therapy services, to students of school-going age is not a support service to be provided by the Minister for Education and Skills. Section 7(5) and (6) of the Education Act, which provide for the Minister for Education and Skills to request the assistance

of health boards to make provision for such services, no longer applies. These support services are now delivered by the HSE, as opposed to by individual health boards, subsequent to the establishment of the HSE by the Health Act 2004. The HSE has responsibility for the delivery and for the planning and co-ordination of service delivery.

Section 6 provides for a revised text of sections 23 and 24 of the Education Act 1998 to provide for the appointment, suspension and dismissal of teachers and other school staff in accordance with procedures put in place by the Minister following consultation with the education partners.

Sections 23 and 24 currently provide for the appointment, suspension and dismissal of principals and teachers by the board of management of a school in accordance with procedures agreed between the Minister, the patron, recognised school management organisations and trade unions.

Section 24 already gives powers of approval to the Minister for the number of teachers or staff employed by schools and the qualifications of such staff. It also gives a power to the Minister to determine the terms and conditions of such staff. In terms of the procedures to be utilised in respect of appointment, suspension or dismissal of staff, section 24 introduces a requirement for agreement of all parties. The current requirement for agreement as distinct from consultation on these matters could, on the face of it, be invoked by any one party to withhold agreement. In so doing, it could prevent the putting in place of procedures that concern the terms and conditions of staff in the areas of appointment, suspension and dismissal. The current construction could even prevent reform that has been agreed between most of the parties.

On Committee Stage in the Seanad, I stated the word “agreement” should not equate to unanimity or veto but, equally, that consultation must not mean a diktat or imposition. In response to concerns raised by many Seanad Members, I have given assurances that, following enactment of this Bill, my officials will engage in discussions with the education partners on having a general consensus around the extent and quality of this consultation and on how agreements are reached. I want to put it into a formal understanding rather than in primary legislation.

I have committed to utilising established procedures, such as the Teachers Conciliation Council, as a vehicle for these discussions. The Department will also engage directly with patron bodies which are not members of the council. This approach reflects the well-established tradition of consulting on, and wherever possible securing agreement for, change which has been, and will continue to be, used in the Department. Existing mechanisms will not be displaced. However, we need to be sure that progress can be made on such matters where total agreement cannot be reached and where this is necessary in the public interest.

The new section 24(5) provides for the redeployment of teachers and other school staff in accordance with redeployment procedures determined by the Minister of the day, with the consent of the Minister for Public Expenditure and Reform, following consultation with stakeholders. A person redeployed under these procedures will become an employee of the board of management or vocational education committee, VEC, to which he or she has been redeployed.

While having fully efficient and effective teacher redeployment arrangements has been always an objective of the Department, it has assumed a critical dimension in the context of the EU-IMF framework. This is because of the ceiling on numbers under the employment control framework and the imperative of staying within that limit because it is part and parcel of the memorandum of understanding with the troika. We also have obligations under the Croke Park agreement on redeployment.

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It must be understood there is an almost total embargo on recruitment across the public service, meaning that, in most cases, vacancies are not filled. Where there are limited derogations, open recruitment can be considered only where redeployment is not an option. The education sector has been relatively well protected on this front and individual sanction by my colleague, the Minister for Public Expenditure and Reform, Deputy Howlin, is not required. However, the requirement to redeploy any surplus teachers before recruitment can be considered or authorised is as binding in the schools' sector as it is in any other part of the public service. The Bill is intended to ensure clarity and certainty by providing explicit statutory provision for redeployment. Redeployment is about a change in a teacher's appointment and is very much part of the terms and conditions of teachers.

While under the existing section 24 the Minister has the power to determine the terms and conditions of teachers, I still believe there is a value in making clear that redeployment arrangements can also be determined by the Minister, if need be. Again, this is to avoid any situation developing whereby the position of any one party might inhibit or delay the operation of redeployment processes either in general or in an individual case simply because that party seeks to invoke a veto.

Consultation is again provided for and my Department remains committed to working in partnership and building consensus. As with appointment or disciplinary matters, my policy is to create consensus on redeployment arrangements. That is the best way forward. I do, however, need a measure that, at the end of the day, enables me to ensure that redeployment is not delayed or prevented in general or in individual cases. I am confident that redeployment arrangements can continue to be developed to accommodate concerns and issues as they arise.

I wish to turn now to the employment of people who are not registered teachers, which was a matter of considerable concern at the various teachers' conferences last spring. I am fully committed to ensuring that, to the greatest extent possible, only qualified and registered teachers are employed in recognised schools which are funded by the taxpayer. Section 30 of the Teaching Council Act 2001 currently provides that a person employed as a teacher cannot be paid from the public purse unless he or she is a teacher registered with the Teaching Council. The INTO and the ASTI have argued for the commencement of this section without qualification for the past 11 years.

While the position of only employing registered teachers is a logical and desirable one, it does not always reflect the practicalities at school level. Schools may, at short notice, have to engage a person in place of a registered teacher who may be sick or unable to attend school for some other reason. Despite the high numbers of newly qualified teachers, principals can experience genuine problems in sourcing a registered teacher. If there were no exception to the requirement to be registered, there would be occasions, albeit a small number, when in the absence of such a person students would have to be sent home. The Bill amends the Education Act 1998 in order to permit the Minister of the day to regulate the conditions attaching to the employment of an unregistered person in such circumstances.

The conditions can include a requirement that an unregistered person may be employed if, and only if, a registered teacher is not available to take up the position, as well as limits on the length of time in which an unregistered person can be employed, the purposes for which he or she may be employed, and a requirement that the school continue to seek the services of a registered teacher. As a result of an amendment proposed by Senator Power in the Seanad, which I accepted, the regulations may also include a requirement that the unregistered person be subject to Garda vetting. Much of that is already being done administratively. Under Circular 31/2011 issued by my Department in May of last year following the teachers' conferences,

the employment of an unregistered person is limited to a continuous period of five days at a time and schools remain under a continuing obligation to source a registered teacher. Schools must also prioritise registered teachers over unregistered people.

As a result of that approach, if there is an adequate supply of registered teachers, then schools will have to employ them over unregistered people. However, the regulations will ensure that a school does not have to close simply because it cannot find a registered teacher where there is an unforeseen absence. Locating the provision in the Education Act rather than the Teaching Council Act emphasises the fact that this is primarily an employment, rather than a registration, issue. I hope that this provision need not be utilised as I am committed to having a fully registered profession. Ideally, the provision I am making should never be used.

It is the boards of management and principals of schools who make the day-to-day decisions on employing substitute teachers. This legislation does not require them to appoint unqualified people. However, if a principal or board were to be in a position where they feel they have no other alternative in the short term, and for a limited period, then the proposed change allows for the payment of the person out of the public purse. Without the change, the position is absolute and, therefore, not practicable.

When the Bill was published it provided for two other categories in which it would be permissible for schools to employ unregistered people. They were unqualified people who had obtained automatic registration with the Teaching Council in 2006 and had subsequently let this registration lapse and those whose registration with the council is pending at the time of their appointment. In light of union representations to me on this issue generally, I decided to remove these categories and, in so doing, I have limited the exception to being registered to the urgent, unforeseen and short-term needs of schools. This means that, outside of this situation, the Department or a VEC will be prohibited from paying anybody employed as a teacher unless he or she is registered with the Teaching Council.

Section 7 provides for the repeal of section 32 of the Education Act 1998. As part of the rationalisation of agencies in budget 2009, the Government decided there was no longer a need for a formal statutory committee to advise on educational disadvantage. Section 7 gives effect to this decision and provides for the repeal of section 32 of the Education Act 1998, thereby abolishing the Educational Disadvantage Committee. The committee was established under section 32 of the Education Act 1998 in order to advise the Minister on policies and strategies to be adopted to identify and correct educational disadvantage. Its final report, *Moving Beyond Educational Disadvantage*, was published in December of 2005. The report was a valuable input to the development of delivering equality of opportunity in schools, DEIS, with which Members are familiar. DEIS has provided, and will continue to provide, a structured and targeted approach to dealing with educational disadvantage.

More recently, the Educational Research Centre, ERC, in Drumcondra and the inspectorate in my Department have carried out an important evaluation of the DEIS scheme. Research published last January shows the DEIS programme is having a positive effect on tackling educational disadvantage. It also shows that improvement is taking place in the learning achievements of pupils in DEIS primary schools in urban areas. I am confident that the ERC and other research bodies will continue to provide the education system with much needed data on educational disadvantage and inform future policy decisions.

Section 8 provides for a procedural amendment of section 30 of the Teaching Council Act 2001 to cross-reference the amendment of section 24 of the Education Act 1998 as provided for in section 6 of the Bill and as outlined previously in this speech. Section 30 of the 2001 Act



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has not yet been commenced but it is my intention to activate it as soon as the President signs the legislation.

Section 9 provides for the amendment of section 33 of the Teaching Council Act 2001 to allow the Teaching Council to apply some level of conditionality on renewal of registration by teachers. On a previous occasion in this House there was discussion on the matter with Deputy O'Sullivan. As it stands, section 33 of the Teaching Council Act 2001 requires that a registered teacher pay the requisite annual fee in order to maintain registration status. However, it is desirable to make provision for certain conditions to be fulfilled by registered teachers in order to renew their annual registration. Other provisions existing in the 2001 Act to do with making applications on time and the effective date and term of the renewal are replicated in the amended section 33 now proposed.

The main purpose, therefore, of the amendment is to allow the Teaching Council to make regulations to impose such conditions. While the change provides for standard conditions to be set, such as the form and manner in which an application for renewal is made and the documentary and other evidence required to be submitted with the application, more importantly, the council may apply conditions such as the completion of programmes of continuing education and training, evidence of character, such as Garda clearance, and teaching experience.

This amendment provides for a progression towards a more robustly regulated profession and the furtherance of the objective of maintaining and improving teaching standards, including continual professional development. As many Deputies are aware, such qualitative conditions are already the norm in other professions and there is no reason for the teaching profession to be any different.

This is an enabling amendment and before the council can make any such regulation, my consent as the Minister for Education and Skills is required. Should the council propose regulations, they would be carefully considered by the Department in terms of their potential benefit to the education system, the burden that would be placed on individual teachers and any associated resource implication.

Section 10 provides for the amendment of section 38 of the Teaching Council Act 2001 to clarify a function of the Teaching Council in respect of programmes of teacher education and training provided by institutions of higher education and training. Section 38(1) states:

The Council shall, from time to time—

(a) review and accredit programmes of teacher education and training...

This may be interpreted as requiring the council to accredit all of the programmes that it reviews. To avoid doubt, the Bill contains a provision to allow the council to accredit programmes where it is appropriate to do so.

The council reviews new programmes presented to it for first accreditation as well as existing programmes. A number of reviews of existing programmes have already taken place. In all cases, the council has produced detailed reports that include a number of recommendations aimed at improving the programmes of study in question. These have been accepted and are being acted upon by the providers in question. However, should the council determine that a new or existing programme is not up to the high standard required of an initial teacher education programme, I want there to be no doubt that the council has the authority to withhold accreditation for that programme if it is right to do so.

Section 11 provides for the repeal of the Scientific and Technological Education (Investment) Fund Act 1997 and the Scientific and Technological Education (Investment) Fund (Amendment) Act 1998, as the fund has been fully spent and the provisions of the Acts are no longer required. The Acts are being repealed to end the requirement for the production of annual reports and accounts for a fund that is now defunct. The 1997 Act made financial resources available for the provision of education and vocational training in the fields of science and technology through the Scientific and Technological Education (Investment) Fund. The fund was disbursed by my Department between 1998 and 2010, inclusive.

I look forward to listening to the opinions of Deputies and to further debate as the Bill progresses through the Dáil. I commend it to the House.

**Deputy Brendan Smith:** I welcome the introduction of this legislation. We support the Bill overall, but there are a number of issues of concern in respect of which we will table amendments on Committee Stage.

There are several differences between this Bill and the one drafted by the Minister's predecessor, Ms Mary Coughlan. For example, the Minister will be given the power to make directions in terms of redeployment following consultation, not agreement, with educational partners. As the Minister stated, this provision concerns many of those partners. Through our and, I hope, the Minister's Committee Stage amendments, we want to ensure that a satisfactory resolution to the issue can be reached. While management bodies have some concerns that they will no longer have a veto on who is redeployed, the Bill does not affect their right to protect the ethos of their schools. This is an important and necessary matter.

We support the implementation of section 30 of the Teaching Council Act but we are concerned about the Bill's provisions on allowing schools to hire unregistered teachers in certain circumstances. The days of having non-teachers teaching in schools should be over.

There is a significant and notable difference between this and the original Bill. I have a difficulty with the discontinuation of the section that provides for vocational education committees to be patrons of national schools. As someone who has served in VECs and has been active on various schools' boards of management, I am aware of the important role played by the vocational education system throughout the country.

The Minister rightly established a forum on patronage. During the past decade in particular, there has been a diversification in patronage. This situation has evolved, given the high level of immigration as well as people's desire for diversity in patronage. The establishment of the community national school model was desirable, in that it catered for parents' wishes in respect of denominational, multi-denominational and non-denominational education within a single-patron framework. This was provided for in the 2010 legislation and I am disappointed that the Minister will not keep it in this Bill, despite the fact that he expects the report of the forum on patronage shortly. Including this provision would have sent a clear message to the forum concerning the diversity that is made available through the community national school model.

The Minister will have powers over the appointment, redeployment and dismissal of teachers. Under the Education Act 1998, these procedures must be agreed by the Minister and educational partners. Under this Bill, however, the procedures can be implemented following consultation rather than agreement. From a clear reading of the legislation, it appears that the agreement of the partners will no longer be required. Under the Bill, surplus teachers will be redeployed as per the commitment in the Croke Park agreement. In effect, the Bill places elements of that agreement into legislation.

While management bodies have expressed concern with this section and how it will affect their right to protect their schools' ethos, schools remain protected in this regard. The Minister

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participated in the debates of recent weeks on the need to ensure that people can access schools of their choice. I am referring in particular to schools under the patronage of minority faiths. A teacher may be redeployed to a school with a different ethos, but this would cause no significant problems. In my constituency, people of certain denominations teach in schools of other denominations without problems arising.

The section on allowing the employment of unregistered teachers in certain limited circumstances is unnecessary in light of the significant number of unemployed teachers. A large number of qualified teachers, particularly young teachers, are in this unfortunate position. In the Upper House, Senator Power may have suggested to the Minister that he consider a ban on hiring retired teachers. This continues to be a problem for qualified, young graduates seeking work.

**Deputy Ruairí Quinn:** I agree.

**Deputy Brendan Smith:** I appreciate that. Perhaps we can address the matter on Committee Stage. A substantial number of retired teachers are working in the system. Often, decision makers can take the easy option and hire experienced people who they know to be competent for two or three days, a few weeks or so on. When will the young person ever get a start? I hope we can make some progress on this issue in the context of this legislation.

Section 30 aims at ensuring that schools only employ teachers who are qualified and registered in accordance with the standards set by the Teaching Council. The section has never been implemented, with the result that schools are not under a statutory obligation to employ registered teachers. I welcome the commencement of this section.

The section will also allow the Teaching Council to make renewal of registration conditional on a number of factors, including continuing professional development. Bearing in mind the technological age in which we live, it is important to embed continued professional development. There is a clear need to maintain and assess professional development.

The Teaching Council Act 2001 provided a legislative framework for regulating the teaching profession and promoting teaching as a profession. The specific functions of the Teaching Council are varied and important. Its functions include maintaining a register of teachers, publishing codes of professional conduct on teaching knowledge, skills and competence, and maintaining and improving teaching standards. Since its establishment in 2006, it has focused on putting in place the register of teachers, publishing registration regulations, assessing non-standard teaching qualifications and managing Garda vetting of teachers. In 2009, it started the process of accrediting the 42 teacher education programmes in Ireland.

The Bill introduces redeployment of teachers into primary legislation for the first time. The statutory underpinning of an effective redeployment scheme will help to absorb surplus positions, thus leading to cost savings. Redeployment will take place in cases where a school is over quota, as outlined in the Croke Park agreement, or where a school closes, as agreed in Towards 2016. Under the legislation, a teacher will become an employee of the board of the school to which he or she is redeployed. Teachers may also be redeployed to a school with a different ethos.

While we support the commencement of section 30, we do not agree that it should be amended to allow for the paid employment of unregistered teachers in certain circumstances. The 2001 Act ensures that schools only employ teachers who are qualified and registered in accordance with the standards set by the Teaching Council. Section 30 also prohibits the payment of unregistered teachers. The section provides that qualified teachers who are not regis-

tered will be paid the unqualified rate of pay, thereby offering a financial incentive for qualified teachers to register with the council and abide by its professional standards.

Between January and March 2011, some 3,376 teachers were removed from the register. This does not mean they were unqualified, however, because they may have requested to be removed from the register on retirement or failed to pay their annual registration fees. Approximately 73,000 teachers are registered with the council.

Section 7 of the Bill has caused concern among teachers and educational partners. I welcome that the Minister also wants to make progress on certain of the issues arising in this regard. The Teaching Council has welcomed the publication of the Bill and, in particular, those provisions relating to mandatory registration because they will allow it to exercise its statutory role in full. The council is concerned, however, that the Bill as currently drafted includes a proposed amendment to the text of section 30 of the 2001 Act and qualifies that section by reference to section 24(7) of the Education Act, as amended. The proposed text of section 24(7) is intended to allow for the temporary employment in certain exceptional and limited circumstances of persons who are not registered teachers, if no registered teacher is available. The council has previously made known its opposition to such an exemption and remains of the view that there is neither a need nor is it desirable to amend section 30 in any way. It has communicated this view to the Minister. We will be unnecessarily providing for the employment of unregistered teachers. It is a common trait to take the easier option instead of exploring every opportunity for providing jobs for unemployed teachers of any age.

Unions have expressed their opposition to the revised section 24(8) of the Education Act, which provides for the employment of a person who is not a registered teacher in place of a registered teacher in particular circumstances. I hope the provision will be reversed on Committee Stage but if the Minister is minded to proceed, it must be accompanied by strict conditions.

**Deputy Ruairí Quinn:** I share the Deputy's views but the principal is responsible for hiring the unqualified teacher.

**Deputy Brendan Smith:** I appreciate that but I do not want to give him or her the opportunity.

**Deputy Ruairí Quinn:** Yes.

**Deputy Brendan Smith:** Both principals and teachers have suggested to me that we should bring down the shutters on this provision. We all know that practical difficulties can arise in remote areas but I would prefer not to countenance the practice. If the Minister is minded to proceed with it, the circumstances under which it applies must be limited. I hope the practice will be non-existent.

I will run through the legislation briefly. While this is more a matter for Committee Stage, the word "may" in section 6 should be replaced by "shall". Such a change would require the Minister to prescribe circumstances and conditions for the employment of a person in place of a registered teacher in circumstances where he or she was satisfied that it was necessary to do so in accordance with the terms of the Bill. The Bill as presented merely states that the Minister may prescribe circumstances and conditions. There is a concern that a person could be employed in place of a registered teacher without this being governed by strong ministerial regulations.

My concern over section 7 relates to the term "in a teaching position". I would propose to delete "in a teaching position" and replace it with "in place of a registered teacher". The reference to this person being employed in a teaching position is anomalous and inaccurate. The subsection provides that the Minister may require, in effect, prescribed qualification for

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such a person. People in teaching positions have their qualifications prescribed under the law by the Teaching Council, which has the responsibility under the terms of the European directive and the Teaching Council Act. While the Minister may be able to give a clear explanation on Committee Stage, it seems to me that the Minister cannot take on the responsibility of setting out qualifications for a person who is employed in a teaching position. We need that paragraph amended and I hope what I have proposed in layperson's language can be addressed on Committee Stage.

Overall, I welcome the Bill and I hope we are in a position to address those few important issues. We will be supporting the Bill on Second Stage and we hope we will be able to work with the Minister to address the issues on Committee Stage. The message for all of us is to give newly qualified people or qualified people of working age the opportunities for any employment that may arise so that we have the qualified person in the classroom. Unfortunately today there are many qualified, eager, determined and committed people who do not have an opportunity to go into a classroom to teach. The obligation is on us as legislators to ensure that we set the parameters so that the qualified person gets the opportunity and that we are not taking back into the classroom retired people who have had their day in gainful employment. We need to give young people the opportunity to get working in the profession and get a full-time career as soon as possible.

**Deputy Seán Crowe:** I am conscious that some people may be watching this debate at home and if they are not asleep, they certainly will be after my speech.

**Deputy Ruairí Quinn:** The Deputy is not that bad.

**Deputy Seán Crowe:** It is a fairly technical Bill and the only way to deal with is by going through it section by section. The Bill paves the way for the commencement of section 30 of the Teaching Council Act, which when enacted will effectively mean that all teachers in State-recognised schools whose salaries are funded by the Department of Education and Skills must be registered with the Teaching Council. It also provides for the commencement of the remaining sections of the Teaching Council Act 2001, meaning registered teachers will be required to meet the council's registration and ongoing professional education requirements, subject to the code of professional conduct and, as appropriate, the council's fitness to teach process.

I also understand the Bill provides for the amendment of section 33 of the Teaching Council Act 2001 which relates to the annual renewal by teachers of their registration. This is probably the most controversial part of the Bill. The proposed amendment would allow the council to require teachers to submit certain evidence when renewing, which may include, for example, Garda vetting information or evidence of continuing professional development. When I raised this issue with the Minister, he indicated that approximately 30,000 of 73,000 teachers who are registered with the Teaching Council have been vetted to date. This leaves 43,000 teachers who are still awaiting clearance from the Garda central vetting unit. This chronic backlog has been caused by serious staffing shortages that have resulted in a build-up of unprocessed applications and is a matter that needs to be addressed. Having introduced a vetting process for people who are dealing with children or vulnerable adults, we need to put in the resources to implement that. I ask the Minister to address that issue.

**Deputy Ruairí Quinn:** I spoke to the Minister for Justice and Equality on the matter. While it is problematic, we will deal with it on Committee Stage.

**Deputy Seán Crowe:** Some of those would be teachers coming out of retirement. People at home listening to this might be concerned about their loved ones in that regard. The Minister

said he accepted the Seanad amendment proposed by Senator Power relating to unregistered teachers and Garda vetting, which makes sense. We need to work out how that can be processed in a speedy manner. Even the previous Government was supposed to be addressing that matter and hopefully it will be addressed soon.

Section 6 drops the existing provisions in sections 23(1) and 24(3) of the Education Act which provides for consultation and agreement on certain matters. The INTO pointed out that the appointment procedures are currently agreed every four years when the rules and constitution of boards of management are reviewed and there has never been any difficulty with that consultation and agreement process which is of long standing. I ask the Minister to outline why this change has been made either on the conclusion of Second Stage or on Committee Stage.

The Bill also includes an amendment to section 38 of the Act which relates to the council's role in reviewing and accrediting programmes of initial teacher education. The proposed amendment clarifies the council's power to refuse or withdraw professional accreditation, where appropriate. Similarly, the INTO has also raised concerns that section 24(8) legitimises the employment in schools of persons without teaching qualifications, albeit in defined and limited circumstances. What will happen to people working in Youthreach who have a craft background and are not fully qualified teachers? In the interim, I urge all practising teachers who are not registered with the council to apply for registration without delay.

The Bill also provides for the amendment of the Education Act 1998 and the amendment of the Teaching Council Act 2001 in a number of education matters. These include: clarification on the delivery of speech therapy services to students; the abolition of the Educational Disadvantage Committee; revised procedures for the appointment, suspension, dismissal and remuneration of teachers; and provision for the Teaching Council to make regulations to apply certain conditions to the renewal of registration of teachers.

The Act lists the planning and co-ordination of support services, including speech therapy services, as a function of the Minister for Education and Skills. While there is agreement at policy level that the HSE will provide such services, it is important that the proposed amendments to the Education Act 1998 are in a position to deliver speech therapy services to students of school-going age. As public representatives we are aware of the difficulties, the frustrations and the long, tortuous delays through which students and their parents have to go to get basic resources and supports, especially in the speech therapy area. We are also aware of the difficulty facing families who miss out for a certain period which results in the child dropping back and so on. We have probably all dealt with such situations over the years.

The legislative framework is to be regularised in accordance with what exists at present, that is to say, the provision of speech therapy services is a matter for the Health Service Executive. It is important that the provision of funding to the HSE to deliver such services is ring-fenced and used to provide essential health supports including speech and language therapy and occupational therapy to children. I understand that in some circumstances such therapy services are delivered in schools and the proposed amendment will not change this existing position.

Despite the fact that specific speech and language impairment, SSLI, is known to be a long-term disability, a continuum of provision is not available in Ireland. I am unsure why. A significant number of children continue to receive speech and language therapy in a local clinic after they return to their local school and many are allocated extra resource teaching hours.

There is agreement across the House that resources should follow the child. The trap door between junior and senior school must be removed. The hope of seeing this matter resolved appears to be a long way off but perhaps we can address this on Committee Stage. I realise the Minister is nodding his head in agreement on this matter. This problem exists and it would be fantastic if it could be addressed under this Bill.

[Deputy Seán Crowe.]

One particular problem is the grey area surrounding what the existing provision covers and how pupils and schools are affected. If we are serious about addressing a child's speech and language disorder through appropriate education and intensive speech and language therapy within the context of a broad and balanced primary school curriculum, then the emphasis must be on early intervention. There is a long-standing, misguided belief that SSLI is a short-term and largely resolvable condition. However, research into SSLI and professional practice have highlighted the long-term nature of the disorder. Consequently, attendance in a language class should be regarded as only one part of a child's continuum of care. It is important to retain and develop a flexible system that can deliver the necessary supports for children with SSLI in a mainstream classroom setting. This means retaining a full-time teacher assigned to each class that operates with a ratio of 7:1 and, where necessary, a speech and language therapist should be available to provide therapy for the children in the class.

I understand the operation of section 40 of the Education for Persons with Special Educational Needs, EPSEN, Act 2004 will change if this legislation goes through and the Minister will not have the function of requesting the assistance of the relevant health authority in respect of planning, provision and co-ordination of support services. However, perhaps I am wrong about this.

The Minister has made the point in the past that the HSE has the responsibility for providing services but the trouble arises if the HSE does not adequately provide specialised support services, including language support and occupational therapy. Is it then the Minister's responsibility to ensure services are provided and will this be weakened by the legislation? Perhaps not. If a child does not receive the adequate education, the buck stops with the Minister and the Government. I call on the Minister to offer some clarity in this regard.

It is important that children in hospital have access to adequate levels of support to ensure their specific needs are met. Under the Education for Persons with Special Educational Needs Act, each child assessed with a special educational need should have a personal education plan. However, the implementation of the assessment of need and individual education plans must be implemented. How will this affect a child in the hospital setting? I realise this is a specialised area but we must consider such circumstances when we introduce legislation. Changes took place recently with regard to the special education needs assistants and these changes did not necessarily concur with the needs of the children in that setting.

When the Minister's party colleague, Senator Mary Moran, spoke on the Bill in the Seanad she welcomed the changes which will empower the Teaching Council of Ireland as a regulator. She pointed out the importance of ensuring that teachers who enter the profession are educated to the highest possible standards and that student teachers should receive the best possible preparation for their professional careers.

The Bill is before the House at a time when the Government is imposing cuts to a range of allowances and supports for teachers, especially those newly qualified. Teachers have already absorbed the non-payment of the last promised pay increase of 6%, the pension-related deduction of 7%, a pay cut of 6%, as well as the universal social charge, PRSI contributions and all the levies. Pay cuts amounting to 14% have been imposed on new teachers. These substantial reductions have made a considerable difference to teachers, many of whom are finding it remarkably difficult to make ends meet. The Minister would have heard these sentiments at the teacher's conference recently. In return, teachers are doing more work and enabling the Exchequer to make substantial payroll savings. Redeployment has delivered savings of €60 million. Additional working hours have been implemented resulting in fewer school closures and better planning while more pupils are being taught by fewer staff.

As a result of the 2012 budget, teachers who enter teaching on or after 5 December 2011 will be subject to a cap on allowances equivalent to the honours degree allowance, currently at €4,426. Existing teachers who receive or have received additional qualifications, such as a master's degree, on or after 5 December 2011 will not receive these additional allowances. A recently qualified teacher who contacted my office asked how the Department of Education and Skills, as an equal opportunities employer, could expect new entrants to the teaching profession to work under the same conditions as teachers who are paid 30% more. This reduction is unjustifiable and a move which depreciates and undervalues the quality of education undertaken by new entrants in comparison to those who have entered the profession in previous years. It is wrong that the Government is expecting new entrants from February 2012 to carry out the same duties while starting on a maximum salary some 30% less than what they would have earned had they been in a position to enter the system two years ago. These changes risk creating a two-tier teaching system — we already have a two-tier education system — and a sense of resentment and bitterness on the part of teachers who are not being paid a fair wage equal to that of their colleagues.

Another equally important matter that must be addressed is the practice of re-hiring retired teachers. My colleague, Deputy Brendan Smith, referred to the hiring of retired teachers to temporary teaching positions at a time when there is a shortage of teaching posts. This is yet another barrier that prevents newly qualified teachers from working in schools and gaining invaluable classroom experience. We have discussed the temporary nature of some of this work.

Teachers currently undertaking academic courses have a legitimate expectation to receive allowances that were available when they signed up for further study. There was an expectation in this regard and unfortunately that expectation has been dashed. The capping of teacher allowances is not only unfair, it will also have serious implications for the standards of teaching in our schools because it will discourage some teachers from engaging in further study. The Government is removing an important incentive for those working within the education sector to up-skill and it will be a major deterrent in the current economic climate because of the personal and financial commitments required by those undertaking higher education courses.

Having highly qualified teachers benefits the entire school community. High level qualifications are particularly valuable to teachers in light of the moratorium on posts of responsibility which has resulted in a suspension of promotional opportunities for the many primary and second level teachers. Clearly, this is yet another attack on young teachers entering the teaching profession, who earn approximately 14% less than their colleagues and will soon be forced to join an inferior pension scheme which will see them pay more towards their pensions than they will ever receive in pension benefits. This is a crazy scheme.

An equally harsh cut was the decision that school guidance counsellors will no longer be provided on an ex-quota basis in post-primary schools. This will result in a significant cut in the number of guidance hours in schools and force some teachers back into the classroom as subject teachers. The loss of guidance counselling comes at a time when there has been an alarming rise in the rate of suicides, self-harm and depression among young people and when schools are finding it difficult to address issues arising from bullying in the classroom. Students will find it difficult to access one-to-one counselling support for a wide range of personal problems, such as issues relating to self-esteem, family breakdown, mental health, bereavement, stress and sexuality. Vulnerable young people will be placed at even greater risk. This is a decision that is difficult to justify.

One of the most contentious measures in the 2012 budget was the change to the staffing levels for one, two, three and four-teacher schools. A primary school teacher in the Taoiseach's own constituency accused the Government of overseeing education cuts that would lead to a



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“scorched earth” policy in rural Ireland. He also correctly asserted that schoolchildren and rural communities were more important than the bondholders of Europe, the €70 million EU Presidency bill or the €28 million legal bill for NAMA. Alternatives to closures and amalgamations must be considered along with the possibility of repopulating existing schools rather than constantly expanding already larger schools, often with unsuitable temporary accommodation.

I urge the Minister to recognise the importance of small schools in rural Ireland. Financial concerns taken in isolation cannot be the sole reason governing a small school’s viability and must be counterbalanced by many other considerations. A further consideration is that schools may find it impossible to fulfil their obligations under section 9(c) of the 1998 Education Act which requires that guidance services be provided in schools and that students should have access to appropriate guidance to assist them in their educational and career choices.

The Minister mentioned that the educational research centre, ERC, in Drumcondra and the inspectorate had carried out important work with regard to the DEIS programme and he himself has said the DEIS programme has had a positive effect on tackling educational disadvantage.

**Deputy Ruairí Quinn:** Particularly in urban areas. The outcome in urban areas was a marked improvement in performance.

**Deputy Seán Crowe:** Recently, I raised the issue of the changes at Question Time, particularly those that affect programmes like Breaking the Cycle and the pupil teacher ratio of 15:1 for disadvantaged schools. The Minister said originally that the ratio might be moved to 18:1, but the website shows it is moving to 20:1. Will the Minister come back to me on that issue? The big concern is that if the ratio moves from 15:1 to 18:1, we may be able to squeeze the extra children into the classrooms, although the classrooms have been designed specifically for a ratio of 15:1. However, if the ratio moves to 20:1, I do not know how that will be accommodated. There will be significant costs in that regard.

We have spoken about DEIS and we are aware that it was never about savings, but was about dismantling barriers? I ask that the Minister come back to me with regard to whatever proposals he has about schools that fit all the criteria for DEIS. This is something that must be addressed if we are to deal with disadvantage and unfairness within the system. We must deal with the issue of the schools that fit the criteria but which, for financial reasons or whatever, cannot gain recognition to be part of the DEIS programme. Many of these schools will have been affected by the budget changes on this. One school in my area, St. Mary’s, will possibly lose five teachers, although it probably fits the criteria for DEIS. As an outsider, I see it as fitting all the criteria on the basis of need, etc.

**Deputy Ruairí Quinn:** The school will have been notified of its teacher allocation by now and there is an appeal mechanism available if it is not happy.

**Deputy Seán Crowe:** I am aware of that, but I mention this school as an example, and there are probably others like it. This is an issue that must be examined.

The Bill brings much positive change and most of us are broadly in favour of the changes being made. I suppose some parts of the Bill will be tweaked and perhaps we can go through the issues on Committee Stage when dealing with amendments and perhaps we will make better sense than of some of the issues I have raised in this lengthy speech. I apologise to those listeners at home whom I have put to sleep.

**Acting Chairman (Deputy Joanna Tuffy):** The next contributor is Deputy Maureen O'Sullivan. I understand she is sharing her time with Deputies Catherine Murphy and John Halligan. Is that agreed? Agreed.

**Deputy Maureen O'Sullivan:** I am very struck by what this Bill set out to do, namely, to facilitate reform within the education sector, enhance service delivery and achieve cost savings. A note I would make is that there is always a danger of throwing the baby out with the bath water. By that, I refer to introducing change for the sake of it and trying to reform something that does not need reform.

On the issue of achieving cost savings, I suggested to the Minister last week or the week previously how to recoup €5 million or €6 million from the loan the previous Government made to the Teaching Council. I am sure the Minister has the wherewithal and the means to recoup those moneys, which could be put to much better use. I also suggest there was an appalling waste of money involved in the supervision and substitution scheme. Astronomical amounts of money went into that scheme, which was instituted by the previous Government. This scheme was introduced at a time when many schools had systems in place to deal with teacher absence, whether as a result of illness or due to taking classes to an event. I and most teachers believed there were far simpler solutions at a fraction of the cost. The basic principle of the scheme was that a teacher signed up for it and was available to supervise. There were times I was available to supervise, but was not needed. However, I was still paid. The inordinate bureaucracy the scheme placed on schools was also appalling. Prior to the scheme, the school I taught in had a very good system to cover absence. Every period was covered and much of the coverage was done voluntarily, such was the goodwill among the staff.

**Deputy Ruairí Quinn:** May I quote the Deputy on that?

**Deputy Maureen O'Sullivan:** Yes, indeed. It is positive that the Minister is improving this scheme for teachers and I hope there is an easier and more cost-effective way for schools to manage it.

On the issue of enhancing service delivery, teachers, like all professionals range from good to bad and from excellent to poor. I do not go along with the saying that "He who can does, and he who cannot teaches". As a profession, teachers are maligned; they have that in common with us now. They are maligned in particular by certain sections of the media. Some of these only see the holidays and the shorter hours of teachers and when teachers try to explain what they do, they are on a hiding to nothing.

I would like to use some of my time to acknowledge the commitment, dedication and hard work of teachers at primary and second level, both in and outside of the classroom. I also acknowledge the range of extra curricular activities that go on, whether sports, drama, theatre visits, debating, participation in the Young Scientist exhibition, quizzes, visits to places of interest, competitions and field trips, etc. Many of these out of school activities involve teachers and are organised by teachers. None of them happens at the click of a finger and they are additional to the normal work of teachers. The clause in the Croke Park agreement regarding the additional hour per week required of teachers was insulting to those teachers who put in many additional hours voluntarily. I know these "forced hours" are detrimental and are causing difficulties in some schools. Teachers have also been very flexible. They have been very involved in the many changes that have come about. I refer to the curricular changes and the new courses and initiatives that have been introduced, in some cases without in-service support. Such initiatives include the Walk Tall programme and the On My Own Two Feet educational package. There have been changes in the syllabus, including the introduction of subjects like civic, social and political education and social, personal and health education.

[Deputy Maureen O'Sullivan.]

Teachers have proven that they can cope with the range of abilities and the learning and behavioural difficulties in each group. As a teacher, one has to play the role of a teacher, a parent and a social worker. One spends most of the day playing the part of "Judge Judy". When social issues like drugs, alcohol, smoking and driving come up, there is an assumption that the schools will look after them. Although teachers embrace this aspect of their roles, there are limits because their basic job is to teach a curriculum.

We could paper the walls of all of our schools with the policies and plans that have been imposed on teachers. The time it takes to deal with them is not available for engaging with young people in the classroom. Teachers are getting on with it, however, because it is a wonderful career. Statistics relating to CAO applications indicate that teaching, as a career, is still in high demand. Studies have shown that there continues to be a high level of satisfaction with this career among teachers. Other countries, by contrast, are finding it difficult to maintain the status of the profession.

I would like to speak about the Teaching Council, which is one of my favourite topics. Like most teachers I know, I have many issues with the council. In most cases, the first engagement we had with the council was a letter threatening that our salaries would not be paid unless we signed up to the Teaching Council. The letter was sent out at a time when the legislation had not yet been passed. Therefore, the council was acting in a manner that was illegal and totally wrong. It started off on the wrong footing.

I have already mentioned the €90 fee. It is wrong that the fee has to be paid regardless of whether one is a full-time teacher, one teaches for two hours a week, or one wants to get a job interview. The Teaching Council has been putting in place a register of teachers since it was established in 2006, but it still has not got it right. The Department of Education and Skills had been dealing with professional qualifications since the foundation of the State. I was bemused to read that the council will have a function in determining fitness to teach. On the basis of what I have seen of its work, I suggest it should start by working on its own fitness to practice.

I have examined what the Teaching Council has been doing since 2006. I have yet to meet a teacher who has had a positive engagement or experience with the council, or who believes the €90 charge is worth it. Perhaps I will be inundated with e-mails from teachers saying I am wrong. Anybody I know who is involved in teaching at primary or secondary level does not have a word of praise for the council. That cannot be attributed solely to the €90 fee.

The Teaching Council had an income of more than €6 million in each of 2009 and 2010. Its staff, who are doing work that used to be done by officials in the Department of Education and Skills, accounted for costs of almost €2 million in each of those years. The council's administration costs were approximately €750,000 and its additional information technology costs were approximately €250,000. It spent some €500,000 on communications and education costs. I wonder what the council has been doing for teachers.

As I have mentioned, the main event the Teaching Council engaged in last year seemed to involve seeking a major salary increase for the outgoing director, who wanted a 20% pay rise to increase her pension and lump sum on retirement. Twenty-four members of the council voted for it and four voted against it. Thankfully, the Department of Education and Skills vetoed the increase. It had to ask for copies of the mathematics survey. It is supposed to have all of that information. I note from its website that it wants teachers to make submissions on various matters. Does it not have any idea of the workload of teachers?

I wish to speak about the expenses incurred by the members of the Teaching Council. Its meetings generally take place in Maynooth. In 2010, one member received €11,000 and ten

members received over €5,000. The bigger the car, the bigger the expense. We know what that is doing for the environment. The council has an executive committee, an investigations committee, a disciplinary committee, a regulation committee, a finance committee, an education committee, an audit committee, an evidence of character panel, a primary applications panel and a post-primary applications panel. No wonder it took six years and over €5 million to establish the council.

The Teaching Council held its first conference in November 2011. I have examined the agenda for this two-day event. I would have liked to have been there because it seems interesting. I can imagine the expenses that were accrued by the third level lecturers, all of whom are paid in their country of origin, who spoke at the conference. The lecturers in question came from Ireland, England, Boston College, the University of Lapland, the University of Malta, Spain and Scotland. All of their expenses were paid. It was all very interesting. I am sure the council's staff of almost 30 officials, each of whom is paid an average salary of approximately €41,000, were needed to sort out all of the expense claims.

I would like to refer to what teachers have said about the Teaching Council. It has been described as a "useless regulatory body" that provides jobs for the boys and for the unions. It has been suggested that it has had "absolutely no impact" on the teaching profession. It has been claimed that the council is an "expensive, pointless self-serving bureaucracy" that accomplishes nothing that is not "already being done better elsewhere", including in the Department of Education and Skills. When a teacher pays the €90 fee, he or she gets a piece of paper saying that he or she is a teacher. We know that already. The teacher then has to send in a certificate of qualification to the council, even though that has already been vetted by the relevant awarding body to prove the person in question is a teacher. It is a catch-22 if ever there was one.

I wish to speak about the role of in-service. I belong to the associations of English and history teachers, both of which are great organisations. The seminars and expertise they provide as part of the in-service process are absolutely fabulous. The organisations know who to get because they are run by teachers.

I would like to read what the Minister's counterpart in England said when he decided to abolish the General Teaching Council for England:

Since I have been shadowing education .... there has been one organisation of whose purpose and benefit to teachers I am deeply sceptical .... this organisation does little to raise teaching standards or professionalism. Instead it simply acts as a further layer of bureaucracy while taking money away from teachers.

The Minister spoke about having a fully registered professional group. I suggest that is already provided for in the figures maintained by the Department of Education and Skills.

I will pick up on some of the other points the Minister made in his opening speech. I remind him, in response to what he said about qualified and registered teachers, that being unregistered does not mean being unqualified. I am glad the Minister is making provision and providing leeway for schools to employ qualified but unregistered teachers. It is a practical approach. I do not see why such teachers should be paid less, however.

I can give an example of the need to cater for the short-term needs of schools. A friend of mine who had retired was needed by a school for a particular piece of work that could not be done by anyone else. Obviously, she had not paid the registration fee. After she had gone through the hassle of getting registered, she had to go through more hassle with Garda vetting because the vetting she already had did not suit the vetting requirements of the Teaching Council. She had to contend with layer after layer of work.

[Deputy Maureen O’Sullivan.]

I wish to speak about the matter of redeployment. If a school is over quota, I do not think it should be a case of “last in, first out”. The subject requirements of the school have to be taken into account.

**Deputy Ruairí Quinn:** That is particularly true in second level schools.

**Deputy Maureen O’Sullivan:** I do not think the redeployment to gaelscoileanna of teachers who are not fluent Irish speakers is a positive step either.

I note that this legislation will give increased powers to the Minister. I presume he will use them wisely. I listened to what he said about consultation, agreement and discussion with the education partners. I firmly believe it is time to have discussions with teachers — those who are actively engaged in the classroom and know what is going on. The education partners are sometimes removed from that. They do not know the realities and the practicalities.

The Minister has acknowledged that the DEIS scheme is having a positive effect on educational disadvantage. I agree with his point that there are disadvantaged students and students from disadvantaged areas in other schools as well. We cannot lose sight of them when we are talking about DEIS schools.

I would like to speak about boards of management. Having been a teacher representative on a board of management, and as a current chairperson of another board, I think more leeway and more direction are needed in this regard.

I will to conclude by mentioning a conference on anti-social behaviour that I attended this morning. It was organised by the Minister’s colleague, the Lord Mayor of Dublin. The excellent papers that were delivered at the conference were geared towards the connection between learning and behaviour. I suggest it would be important for the Minister to consider the examples of really good practice that were cited at the conference.

**Deputy Ruairí Quinn:** I thank the Deputy.

**Deputy Catherine Murphy:** Having often found myself explaining our system of school patronage to people, I decided to participate in a history session to understand it better. Much of what I learned about predates the foundation of the State. Our system is not at all obvious.

7 o’clock  
One of its advantages is that it offers choices, but it also has disadvantages. Attention has been drawn to the fact that most schools are vested in private bodies even though in most cases they are regarded as part of the public system. That can bring its own difficulties. There is no real choice if the schools in one’s catchment area are over-subscribed, as is the case in most areas. All of the secondary schools in my constituency are well over-subscribed. The ones that have flexibility are drawing students from a wider catchment area. The reality is that if one really wants to go to a co-educational school, but the school in one’s area is not co-educational, one does not have a choice if the school of one’s choice is in an area that is over-subscribed.

The notion of choice is not really available for many people. The Bill provides for the redeployment of teachers but in my view this may be difficult in cases where the ethos and the patronage of schools is very different. The education system is very varied and it can be particularly varied depending on the part of the country.

One of my concerns is with regard to the provisions in the Bill for the redeployment of teachers and I refer to the statistics made available to us. I wish to draw attention to a problematic matter which occurs in fast-growing areas, including the area I represent. I refer to the use of a historical model for calculating the number of school places required. The census infor-

mation is not used in this calculation. A school is required to demonstrate the number of children it will have but this must be provided a year in advance——

**Deputy Ruairí Quinn:** Is the Deputy referring to primary or secondary level?

**Deputy Catherine Murphy:** I am referring to primary level. Class sizes in schools in these areas are always proportionately larger than the national average. Therefore, the use of the historical model for calculating school numbers needs to be questioned if one wishes to have a fair system, in particular where there are large class sizes and where there is a need for expertise for dealing with children with disabilities but this may not be available. I predict that some areas will be disadvantaged by virtue of the growth in those areas.

The Bill will determine the responsibility for speech and language therapy. However, the practical delivery of this service is a different matter. I ask if the Minister has talked to the HSE about those therapies. The services are threadbare and the lopsided nature of them can mean that a child's address determines whether that service is available to a child in that particular area. For example, a few years ago, I asked for the figures on the distribution and waiting times for speech and language therapy services. There was a waiting time of two months in one part of the country while it was two and a half years in another part of the country. A three year old child requiring speech and language therapy who must wait on a list for therapy until the age of five, starts school with an automatic disadvantage and the remediation needed is then significantly different. The statutory responsibility is one aspect but the delivery is an entirely different matter and this depends on a fair distribution of that expertise.

I have concerns about the equal opportunities for teachers as regards the new system. In the past, it was an advantage to teachers to acquire further qualifications in areas such as maths and science, for example. I am concerned that teachers would be discouraged from acquiring the kind of skills we will need in schools.

I refer to the provision in the Bill regarding the Department being in a position to dismiss teachers. I will deal with this provision on Committee Stage. The Bill provides that procedures will be established following consultation with the relevant stakeholders rather than requiring agreement. This worries me although I acknowledge this is in the context of the Croke Park agreement because one must be certain of what is involved in any case of dismissal to ensure fairness and to avoid any difficulties of the sort that happened years ago when a teacher did not fit in with the ethos of a school. I would not like to see a provision that could produce unintended results.

An unregistered teacher is not necessarily an unqualified teacher. Deputy Maureen O'Sullivan got a lot off her chest in her contribution and we had a discussion earlier on this matter. There has to be some flexibility and I do not disagree but we must ensure that the child or the student is always central and teaching qualifications are important in setting standards. I accept this point but I ask that the flexibility be included.

The Minister will receive a report on school patronage in the near future. This issue is of interest in my area because of a new school to be sited very close to my home which is being discussed very robustly within the community. There is a number of options in which parents are expressing an interest, such as an all-Irish secondary school or a dual junior and senior cycle for the VEC Maynooth which is a very successful school. However, these options seem to be off the table before the decision is made, according to the information we have received, and this would be regrettable. If this were to be the case, the question of parental choice in determining the patronage of a school would be taken away. I will send the Minister a note on that point.

**Deputy John Halligan:** Aspects of this Bill are necessary and welcome, particularly with regard to conditions for the registration and reregistration of teachers and for giving the Teaching Council the powers it needs to ensure the pre-service training is up to scratch. I am in favour of giving teachers the opportunity to update their skills and to embrace new technologies throughout their careers. I also welcome the Minister's commitment to support the co-ordinated delivery of services to families of children with special educational needs, given the cuts in the SNA resources and particularly in the reduction of the special needs assistance hours by the Government. I am glad to hear the provisions will not impact on the availability of speech therapy services for children with special educational needs which are provided through the HSE. I would welcome an undertaking from the Minister that the provision of services such as speech and language and occupational, vocational and behavioural therapies, will be made available to children in a timely manner.

The Bill provides for the employment of unqualified teachers in certain circumstances, such as to meet urgent staffing needs. I urge the Minister to put in place a provision that a school can only do so when it has exhausted all other possibilities. This is what teachers have said to me and I am sure they have made that point to the Minister. I appreciate this may be necessary in certain exceptional circumstances when it comes to requiring trained substitute teachers at short notice. However, with the large number of newly qualified and unemployed teachers, I have a problem in believing that this is necessary. I am informed approximately 1,600 people qualified as secondary teachers this year. A survey undertaken by the Association of Secondary Teachers Ireland, ASTI, showed that hundreds who graduated this year have emigrated or changed their careers because of the lack of job opportunities. Teachers will say that newly qualified teachers face a kind of catch-22 scenario in that they cannot secure full-time employment without experience and they cannot get experience unless they get a job, and I know the Minister has spoken on this. As he knows, because of that, many young teachers have emigrated in the hope of acquiring teaching work. I know many young teachers who have done that. Would the Minister consider establishing a database for unemployed qualified teachers and making it available to every school in the country? I do not believe there would be a big cost factor. It would be available to every principal who finds himself or herself in need of a short-term teacher. I have no doubt a young graduate would welcome any teaching opportunity he or she could be given, even a couple of days.

**Deputy Ruairí Quinn:** It is something the Teaching Council could do.

**Deputy John Halligan:** However it is done, maybe the Minister could advocate that. Setting up a database would help because sometimes the argument made is that a teacher could not be found, and the Minister knows that.

I refer to retired teachers. The Minister knows this is an issue. I find it illogical and wholly inequitable that hundreds of retired teachers continue to work in the education system while countless new graduates cannot find work.

**Deputy Ruairí Quinn:** The principal and the school employ them. They have that responsibility.

**Deputy John Halligan:** I know that, but Deputy Quinn is the Minister for Education and Skills. He might use his influence in this regard. In one month last year, statistics showed that 335 retired individuals were on the education payroll and yet our young teachers are going to the United Kingdom, Canada and Singapore. They are sought after in these countries. As the Minister knows, many of them will never return. This is a big issue with many teachers who find they cannot get employment but who know of retired teachers in employment. I am not

arguing against anybody working, whether retired or not, but I make the point that many of those retired teachers have pensions. It is not as if they need the work as an unemployed teacher does.

I have listened to the Minister speak on this previously but it is an issue which still seems to be——

**Deputy Ruairí Quinn:** I agree with the Deputy.

**Deputy John Halligan:** They are the main points I wanted to make. It is very wrong to spend so much time and money at university only to graduate and find one cannot get a job. The daughter of a friend of mine has gone to New Zealand for work. She is a highly qualified secondary school teacher who was getting two days or three days work here and there. What made her angry was that there were retired teachers on pensions working in some of the schools in which she got part-time work.

The Minister might look at establishing a database or, as he said, get the Teaching Council to establish one. As has been called for in the House over the years, will the Minister once and for all deal with retired teachers on pensions who are brought back into the system at the expense of young graduates?

**Deputy Dara Murphy:** I wish to share my time with Deputy Brian Walsh.

I welcome the opportunity to speak on the Education (Amendment) Bill 2012, which is broadly supported and perhaps not as contentious as other issues we have been debating. I welcome that the changes are designed to provide legal certainty in regard to the capacity of the Minister for Education and Skills and the Minister for Public Expenditure and Reform to ensure redeployment arrangements for teachers continue to meet, in a fully effective manner, the requirement of the current fiscal situation and that teachers who are surplus are deployed to vacancies in other schools while at the same time ensuring the Department can continue to fully honour the commitment in the Croke Park agreement which provides for flexible arrangements instead of redundancy. This is one of the most important elements of the Croke Park agreement which has perhaps been overlooked by some who seek to look only at one side of it. It is an area where we will start to see the other side of the Croke Park agreement, namely, efficiencies and redeployment coming into play.

I refer briefly to the Minister's speech earlier this evening and previously in the Seanad in which he reaffirmed his commitment to DEIS. In the city part of my constituency of Cork North-Central, only two primary schools are not DEIS schools. I have had a significant amount of engagement over the past number of months. It is extremely refreshing that we have a Minister who engaged with the process and who listened in a very measured fashion to some of the debate on disadvantage and disadvantaged schools. It is extremely welcome that commitment was mentioned again this evening. It is also reassuring that the Government is looking so decisively and productively at the issue of how we, as a society, deal with our most disadvantaged children. As a politician, I was struck by the fact that many of the schools put forward very strong arguments through their teaching staff. Unlike other issues with which we deal as politicians, the lobbying from some of the schools, in particular in the more disadvantaged areas, was quite muted which proved that, as politicians, we have a responsibility to protect as many schemes as we can which deal with disadvantage.

One of the other main provisions in the Bill concerns the employment, in certain exceptional and limited circumstances, of persons who are not registered teachers under the Teaching Council Act 2001. I wish to bring to the Minister's attention the case of the COPE Foundation in Cork and other such schools. Teaching is a varied profession and teachers deal with a very



[Deputy Dara Murphy.]

broad range of students. I am not sure if the Minister is aware of the COPE Foundation in Cork, an organisation of which we are extremely proud. It deals with people with a range of physical and intellectual difficulties. The principal of one of the primary schools, which I will not name and which deals with children with very serious physical difficulties, made the case to me that she must employ teachers from the lists provided and the contracts that exist, but that many of those teachers would be incapable of performing some of the jobs done by her teachers. By virtue of their employment, they have effectively become teaching and nursing staff. It involves a particular vocation given the difficulties many of the young people have. I hope that when the Minister talks of exceptional and limited circumstances he, or any subsequent Minister, will have regard to areas such as this.

What commends the Bill to me is the degree to which a veto will be removed from decisions which require to be taken. In other words, agreement in all cases will be changed so that one person or one group will be disallowed from vetoing a decision which may be in the best interests of the educational needs of a school or young person.

The Bill makes a clear statement on, and commitment to, training and education and ensuring our teachers and staff feel there is a benefit to becoming as qualified as possible. In circumstances where there is local pressure or legacy issues, they will recruit on the basis of qualification and expertise. This is good news for young people entering the teaching profession. In appointing a full Minister for Children and Youth Affairs to the Cabinet, the Government has displayed great ambition in how it seeks to look after young people. The measures in the Bill must be welcomed.

Despite the changes in 1998, clarification for the delivery of speech therapy services and other health and personal services to students of school going age is welcome. The proposed provisions will not impact on the availability of speech therapy and other services. No services will be lost and every service being delivered will continue to be delivered, even if there is some change between the relationship of the Department of Education and Skills to the Departments of Health and Children and Youth Affairs. I commend the Bill and congratulate the Minister on bringing it forward.

**Deputy Brian Walsh:** I am grateful for the opportunity to contribute to this Bill, which is reforming in its aims and common sense in its application. It pursues the stated policy goal of ensuring all teachers in our education system are appropriately qualified and subject to regulation and oversight by the Teaching Council but its provisions are tempered by reason. It recognises the contribution made by experienced unregistered teachers in the past and the fact that circumstances will arise where they can make a contribution to the education of our young people. The requirement for teachers to register with the Teaching Council ensures those entrusted with responsibility for our children's education have attained a satisfactory professional qualification and adequate training for the best possible service delivery. The move towards a schooling system staffed with qualified, registered teachers assures us of high standards and greater accountability in the classroom. It will also offer hope to a large cohort of recently qualified teachers, whose pathway to work was impeded by the retention of unregistered, unqualified or retired personnel.

It is necessary to take cognisance, as the Bill does, of people's employment rights and the limited circumstances in which experienced teachers who are not registered with the Teaching Council can play an important role in the provision of education. In rural schools in remote locations, difficulties can arise in identifying and recruiting a suitably qualified teacher at short notice. Demographic projections indicate the primary school population will increase by 70,000 over the next five or six years. It is possible there will be a shortage of qualified candidates,

resulting in difficulty in filling a vacant post. It would be wrong for the provisions of legislation to dictate that such positions should remain unfilled in the absence of a transitional solution. For this reason, a number of exceptions have been included in the Bill through which unregistered teachers can be deployed.

In most cases, the ownership and trusteeship of primary and post-primary schools in Ireland are vested in private bodies even though nearly all are dependent on State funds. They are also all subject to State regulation and observant of State curricula. Our schooling system is therefore correctly regarded as being public. Heretofore, the authority of the Minister in the appointment, deployment and dismissal of teachers and principals has been diminished by the requirement on the Minister to obtain the agreement of school patrons, management bodies and unions in the execution of any of these actions. Our children's education is too important to be regulated at arms length and I welcome the fact that this Bill proposes to bring reform to the area. The legislation rightly dispenses with the requirement that the Minister must attain the agreement of interested parties and instead requires that he or she engage in consultation with stakeholders over appointments, redeployment or dismissals.

Perhaps the greatest significance of the Bill is the manner in which it facilitates reform and reflects the commitment in the public sector to increase flexibility in the interest of securing costs savings and efficiency. Deputy Dara Murphy spoke about the Croke Park agreement, which is an important aspect of the Bill in the context of the Minister's annual budget, 80% of which is pay related. It is important that the Bill can facilitate reform of this area and best use of limited resources. Where teachers are surplus to the needs of the school, they can be deployed in order to meet the needs of another school. Surplus positions can be absorbed, leading to savings through more prudent use of resources. The State has a legal responsibility to provide for the education of its children and a moral responsibility, as well as an economic interest, to ensure education is of the best standard possible. The Bill recognises and embraces that responsibility and I commend the Minister for bringing it before the House.

Debate adjourned.

### **Finance Bill 2012: Message from Select Sub-Committee**

**Acting Chairman (Deputy Joanna Tuffy):** The Select Sub-Committee on Finance has completed its consideration of the Finance Bill 2012 and has made amendments thereto.

### **Private Members' Business**

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### **State Assets: Motion (Resumed)**

The following motion was moved by Deputy Martin Ferris on Tuesday, 28 February 2012:

“That Dáil Éireann:

- accepts that the review group on State assets and liabilities, chaired by Mr. Colm McCarthy, did not provide adequate analysis or evidence to support its recommendations to privatise State-owned assets and enterprises;
- recognises that the sale of strategic successful self-financing commercial semi-State assets is not in the public interest;

- further recognises that Bord Gáis and the ESB have invested heavily in first world energy infrastructure across the island of Ireland, having the effect of safeguarding the State’s energy security, creating tens of thousands of sustainable jobs and benefiting hundreds of thousands of families over the decades;
- agrees that retaining the State’s 25% share in Aer Lingus is vital to ensure Ireland’s connectivity to Europe, the US, and the rest of the world, and that guaranteeing the future of the airline’s Heathrow slots by this retention is of strategic importance;
- further agrees that Coillte is an important rural employer, particularly at the current time, and that the sale of the company’s harvesting rights and any failure by the State and the company to develop the massive potential of the forestry sector for timber production, biomass and eco-tourism will be detrimental to the public interest;
- accepts that using the proceeds from the sale of State assets for bank debt reduction will not relieve the State’s national debt;
- further accepts that the sale of State assets is a short-term measure that will have detrimental long-term economic, social and environmental costs;
- notes the potential economic, social and environmental benefits of commercial semi-State companies have not yet been fully realised;
- further notes the avoidable damage to the economy and disruption in services for consumers arising from industrial unrest resultant solely from the unnecessary sale of strategic State assets;
- mandates the Government to replace NewERA with a semi-State strategy group to include chief executive officers from each of the commercial semi-State companies, with responsibility for delivering a strategic job creation and training project, working directly with the Ministers for Jobs, Enterprise and Innovation, Deputy Richard Bruton, Social Protection, Deputy Joan Burton and Education and Skills, Deputy Ruairí Quinn, and reporting directly to the Taoiseach and the Joint Committee on Jobs, Social Protection and Education;
- instructs that all annual dividends paid to the State by commercial semi-State companies must be reinvested into employment activation and training measures as identified by the semi-State strategy group and approved by the Taoiseach, reporting to the Joint Committee on Jobs, Social Protection and Education; and
- rejects the Government’s decision to sell State assets.”

Debate resumed on amendment No. 2:

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

“notes:

- the contribution that semi-State companies have made to Ireland's economic growth;
  - the fiscal crisis inherited by the current Government and the commitment by the previous Government to the EU-ECB-IMF funding partners to consult with the Commission on foot of the report of the review group on State assets and liabilities with a view to setting appropriate targets for the possible privatisation of State-owned assets;
  - the conclusions and recommendations of the review group on State assets and liabilities; and
  - the new approach adopted by the Government to managing State assets through the establishment of the NewERA unit;
- accepts that it is necessary to release value from State assets to reduce debt and provide additional resources for reinvestment;
- welcomes the agreement that one third of the proceeds from the sale of State assets can be made available for reinvestment in job creation initiatives to stimulate the economy, which represents a major achievement in the negotiations with the EU-ECB-IMF troika;

further notes:

- the intention to ensure that any assets sold are sold on acceptable terms and at a price that achieves fair value for the Exchequer; and
- that the State's 25% share in Aer Lingus is no longer a strategic asset, as it does not enable the Government to determine Aer Lingus policy on issues such as, *inter alia*, the airline's landing slots at Heathrow Airport;

commends the Government for:

- its commitment to delivering on national priorities, with a particular focus on the critical importance of ensuring the security of oil, gas and electricity supplies; and
  - its commitment to retaining the electricity and gas networks and interconnectors in State ownership as national strategic energy infrastructure, which underpin economic growth and security of energy supply;
- notes that the sale of Bord Gáis Energy, which has played a key role in developing competition in energy markets, as well as some of ESB's non-strategic power generation capacity, may further enhance the competitive landscape in the all-island market, for the benefit of the economy and energy consumers;
- agrees that the forest land owned by Coillte is an important strategic asset, which will not be sold; and

- endorses the approach of the Government, announced by the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, on 22 February 2012, as offering the possibility of significant positive outcomes in terms of driving competition in the energy sector and facilitating much needed investment in our economic recovery.”

—(Minister for Public Expenditure and Reform).

**Deputy Mick Wallace:** I wish to share time with Deputies Catherine Murphy, Richard Boyd Barrett, Shane Ross and Clare Daly.

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

**Deputy Mick Wallace:** I am not convinced selling State assets is a good idea, especially at the current time. The Government has assured us it will get value for money but it is obvious that getting a proper price for anything is practically impossible. The short-term benefit will be outweighed by any long-term damage. There are many reasons that a state should retain some control over its assets.

I was surprised to see how many State companies have been privatised. The current list stands at ten. It has been a problem in Ireland, England and Europe. Many public assets in Europe have been sold off, which has left countries far less capable of dealing with unemployment now that we are in a recession. I do not want to compare everything to China, but it was able to deal with the crisis. It was able to control its banks and tell them what to do in order to maintain funding. It had far more financial and industrial leverage to drive economic growth because it had such control over its state organisations.

It is a pity we do not have more control of ours. I understand that Government has signed up to a deal by whereby it is obliged to sell something. I do not think there is much economic logic to it. I would be suspicious that the aims of the troika are more neo-liberal than economic, given that we will not get much of a price for our assets.

**Deputy Catherine Murphy:** We all know we had a privatisation which went very badly wrong, namely, the privatisation of Eircom. Not only has it been sold and resold, but the major disadvantage was the loss of the ability to roll out broadband. We have lagged behind and it has been a serious disadvantage in terms of developing the country.

When we met the troika it told us it would not force the country into a fire sale. The Government said, in its most recent announcement, that it is not what it intends to do, but is very difficult to see how that can happen in the context of the economic environment not just in this country, but across Europe.

There was a very good idea in the Labour Party manifesto, namely forestry. It stated:

Labour recognises the importance of forestry as a source of employment, a source of renewable energy and a public amenity and a means of reducing the national carbon footprint. Labour opposes privatisation of Coillte and the sale of publicly owned forests. Labour will set a planting target of 10,000 ha per annum and will work with stakeholders to agree a sustainable funding model to achieve this aim.

It is an awful pity that vision was abandoned. The sale of the proceeds of Coillte land will happen. It is not a case of planting land this year and selling a crop. It takes decades for trees to mature. I have serious concerns that we are selling assets like Coillte just to get to the bottom line rather than for any good, solid reason.

**Deputy Richard Boyd Barrett:** I want to use this opportunity to appeal to members of the public to resist with every fibre of their being the agenda to begin to sell our vital State assets in order to pay off gambling debts of bankers and speculators. It is one of the most obscene aspects of the austerity agenda. The obscenity and madness of it is summed up in the consideration of the sale of Coillte.

It has 7% of the land mass of the country. Any State enterprise with 7% of the land mass of the country and which presides over a huge chunk of our natural heritage, vital public amenities and something that could produce employment, revenue and wealth for the State is, by any definition, a vital strategic asset. How could it be defined as anything else?

The idea of a private company owning that sums up the image that people will be charged to visit our forests and that private companies will cut down trees and deforest the country to sell trees for cash. The real obscenity comes when one considers what private companies might bid for Coillte if it comes up for the sale. The chairman of the International Forestry Fund is former Taoiseach, Bertie Ahern. It is a subsidiary of Helvetia Wealth, a Swiss wealth asset management company, in effect a money-laundering company for the super wealthy.

These are the sort of people who could potentially own 7% of the land mass of this country. It is an obscenity and has to be resisted. How the Labour Party Government could even contemplate selling it or other vital State assets is beyond me.

**Deputy Shane Ross:** I always find it very difficult to debate this subject because of the strong ideological positions taken on either side which are unrealistic and very unfair. The right attitude to State assets is a pragmatic one. A lot of the so-called assets are not assets at all, rather they are liabilities. The Government is very limited in its options and what it can sell. If it decided to sell CIE, a so-called State asset, it would probably not get anything at all because it is a highly subsidised organisation. If it wanted to sell the DAA it would have serious difficulties because it is a highly indebted organisation.

The options open to the Government are very slim. I wish those who table motions and amendments on this would not table those which exclude all options. I note the Sinn Féin motion rejects the sale of State assets. I cannot see any possible reasons for not selling off Aer Lingus because a 25% holding is of so little value to us. The difficulty would be the ability of the Government to get a reasonable price for it because a buyer would only be able to purchase a 25% shareholding, if it is a trade sale, which would give it very little clout and it would be overwhelmed by the other shareholders. The Government would be lucky to get what it would call a fair price for Aer Lingus.

The Government is wrong to set up a new quango, NewERA, to look after the sale of State assets. It was unnecessary, put people in charge who have very little expertise and is a negation of its responsibility.

This is an emotive subject for workers and shareholders. I appeal to people not to take extreme views but to look at this on a case-by-case basis and be prepared to sell State assets at reasonable prices.

**Deputy Clare Daly:** The reason the Government should not sell a 25% stake in Aer Lingus is that it would realise a pittance for it. Bearing in mind the Government's share and the 15% staff shareholding, one realises the State would lose a vital strategic link and connectivity with Heathrow and other areas. The company has been in existence for decades and has provided secure, permanent, pensionable employment and a good service.

The Labour Party has some neck to posit the sale of State assets as some great move towards job creation. What an absolute betrayal of the people who voted for it. It told them it would

[Deputy Clare Daly.]

protect valuable State concerns although the dogs on the street know that every privatisation inevitably results in job losses. We saw this with Eircom, in respect of which at least 7,000 more jobs were lost. Some 3,500 jobs were lost in Aer Lingus since its part and majority privatisation. We should consider the valuable job creation prospects that would exist if we were to retain the semi-State industries in our control.

We must consider this discussion against the backdrop of the collapse of private sector investment in our economy. This collapse has amounted to €30 billion since 2007. Where will the jobs come from, bearing in mind that the State could be the main mover in job creation? Rather than hiving off parts of our assets, why are we not investing in research, wind and wave energy? The Department of Communications, Energy and Natural Resources told us 10,000 jobs could be created in the wind and wave energy sectors. Where is this investment? Why is the State not investing in the semi-State concerns?

It is inevitable that workers in the companies in question will resist any attempts to sell off vital assets. They will be supported by the public. I ask that the agenda put forward by the United Left Alliance be accepted and that the workers be supported.

**Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte):** There are two entirely different realities obtaining in this Chamber. The last speaker echoed views expressed in and outside the House last night to the effect that we have the option not to sell anything. One wonders about the point of going through——

**Deputy Clare Daly:** It was part of the Minister's election platform.

**Deputy Pat Rabbitte:** It was not. One wonders about the point of going through all of what we have been through over the past three and a half years when people are stating in the House that we should not sell any State assets and instead invest in wind energy, for example. Where are we to get the funds to invest in wind energy? There has been a great deal of wind blowing around the Chamber last night and tonight, and there is very little by way of prescription.

These are parlous times for our country and the European Union. We could have an interesting debate on allocating blame for the crisis into which we have been plunged, but such a debate, while it may be useful in terms of identifying lessons to be learned, is of little value in the here and now or in pointing the way to economic recovery. The difference between the Government and Opposition in this debate is that the former is focused on solutions designed to help our economic recovery while Opposition speakers are focused on mischief-making, mock indignation and distortion of the facts in the hope it will strike a chord with a section of the electorate.

The Sinn Féin motion's principal proposer, Deputy Martin Ferris, allows himself to be distracted from the purpose at hand in his enthusiasm to have a go at the Labour Party. It seems the Sinn Féin hierarchy is satisfied there is no point kicking Fianna Fáil as there is scarcely any sign of life from that party at all. Therefore, Sinn Féin directs all its ink at the Labour Party. Just in case any of Deputy Ferris's ink jets missed their target, half a dozen colleagues weighed in to misrepresent the position of the Labour Party before and since the general election. I made plain in June 2010, when the Fianna Fáil-led Government established the McCarthy group, that given the crisis inflicted on us the Labour Party was prepared to examine each case on its merits but was not in favour of the disposal of strategic State assets. That was our position after the general election and it remains so. That is why the programme for Government committed the new Government to the sale of non-strategic assets to a value of €2 billion.

Why have we now agreed a figure of €3 billion with the troika? This is essentially for two reasons. First, we will get €1 billion back to reinvest in order to realise the productive potential of the economy. Second, it was the best that we could negotiate against a backdrop of an expectation on the part of the troika arising from the original memorandum of understanding that the assets disposal programme would raise €5 billion.

When the Fianna Fáil-Green Party Government put our country into hock, it was in a state of complete dysfunction. Not a single Minister was prepared to lead the negotiations with the IMF, European Union and European Central Bank. They emerged, however, to sign away the country's economic sovereignty. On 29 September 2008, they signed away the deeds of this country in the most reckless gamble by any government in any modern democratic state. At the very first engagement between the troika and the new Government, it was made plain that the troika's expectation was that €5 billion in assets would be sold off and that the proceeds would be used exclusively to write down debt. No figure was used in the original memorandum of understanding and, I presume, this is because the general election was imminent.

Gradually, the new Government has persuaded the troika that asset sales to the scale of €5 billion were unrealistic in the lifetime of the programme and, more important, that it is in the best interest of the revival of our economy that we be free to reinvest a significant proportion of the proceeds. Against that background, the outcome announced by my colleague, the Minister for Public Expenditure and Reform, Deputy Howlin, is one hell of an improvement.

It was sad to listen to the new leader of Fianna Fáil, who has the distinction of being one of the 15 men and women who surrendered or economic sovereignty, arguing on "Morning Ireland" that the original memorandum of understanding caused the establishment of the McCarthy group in order to improve the efficiency of the gas and electricity sector. One would have thought that the history was too recent for Deputy Martin to forget that the Government of which he was at least a pavilion member had set up the McCarthy group five months before what he calls the original memorandum of understanding was issued.

Further, the very first of the terms of reference given to the McCarthy group in June 2010, when no bailout was anticipated, was to consider the potential for asset disposals in the public sector, including commercial State bodies, in view of the indebtedness of the State. That was the mandate given to Mr. Colm McCarthy and his group. There is something pathetic about our now having to listen to Deputy Martin attempt to rewrite history, Deputy Ó Cuív signal that Fianna Fáil is opposed to the sale of State assets and Deputy Fleming pretend, as he did last night, that Fianna Fáil was only selling State assets in the belief that "Some 100% of the sale of any State asset should be used for job creation."

How can a Member of this House make such a claim when the record of the terms of reference given by his Government to the Review Group on State Assets and Liabilities is so clear? The only conclusion that one can reach is that the new Fianna Fáil is like the old Fianna Fáil; when in trouble it reaches for the Bart Simpson defence. In the case of Sinn Féin, it is a case of continuing to hope that circumstances will get worse in the hope that, for it, circumstances will get better. It is a case of its continuing to forecast new horrors and hoping that nobody will recall the forecasts of doom that did not materialise. One should remember that Deputy Mary Lou McDonald forecasted there would be no referendum. She forecasted that the Government would not reverse the cut to the minimum wage and that inspecting septic tanks would cause fear to stalk the land.

I recall Deputy McDonald telling us that the Government would break up the ESB and that there would be no reduction in the troika interest rate. On and on she goes. Every day brings more disaster forecasts from Deputy McDonald than your typical fortune teller in the visiting circus.



[Deputy Pat Rabbitte.]

Sinn Féin does not know what makes a State asset strategic, and Fianna Fáil knows only too well how to sell off strategic assets, as per the Eircom experience. As the Minister for Public Expenditure and Reform, Deputy Howlin, said last night, an asset is not strategic simply because it is owned by the State. Therefore, in circumstances where there is only one lender available to the State, this Government has done exceptionally well to retain in State ownership the strategic assets and networks, contrary to what happened in the case of Eircom, and at the same time secure approval that one third of the proceeds will redound to the State for reinvestment purposes.

Only God could help our country if this Government were to fail because there is no alternative. This Government must succeed in returning our economy to balance because the sparsely populated Opposition benches are peopled by politicians, some of whom are discredited and burnt out. Others are interested only in party advantage, irrespective of the consequences, and a few should have found other outlets for their populist preening.

The contributions I have heard on this motion are beyond belief. Some of the canards have been repeated here, including the question as to why we should sell these assets in the very low market conditions obtaining at present. We have made it clear that we are not selling anything in the low market conditions that obtain at present. We have also made it clear that whereas the troika is forcing us to sell — it is a fraction of what it has forced Greece and Portugal to sell — it is not requiring us to timeline it in any way when market conditions are so bad.

I listened to an RTE programme on Saturday morning where the participants were impatient to the point of being irritated that we did not sell everything. They asked why we could not get on with it. The second half of the same programme was devoted to the difficulties being caused for the workers concerned and those who had shares in the ESOT. They can therefore take both sides of the road with them by asking on the one hand, why we are not selling everything now, and on the other hand asking about the poor workers who will lose their shares in the ESOT.

This is a misrepresentation of what we are about here. We are doing this because it is required of us by the only lender we have. We have agreed to dispose of non-strategic assets of approximately €2 billion in the programme for Government. We have agreed to €3 billion because that was the best we could secure agreement with the troika after it insisted on €5 billion with the previous Government. We have got €1 billion of that for reinvestment purposes in the productive potential of the economy which is, all in all, not a bad deal.

At some stage, some of those on the Opposition benches will have to come forward with some prescription to get us out of the difficulties we are in. They do not seem to accept that we are in difficulty, however. Last night, I heard Sinn Féin's finance spokesman on a radio programme being asked what he would do now. He said: "Well, we could always get bilateral arrangements". He was then asked what that meant and he replied, "We might be able to get loans from Denmark or the United Kingdom". We are getting loans from the UK in terms of its subvention to Northern Ireland. Thanks be to God for the Queen's shilling or we would be in big trouble but I doubt if they will give us loans to run this part of the country. I doubt if Denmark would have much regard for us if we followed that advice and were thrust into penury.

**Deputy Peter Mathews:** Follow that, as they say. It is difficult to follow the technicolour of the Minister's skill and his veteran abilities in addressing this House. I wish to pick up on a few points, however. Some €5 billion had been earmarked in the minds of the troika for the sale of State assets. It was an achievement to negotiate the sale of investments down to a level

of €3 billion. I have changed the word “assets” to “investments” because these were always investments. In Ireland, the Government and semi-State companies have never carried non-revenue or non-income producing investments. They have generated employment and have worked productively and profitably.

If I were at the negotiating table — particularly after the wise decision to declare a referendum on the fiscal compact — I would seek, at the right time, a successful divestment of existing investments into more powerful and newer investments. The old investments would thus be under new ownership, while the employment levels and operations would probably not be that materially altered. The sale proceeds, in the order of €3 billion, could then be invested in new technologies, industries and markets creating new levels of employment. That would be a good day’s work.

If all the timetables come to pass, on 31 March we will be on the point of organising a €3.1 billion injection into the IVRC. We might pause that to ask our counterparts in the troika to consider a fresher and more powerful investment regarding a divestment from older mature industries into newer ones creating employment. That would be a fresher way of looking at things, as well as being a new and robust departure.

**Deputy Dara Murphy:** I welcome the opportunity to speak in this debate. If it is any indication of what we will get in the coming weeks on the stability treaty, on which we will be voting, it is fair to say that an enormous amount of misinformation and tripe will be spoken. For example, we heard it tonight concerning Coillte. It is clear that 7% of Coillte’s land will not be sold but that it will comprise harvesting rights. The assertion was made that jobs will be lost but the biggest employers in our State are private companies. Those private companies that will be buying some State assets will also give employment. The most ludicrous suggestion of all was that the new company would start cutting down our trees. Since that is a significant part of what Coillte is already doing, the suggestion should be disregarded.

The discussion about the EU-IMF troika programme should also be disregarded, apart from the fact that under Fianna Fáil we were losing €5 billion whereas now we will lose €2 billion net. That is a saving of €3 billion, which joins a long list of savings and corrections to the agreement negotiated by a good and prudent Government.

The most important factor is that it is good business to examine the assets the State already has to see how we can improve them in future by allowing companies to be sold. In my own city of Cork, Bord Gáis is regarded as one of our most important employers. Having met a number of its employees, I know they are remarkably energised by the proposal that their company will have much greater freedom to act. When and if the company is sold, it will most likely secure a good price for the State. I have been struck by the employees who see huge opportunities for them to embrace the fact that their company will be private and not restricted within the semi-State sector as it is currently.

Another myth that must be nailed is that those working in the semi-State companies do not want to be part of realising their economic potential. We have seen a significant movement across a broad range of work areas where people working in private companies have fantastic careers and enjoy the protections that used to be afforded just to the semi-State sector.

**Deputy Olivia Mitchell:** I am delighted to get the opportunity to state my support for the disposal of State assets at a time when the best value can be obtained from their sale. There is no question of a fire sale, despite what has been said, nor should there be. I am delighted that not alone is the Government clear about this but so too is the troika.

[Deputy Olivia Mitchell.]

I do not subscribe to the notion, for either ideological or sentimental reasons, that we should somehow cling to semi-State bodies because of their historical importance. Many of these bodies served us well in the past but there is a time for everything. Now the needs of our nation are different and constantly changing. We require new strategic semi-States to replace those we no longer need and whose disposal can help us finance them. We need broadband, new water sources and distribution systems and to move to renewable energy. To sacrifice these vital services for some false or misplaced ideology or loyalty to the past is to ensure we miss the boat. It reminds me somewhat of Waterford Glass, preserved and loved for years in many people's homes but which now sits in charity shops underloved, undervalued and unsold.

We all wish we could have the €3 billion from the sale of some State assets to put into new strategic assets. Instead, we can use €1 billion from the sale for investment in new assets. The remaining €2 billion paying off State debt will not be wasted as the 5% interest on that figure comes to €100 million per annum.

As for those who constantly claim we are getting rid of essential assets, there is no question of losing control over the major distribution networks of the ESB or Bord Gáis. These networks are strategic monopolies and we have learned the lesson of Eircom. There is no need to raise that canard.

Aer Lingus probably should have been sold long ago. The State's 25% stake was to prevent Ryanair from taking full control, a move which is now prohibited by the Competition Authority. Aer Lingus is in a perilous situation barely making an operating profit and has a significant pension deficit. To be honest it needs the protection of a larger owner. Selling off the stake would be in the airline's interest in the longer term.

One caveat I have about State asset disposal is that there should be no wholesale gifting of shares to employees in State companies. I know it happened in the past but the taxpayer cannot afford it any longer. It was unnecessary in the past and is certainly unnecessary now. After all, secure well-paid employment is ample reward for working for a State company.

**Deputy Ann Phelan:** I have the greatest respect for aspects of the ideology behind the motion that Sinn Féin has presented. I have no desire to see our public assets sold nor does the Labour Party. We do this with a heavy heart and with regret. The realities of government, however, and of a crisis such as this means we do not have the luxury of the Opposition parties in sticking dogmatically to our ideology. Sinn Féin knows well that ideology must sometimes be compromised when faced with political reality, as it demonstrated to its credit during the negotiations leading to the Good Friday Agreement and St. Andrews Agreement.

Sinn Féin Members are sometimes criticised for the incongruous nature of their criticism of the Government in this jurisdiction, especially when compared to how their party colleagues are carrying out their duties in the North. Sinn Féin rightfully defends itself from such criticism by pointing out the Northern Assembly and Executive are forced to work within the budgetary constraints laid down by Westminster. Perhaps, Sinn Féin might recognise the Government here is similarly constrained both by financial and economic realities.

**Deputy Brian Stanley:** It is a far different situation there.

**Deputy Colm Keaveney:** Deputy Stanley knows that is the reality.

**Deputy Ann Phelan:** The Government is also constrained by the political realities of international agreements entered into on behalf of the State by the previous Government, such as the one that has mandated this sale of State assets.

A review group was set up by the previous Administration to ascertain which of our State assets could be best used to promote growth and investment in the economy by means of disposing of some of the equity therein. For example, with the sale of Coillte's forestry stock, it is imperative its wide and varied number of forest tracks and walks remain open to the public with no restricted access while the trees are removed from the land. Appropriate assurances and guarantees must be put in place so as not to block access to these wonderful facilities across the country.

Only this week, the Irish Business and Employers Confederation, IBEC, stated that as a result of tough decisions in recent years, international investors are again looking favourably on Ireland's long-term growth and prospects, suggesting there will be no shortage of interest in investment opportunities in Irish assets.

Warnings exist over the sale of some national assets and that we should not make the same mistakes as were made in the past in the sale of Eircom. The goal is to find the right balance between selling off some State assets to the private sector while retaining State control over those strategic assets. In the past, studies have examined public versus private but this sale will be different. This will offer the possibility of mixed ownership where the State retains a stake in the asset. It will also offer the chance of reaping the benefits of private ownership while keeping State control over what can be considered strategic assets.

I thought I would hear hoots of derision from Members opposite but there are not enough of them present. The reality is stark for them. It is we the Government who must make these tough decisions. It is we the Government who were elected by the people. It is we who will bring prosperity back to the people.

**Deputy Jonathan O'Brien:** Deputy Ann Phelan is correct that it is the people who elected this Government on the basis of what they were told before the general election. She also spoke about ideology. Since the announcement was made on the sale of State assets, much of the focus has been on how it sits with Labour's ideology. I have noted it does not sit well with the many Labour Members with whom I have spoken. Deputy Ann Phelan herself said her party did not have the luxury of sticking to its ideology. Last night Deputy Lyons said the sale did not sit well with him but he had no choice.

Over the past 12 months we have become accustomed to the we-have-no-choice rhetoric coming from the Government benches, particularly from Labour Deputies. While the Minister, Deputy Rabbitte, can laugh all he wants, people knew the situation we were in 12 months ago and the Labour Party based its election manifesto on this. Compared to what the party promised in the election and what it is doing in government, people are now becoming immune to the constant flip-flopping of the Labour Party. The Minister is leaving the House, but I wish to remind Labour Deputies of what the party said about Coillte in its election manifesto.

Labour is committed to the concept of public enterprise and is determined to ensure that semi-State companies play a full role in the recovery of the Irish economy. We are opposed to short-termist privatisation of key State assets such as Coillte and the energy networks.

Before he left, the Minister referred to what he said previously in the House and outside it about his position on non-strategic State assets such as Coillte and the energy networks. I want to know when Coillte became a non-strategic State asset. Only 12 months ago in its election manifesto the Labour Party listed Coillte as a key State asset.

We all know the Fine Gael position on State assets. There is no surprise there. This is a bad policy. Many Labour Deputies know it is a bad policy. They know deep down that this will do nothing to help our economic recovery in the long term. The approach is short-termist and is

[Deputy Jonathan O'Brien.]

a knee-jerk reaction to what the troika is demanding. If they do not take my word for it they should take the word of the man they campaigned for only a few short months ago in the presidential election. He said recently before a London School of Economics audience that “Privatisation is the road back to autocracy in which a hollowed-out state is bereft of anything meaningful to attract the support of the citizen, especially the marginalised, excluded from the mainstream of society.” The President, Mr. Michael D. Higgins, is a man for whom all Members of the Labour Party knocked on doors and campaigned. That is his position on the matter.

Much has been made of the €1 billion that will be used for investment purposes. If the Government achieves its target — it is a big “if” given the current market conditions — the troika has told us we can use the €1 billion to reinvest in the economy. However, there are alternatives. Instead of doing what the Government proposes, it could take a leaf out of the Fine Gael manifesto to use the funds in the National Pensions Reserve Fund to boost economic recovery. The Government could take €1 billion out of the fund to use for that purpose. Why does the Government not pursue investment funds from the European Investment Bank? The answer is that it chooses not to. This is a political choice. The Government is choosing to sell State assets to pay down debt. It is choosing to sell State assets at a time when we will not realise the full market value. It is doing that to satisfy the troika when people elected it to act on their behalf and to put their best interests first, not those of speculators and gamblers and not the troika. People will judge the Government harshly. People learn lessons in politics. Fianna Fáil, which was in the previous Administration, was kicked out. Unless the Labour Party changes direction and stops being the mudguard for Fine Gael then I fear that it will go down the same route. It has an opportunity to change direction.

**Deputy Gerry Adams:** The sell-off of State assets is bad politics and bad economics, and in Sinn Féin’s view it is not necessary. That is not Fine Gael’s position, which is fair enough. In fairness to the party, it has been clear about that for a long time. However, the Labour Party used to believe that selling off State assets was bad politics and bad economics and was not necessary. There was a time when Labour understood that and championed public services and State ownership of key State assets. The Minister responsible understood that when he was in Official Sinn Féin, Sinn Féin The Workers Party, the Workers Party, New Departure and Democratic Left, but it seems that is no longer the case. The colonisation of Labour has taken place, as the party has succumbed to the charms of Fine Gael. Labour has bought into privatising State assets in the interests of bankers and developers and the right wing ideological demands. Before the last election Labour said it was committed to the concept of public enterprise. It claimed that it was determined to ensure that semi-State companies would play a full role in the recovery of the Irish economy. The dear leader said Labour told us it was opposed to the short-termist privatisation of key assets, such as Coillte or the energy networks. Now a Labour Minister is pushing through a conservative economic strategy and is planning to do what Labour said it would never do.

People find it difficult to accept the commitment to sell off successful self-financing State companies. Nobody wants to buy unsuccessful self-financing companies. They only want to buy something which is profitable and is able to bring them a surplus. The State companies that have been earmarked for sale include Bord Gáis’s energy business and some elements of the ESB’s power generation capacity, as well as the possible sale of some assets of Coillte and the State’s remaining shares in Aer Lingus. These are successful companies that would be, if the Government had its head screwed on, part of the solution to the creation of jobs and delivering growth.

There is no commitment in the memorandum of understanding with the troika for the sell-off of State assets. That may be its wish and desire but there is no legal or other imperative on the Government to do it. The fact is that the Government wants to do it. The Government is in favour of the policy it has announced. When we met with the troika it told us that while it believes in privatisation, a decision on the sale of State assets was not binding on the Government.

It has been claimed that the sell-off will raise €1 billion at some undetermined time in the future and that it will be used for job creation. That must be set against the Government's decision to give away taxpayers' money to unguaranteed bondholders and bad banks. I have never been able to work it out, although I can figure out intellectually why a Government would do this but the mathematics of it are beyond me. A total of €20 billion was given to the banks last year and €3.1 billion will be given to Anglo Irish Bank at the end of next month and then one wonders why there is not money to invest in job creation, public services, front line services in health, and why schools must be stripped of resources. Even if there was some merit in recapitalising banks the fact is that the money is being paid into a zombie bank, what will probably emerge in the fullness of time to be a criminal bank.

It is also a myth that privatisation and deregulation bring competitiveness and efficiency. It was the right wing deregulation strategies of Thatcher and Reagan and others in the 1980s that led to the growing gap these policies created between the rich and poor. People like us will do okay. We might not be wealthy or be able to enjoy a good life but the gap between us and others is widening. The pattern wherever privatisation has been pursued and profitable state companies have been sold off is one of job losses, increased prices for consumers and big profits for private speculators. In Britain the first public company to be privatised under Thatcher was British Telecom. That was in 1984. Within six years 42 other major companies had been sold off. Such an agenda also weakens the ability of the trade union movement to protect workers because the privateers do not want union rights and workers to be organised. Labour backbenchers and supporters should take note and try to figure out what sort of society will be the outcome. Trade union members and leaders should press the Labour Party to come clean on how many other public companies or State assets will be privatised and at what cost to them, their families, communities, consumers and citizens.

It seems that the Government has learned nothing from the experience of privatisation. Níl aon rud foghlaimithe ag an rialtas seo le bliain anuas ar chúrsaí príobháidiú. Mar shampla, Irish Sugar was privatised, leading to the gradual running down of what was a profitable sugar industry and the eventual closure of the sugar factories in Mallow and Carlow. This is recent history. In the Eircom debacle, a State communications company worth €8.4 billion at the time of its privatisation had a net value of just €39 million by 2011. How did this happen? The Labour Party leader, the Tánaiste and Minister for Foreign Affairs and Trade, has been highly critical of the disastrous sell-off of Eircom. He described what occurred as a debacle and compared it with "being bought and sold like a clapped out second-hand car". It was asset-stripped and considerable profits were made by casino capitalists, but the Irish public paid the price. There was no investment in the development of the telecommunications infrastructure. We still lag behind in this regard. Available download speeds remain below the fastest speeds available in other OECD countries. Once again, the Government either ignores or simply does not care.

When ageing former revolutionaries in a conservative alliance with an unashamedly conservative party end up pursuing these policies, the membership and grassroots of their party must ask where it is all going. From international experience, it is clear that the disadvantaged status of women relative to men in the workplace is worsened by privatisation. There are social consequences to these decisions.

[Deputy Gerry Adams.]

If there is no public airline, public energy body, post services or forestry body, what kind of society will be left? There is no point in blaming anyone else for the Government's actions. It should reverse course, although that is unlikely. It should reconsider the sell-off of Bord Gáis and other key assets and stand up for the rights of working people. It should also utilise these profitable sectors to regenerate our economy.

It is worth reminding Labour in particular — I will remind Fine Gael as well, as it has many good, sound members — of the Proclamation, which states: “We declare the right of the people of Ireland to the ownership of Ireland, and to the unfettered control of Irish destinies, to be sovereign and indefeasible.” It does not state: “...unless the big bankers, the golden circle and the IMF dictate otherwise.” As we approach the 1916 centenary, the Taoiseach will not be returning our economic sovereignty to us. Rather, the Government will be tearing up the 1916 Proclamation.

**Deputy Peadar Tóibín:** We have seen four years of family and community-breaking austerity, a contracting economy, stagnant demand, forced emigration, sky high unemployment and reducing tax receipts. One would imagine that serious consideration would be given to a change in policy. Evidently not. Instead, the new Government already faces a contracting economy, which makes a fantasy of the budgetary projections made just three months ago. One would imagine that someone on the Government side would cop on and change approach, but, alarmingly, no. By all accounts from Germany, the Government looks likely to implement a mini-budget that will force more poisonous medicine on the ailing patient.

In such an environment, the Government should be enthusiastically searching for alternative opportunities to grow the economy and trying to observe international trends and best practice. Here are the trends. Two thirds of emerging market companies that made it onto the Fortune 500 list last year are state-owned and most of the rest enjoy some level of state input.

State companies include some of the world's largest companies, creating profits throughout the world. It is not a case of private versus the centrally planned of old. New State companies are good at learning from the market to ensure that they can be successful and profitable. State companies can access funds that are currently unavailable to many Irish companies. They can invest in pivotally important infrastructure such as broadband whereas equivalent Irish companies cannot. During the early years of this State, the Government created a large number of State companies because the equivalent private capital did not exist. Contrast that situation with the current one.

Contrast also the State's approach to indigenous gas generation with that of Norway or Brazil. Both of those countries created state companies and utilised them to search for, extract and sell gas. Those companies went on to become market leaders and reaped a rich harvest for their respective populations. Unfortunately, successive Irish Governments have given away valuable Irish gas to foreign multinationals, imposed little or no royalties and spent millions of euro of taxpayers' money policing protests against those companies.

The same ineptitude will see the Government sell the self-financing ESB, a State company that has paid €1.2 billion in dividends during the past nine years and that contributed €2.2 billion to the economy through purchases from Irish suppliers, taxes, rates, wages and dividends in 2010 alone.

In many ways, the Government is 30 years behind the curve and following an outdated Thatcherite philosophy instead of embracing new developments in the world economy. Unfortunately for Ireland, the true blue Tory Fine Gael Party, emboldened from watching the Oscar winning film “The Iron Lady”, has lulled the Labour lap dog into an ideological slumber.

**Deputy Ann Phelan:** I have not seen it yet.

**Deputy Mary Lou McDonald:** Deputy Ann Phelan is in it.

**Deputy Ann Phelan:** I am delighted.

**Deputy Shane McEntee:** We do not want to see it.

**Deputy Peadar Tóibín:** We have the disgusting spectacle of Fine Gael and Labour cashing in hard-earned and profitable family jewels at the pawnbrokers to pay down Anglo Irish Bank and other private banking debt. I welcome the fact that the coming referendum will allow people the opportunity to reject these policies and to chart a new economic course for the country.

**Deputy Pádraig Mac Lochlainn:** It is interesting that we are debating the final leg of this Private Members' motion on the day we also debated the austerity treaty, its merits and so on. There is a root to both debates. This reverts to the great economic debate of the past century between Hayek and Keynes. Hayek believed in small government and unbridled, free market capitalism that could trickle down. Keynes believed in interventionism and that the role of the state was to intervene during recessions. Such intervention is badly needed to solve our crisis.

Thatcher and Reagan embraced Hayek's philosophy with a zeal and sought to deregulate many of their economies' sectors, privatise and liberalise public services where possible and drive down wages and conditions. They believed in this approach passionately. It is all interconnected. It is the reason for our banking crisis. Unbridled, fierce capitalism has left a devastated mess behind.

What do we get in response to the failure of that right-wing Thatcherite ideology? More of the same. We have an austerity treaty which aims at cutting public services and we are getting rid of our State assets in a panicked fire sale at the worst possible moment in order to meet the demands of those who have failed us.

This betrayal of the promises made to the people over the years affects our health system as well as State assets. HIQA is trying to do its important job at a time when health services are suffering from a lack of investment in health services. This under-investment in community hospitals and long-stay homes plays into the hands of the private sector. Private nursing homes are stepping in to do the job that the State used to do while also driving down wages and conditions because nurses are paid a lot less in the private sector. Our hospitals' car parks, shops and cafés are being privatised. Resources are being removed from local authorities and handed over to the private sector. The unwritten rule in every aspect of our public services demands that we cut out what we can because the private sector can do it cheaper, regardless of the impact on services for the public. That was the experience with Eircom.

This motion goes to the heart of the crisis. Unbridled free market capitalism has failed the people of Ireland and of Europe but the solution we are offered is more of the same. There is no modesty in that ideology. The people at the top of governments and institutions across Europe drew up these policies. We are giving away our family jewels to pay off the people who failed us. The impact will be devastating.

At some point Government Deputies will have to ignore the speaking notes they were given by their press office and do their own research. They will have to speak to the people who work in these organisations or look into their own hearts to remind themselves why they entered politics. I guarantee them the answer will not be to vote against a motion which reflects the principles they used to represent.



**Deputy Pearse Doherty:** Cuirim fáilte roimh an díospóireacht seo ar mhaoin an Stáit. Mar a dúirt an cainteoir a chuaigh romham, tá sé iontach tábhachtach go bhfuil muid ag plé seo agus muid ag plé leis an reifreann. Beidh muid ag scansáil ar feadh cúpla seachtain agus b'fhéidir cúpla mí amach anseo.

It is said that a week is a long time in politics. If that is the case, a year must seem like a lifetime. It was certainly long enough for the parties now in Government to abandon wholesale the policies they held for decades while in Opposition. Nowhere is that truer than in the Labour Party's abandonment of the semi-State sector. We have heard Labour Party Ministers and Deputies claim that the proposals announced by the Minister for Public Expenditure and Reform are reasonable and in the best interest of the State. We have also heard them try to sweeten the blow with promises of investment in job creation.

Let us remind ourselves what that party used to represent before it took office. In 2011 the Labour Party election manifesto told prospective voters:

Labour is committed to concept of public enterprise, and is determined to ensure that semi-state companies play a full role in the recovery of the Irish economy. Labour is opposed to short-termist privatisation of key state assets, such as Coillte or the energy networks.

The 2007 Labour Party manifesto outlined proposals for the mobilisation of ESB and Coillte in the service of economic development and environmental sustainability. Now we see two Labour Party Ministers, Deputies Howlin and Rabbitte, abandoning more than a decade of principled support for the semi-State sector. What is worse is that they are doing the grubby bidding for their Fine Gael masters in Government, who were never supportive of the semi-State sector and wanted to privatise profitable State assets irrespective of the long-term losses to the State and citizens.

Thankfully, not everyone in the Labour Party is happy with these decisions. Angry voters and elected representatives across the country do not understand why this is happening. Doubtless they are being told the decision is being foisted on the Government by the troika. We all know this is not true but why let it get in the way of justifying the abandonment of core party principles?

This anger was clearly expressed by Labour Party member and general secretary of SIPTU, Jack O'Connor, last week, when he stated: "Today's announcement regarding the sale of some public enterprises is a sad day for the Irish people and a tragedy for the Labour Party". Another prominent member of the Labour Party, President Higgins, told the London School of Economics that privatisation "is the road back to autocracy, in which a hollowed-out state is bereft of anything meaningful to attract the support of the citizen". It must reassure the Tánaiste that not every member of his party dispensed with the policies he put to the people in the general election 12 months ago.

It makes no economic, strategic or social sense to sell these State assets. It will result in financial losses to the State and the taxpayer in dividends foregone over the long term. There will be a diminution of influence and, in the case of Aer Lingus, the loss of a seat at the table when decisions of strategic importance are taken. It will increase regional and social inequality of access to vital public services.

If this Government was serious about job creation it would invest the billions of euro that remain in the National Pensions Reserve Fund rather than sell off profitable State assets at some point in the future. Even as it sells off these profitable State assets, it is spending billions of euro in taxpayers' money on the acquisition of new assets in the form of bank bailouts. It has budgeted €1.3 billion this year to purchase the life insurance component of Irish Life and Permanent, on top of the €3.1 billion it intends to inject into Anglo Irish Bank on 31 March

and the €21.3 billion it gave to the banks in 2011. Perhaps the Labour Party is committed to investing in State assets after all, provided those assets are banks in need of bailout after bailout.

I have no doubt that a return to core Labour Party principles is out of the question for the Ministers, Deputies Howlin and Rabbitte, but I urge backbenchers to heed the words of Jack O'Connor and President Higgins by supporting Sinn Féin's motion defending State assets.

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd):** The only thing wrong with the arguments from the Deputies opposite is their failure to make sense. The alternative to selling these assets for the purposes that have been proposed is finding €18 billion to replace the bailout money we will receive this year. They can argue left, right or centre but the problem remains the same. The alternative to unbridled capitalism is not unbridled State capitalism for which the party opposite is arguing in claiming that the State is always right. We are saying that while of course the State has a very important part to play in our economy, it is also important that some of the assets that are not essential for the functioning of those State-run or State-owned institutions can be sold to provide what the people want, which is job creation. The sale of these assets will reduce some of our debt, which we need to do, and will also create new employment. From the proceeds of State assets will come at least €1 billion for the purpose of job creation and investment in the economy. We need that €1 billion to put into those job creation programmes.

The Government has been clear about its intentions for the sale of State assets from our very first day. The programme for Government signalled our goal to use proceeds from the sale of State assets for the purpose of job creation and investment in the Irish economy. We can all agree that this is needed now more than ever.

After much deliberation the Government has agreed with our external partners that some proceeds from the sale of State assets can be used for jobs and investment. This represents a very positive and significant amendment to the memorandum of understanding with our external partners and it should be welcomed. It should be clear to all that the Government is taking an entirely new approach in our management of State assets and companies. This is why the Government has successfully established NewERA, to manage better the assets in various commercial semi-State companies. It is a welcome innovation that will prove its worth in the years ahead.

Much has been said over the course of this debate about the dangers associated with the sale of State assets. However, I can assure the House that the Government is fully aware of these dangers. The asset disposal programme that has now been agreed has been carefully planned and thought through in order to ensure that such dangers are avoided. NewERA with its expertise in managing major transactions will play a central role in any sales process and ensure that the State's interest is well protected. The Government has been careful to safeguard the position of strategic infrastructure, such as the electricity and gas networks, which is considered to be vital to the optimal functioning of the economy. We have agreed to sell some of the ESB's non-strategic power generation capacity, but its strategic distribution network will be kept in State ownership. We look forward to the forthcoming International Energy Agency report on the functioning of the Irish electricity market which is due later in the year before deciding on any further structural and regulatory actions. We will sell BGE's energy business, but again BGE's strategic assets — the gas transmission and distribution systems, and the two gas interconnectors — will be retained in public ownership.

The sale of some assets of Coillte will be examined to see how best to raise revenue, which will focus primarily on the harvesting rights of Coillte's forests. However, I again make clear that Coillte's landholdings are not for sale and will not be included in the disposal programme.

[Deputy Fergus O'Dowd.]

The Government's remaining shareholding in Aer Lingus will be sold. However, as already explained, it is now accepted that this is no longer a strategic asset since a 25% stake in the company is not sufficient to enable the Government to determine matters of policy in Aer Lingus, for example the use of the airline's landing slots at Heathrow Airport.

Taking all this into account the target remains €3 billion to be raised from disposals. The Government is committed to securing value for the Exchequer from any disposals and we will not be rushed into any sales. Sales will only occur when market conditions are right and when adequate regulatory structures have been established to protect consumer interests. In short there will be no fire sales. Assets will only be sold on acceptable terms and at a price that achieves fair value for the Exchequer, and if fair value can not be obtained for the assets, they will not be sold.

During the course of the debate it has been claimed that the sale of these assets is not in the national interest. However, this issue has been addressed and the opposite is true. The sale of these non-strategic assets offers the potential to generate €1 billion in funding that would be available to the Government for much needed reinvestment in the economy and in jobs. In the energy sector, the disposals offer the potential to improve the competitive dynamics of the single electricity market to the benefit of consumers and, ultimately, the economy. In addition to the receipts that will be generated from the sale of the assets, a change in ownership in the case of the energy assets and the Aer Lingus shareholding offers the prospect of access to significant new capital, which might not otherwise be available, from new investors in order to grow these businesses in Ireland.

Given the enormous economic challenges facing our country and the current state of the public finances, it is imperative that the Government considers all possibilities for generating additional resources to fund much needed investment in jobs and in our economic recovery. The possibility of releasing value from some of our non-strategic State assets, as now proposed, provides just such an opportunity, offering the prospect of €1 billion in funding being available for reinvestment in job creation and to help stimulate much needed economic growth. I commend the Government's programme of asset disposals to the House.

**Deputy Mary Lou McDonald:** Last night's speech by the Minister for Public Expenditure and Reform, Deputy Howlin, begged the following question. What on earth has he done to the Labour Party? The Minister waxed lyrical about change and told us that all had changed, changed utterly. However, if he cared to stray back to the real world he would see nothing of significance has changed since the Government took office. A year on and the same old controversy about politicians' pay, pensions and allowances continues. The scandal about payment for Government advisers and a small coterie of public servants continues. The Government talks the talk of reform but it will not walk the walk.

Any government that increases flat taxes and charges for the low paid, will cut the contributory State pension later this year, and cuts services in schools and hospitals while protecting its own big pay cheque has a brass neck to preach about change. The Minister promised us a forthcoming book on the Labour Party to mark its centenary, which I am sure will be a great read. I hope the Labour Party's wholesale capitulation to a Fine Gael agenda in this Government is not reduced to a footnote. The Minister's speech last night was flippant, inaccurate and an ultimately tragic attempt by the Labour leadership to justify its decision to ignore its party policy on the retention of commercial State assets in public ownership — at the command of Fine Gael's small government diktat. Selling off successful self-financing State assets is a bad deal for citizens and a bad deal for the economy, as Labour Party Deputies well know.

Treating the profitable elements of Bord Gáis and the ESB as cash sources for bad bank debt write-down makes no economic sense and reflects the kind of short-term policy and political decision making that got us into this crisis in the first place. The debts that are to be cleared are those of toxic private banks and are not the people's debts. However, the Government proposes to sell off the people's assets — public, valuable assets — to write down that very debt. State assets under any rational government should be used to drive the economy, create sustainable jobs and provide upskilling and training opportunities. Previous State asset sales provide positive proof that privatisation of utilities is not the panacea for the perfect competition the Government desires. The sale of these assets will not make any meaningful dent in the national debt which could reach €200 billion at its peak in 2015.

NewERA, the brainchild of Fine Gael and now lauded by Labour, is in reality a clearing house for privatisation and this round of asset disposal is simply a period of apprenticeship. Today it is the generating assets of the ESB and the energy business of Bord Gáis Éireann. Tomorrow, perhaps, it will be the networks and the interconnectors because, no doubt, in the perverse logic of the Government at some stage it will concoct some argument, however implausible, that they are not strategic either.

If the Government were serious about leveraging State companies to the benefit of the economy and citizens it would take a completely different and changed approach. Ministers would work directly with commercial semi-State companies to deliver a strategic job creation and training programme under the helm of the Taoiseach and the Joint Committee on Jobs, Social Protection and Education. If the Government were serious about leveraging the value of the semi-State companies, all commercial semi-State dividends paid to the coffers of the State would be reinvested into employment activation and training measures. During the past ten years the ESB and Bord Gáis Éireann have paid more than €2 billion to the State in dividends. That is double what the Government proposes to invest in job creation.

**Deputy Fergus O'Dowd:** We are not selling them. That is the point.

**Deputy Mary Lou McDonald:** These companies have created tens of thousands of sustainable, quality jobs and they have delivered a first class world energy infrastructure. Fine Gael and the Labour Party are perfectly aware that to seek funding they could pursue matched capital investment funds from the European Investment Bank. They know they can make a useful investment from the National Pensions Reserve Fund to build health infrastructure, home retrofitting and a capital investment stimulus programme. These measures would deliver employment and could significantly reduce Ireland's potentially crippling structural unemployment levels.

**Deputy Michael McCarthy:** We could go to Denmark for the funding.

**Deputy Mary Lou McDonald:** The Government argues that an asset is not strategic simply by virtue of the fact that the State holds it in ownership and it is correct to hold this view. However, the Government should also reflect on the fact that there is a reason the State is the shareholder in energy companies. This is because energy, by definition and in terms of security of supply to households and industry, the green agenda and reducing the carbon footprint, is a strategic interest of the State.

The Government maintains that it is taking these actions to release capital into the economy. This emphasis on the one third of the proceeds that it claims will be invested in jobs completely omits mention of the two thirds of the proceeds to be used for debt write-down. Those in government know as well as we do that the Government has alternative funding streams.

[Deputy Mary Lou McDonald.]

In the course of the debate Government Members have informed us that employees are delighted — in the case of Bord Gáis Energy “energised” — by the prospect of the sell-off of Bord Gáis Energy. This stands in marked contradiction to the public pronouncement of SIPTU president, Jack O’Connor, and Unite’s Jimmy Kelly. Mr. Kelly stated “as things stand today any sale will be opposed using every means at our disposal”. While the Government narrative is of a workforce more than happy to see the privatisation of the company for which they work, I suggest the reality on the ground is rather different.

The main plank of the Government’s argument to justify these sell-offs lies not so much in the present as in the past. Ministers have recounted in great detail their inheritance as a Government. Today, the Minister, Deputy Rabbitte, took us on a lengthy exposition of the last Administration, all of its bad decisions——

**Deputy Robert Dowds:** He left Sinn Féin struck dumb.

**An Leas-Cheann Comhairle:** Please. Deputy McDonald, through the Chair.

**Deputy Mary Lou McDonald:** ——and the McCarthy review, a truly flawed piece of work in respect of semi-State assets. Once again the Minister recounted the original memorandum of understanding.

**Deputy Michael McCarthy:** He gave Sinn Féin a good history lesson.

**Deputy Mary Lou McDonald:** Those in government tell us that the logic of this inheritance is that it is left with no option. If the Government has no options, the question to be asked is why did the Government parties make concrete commitments in their election manifestos? I do not believe those who work within the commercial semi-State sector accept that there are no options. It is clear that the Government has actively chosen to pursue the route of the last Government which it so energetically criticised.

**Deputy Michael McCarthy:** This Government will put €1 billion into the Irish economy. That is a big difference.

**Deputy Mary Lou McDonald:** That is the fact.

**Deputy Aengus Ó Snodaigh:** It will throw away the other €2 billion.

**Deputy Michael McCarthy:** Does Deputy Ó Snodaigh want to stock up on ink-jet cartridges?

**Deputy Mary Lou McDonald:** I suppose the lesson is *plus ça change, plus c’est la même chose*. The Minister, Deputy Rabbitte, was upset at the fact and he quoted the many things on which we have challenged the Government. He is correct that we stated there should be a referendum in respect of the fiscal compact treaty. He is correct that we put the Government under pressure in respect of restoring the minimum wage.

**Deputy Michael McCarthy:** Sinn Féin voted against that.

*(Interruptions).*

**Deputy Mary Lou McDonald:** The Minister, Deputy Rabbitte, is absolutely correct to say that we pressurised him to maintain the ESB as a vertically integrated utility. That is correct and if that causes some problem for the Minister he will simply have to get over it. He did not mention that we also put the Government under pressure in respect of cuts in teaching numbers

in DEIS programme schools. He might also have usefully observed that we have put the Government under pressure on the cutbacks that it envisages in community employment.

*(Interruptions).*

**Deputy Mary Lou McDonald:** We put the Government under pressure in respect of the household charge and the septic tank charge. We will put the Government under pressure on this issue of maintaining State assets in full public ownership. We will hold the Government to account in respect of job creation. We will continue to do this and we make no apology for it.

The Minister of State, Deputy O'Dowd, referred to the troika as "our external partners", an interesting turn of phrase. He would have us believe that the troika has forced the Government on the issue of the disposal of State assets. I put it to the Minister of State that this is not what those in the troika told us. We have met them twice and pressed them on the issue and they have said categorically that any sale of State assets and all decisions pertaining to that matter are a matter for the Government. I suppose they are the Government's external partners because the Government has no beef with whatever the troika strategy happens to be. The Government is in complete agreement with the troika in terms of impoverishing the State's public infrastructure. It seems the Government marches to the beat of private wealth and public squalor.

**Deputy Robert Dowds:** Deputy McDonald is forgetting that we get €350 million from the troika every week.

**Deputy Mary Lou McDonald:** We argue for the retention of these assets in public ownership not purely from an ideological position, although we are politically and ideologically committed to public ownership and public provision of essential and strategic services and we make no apology for that. That is our view. Crucially, we also make this argument on a pragmatic basis because the assets in question are valuable. The Minister of State, Deputy O'Dowd, made a flippant argument concerning Aer Lingus suggesting that 25% of a holding does not give us much.

**Deputy Fergus O'Dowd:** Where is Sinn Féin's €2 billion going to come from? Sinn Féin has no money and no plans.

**Deputy Mary Lou McDonald:** A 0% holding gives the State absolutely no say whatsoever yet that is what the Government proposes. A Minister serving in Government on an island nation proposes that the State should have a 0% holding and no influence over what was once the national airline. Michael O'Leary of Ryanair holds 29% of Aer Lingus. He is a vocal shareholder indeed.

I am not a fan of Michael O'Leary or the Ryanair approach, but I wish to goodness the Government would take a leaf out of his book in terms of being vocal.

**An Leas-Cheann Comhairle:** I ask the Deputy to conclude her remarks.

**Deputy Mary Lou McDonald:** Like the McCarthy report so lamented by them, Labour and Fine Gael have failed to present any evidence-based analysis of the impact on the Irish economy of the sale of these assets. They make vague, general statements that they cannot back up about competition. They say they are committed to jobs, yet they will use the bulk of the proceeds to write down debt. It is not that we are all about the State. We recognise there must be an enterprising economy.

**An Leas-Cheann Comhairle:** The Deputy's time is concluded.

**Deputy Mary Lou McDonald:** Citizens and businesses have every right to expect the State will not abdicate its responsibilities in respect of energy, transport or the use for the common and collective good of the harvest of 7% of the land mass.

I thank everyone who participated in this debate. I urge Deputies, particularly Labour Party Deputies, to think carefully, hard and long term and support our motion.

Amendment put:

The Dáil divided: Tá, 74; Níl, 42.

Tá

Bannon, James.	Lawlor, Anthony.
Barry, Tom.	Lynch, Ciarán.
Breen, Pat.	Lyons, John.
Bruton, Richard.	McCarthy, Michael.
Butler, Ray.	McEntee, Shane.
Buttimer, Jerry.	McFadden, Nicky.
Byrne, Catherine.	McGinley, Dinny.
Byrne, Eric.	McHugh, Joe.
Cannon, Ciarán.	Maloney, Eamonn.
Carey, Joe.	Mathews, Peter.
Coffey, Paudie.	Mitchell, Olivia.
Collins, Áine.	Mitchell O'Connor, Mary.
Conway, Ciara.	Mulherin, Michelle.
Coonan, Noel.	Murphy, Dara.
Creed, Michael.	Neville, Dan.
Daly, Jim.	Nolan, Derek.
Deasy, John.	O'Donnell, Kieran.
Deenihan, Jimmy.	O'Donovan, Patrick.
Doherty, Regina.	O'Dowd, Fergus.
Dowds, Robert.	O'Mahony, John.
Doyle, Andrew.	O'Sullivan, Jan.
Durkan, Bernard J.	Perry, John.
English, Damien.	Phelan, Ann.
Farrell, Alan.	Phelan, John Paul.
Fitzpatrick, Peter.	Rabbitte, Pat.
Flanagan, Charles.	Ross, Shane.
Harris, Simon.	Ryan, Brendan.
Hayes, Brian.	Shatter, Alan.
Hayes, Tom.	Sherlock, Sean.
Heydon, Martin.	Spring, Arthur.
Howlin, Brendan.	Stanton, David.
Humphreys, Heather.	Tuffy, Joanna.
Humphreys, Kevin.	Twomey, Liam.
Keating, Derek.	Varadkar, Leo.
Keaveney, Colm.	Wall, Jack.
Kehoe, Paul.	Walsh, Brian.
Kenny, Seán.	White, Alex.

Níl

Adams, Gerry.	Ferris, Martin.
Boyd Barrett, Richard.	Fleming, Sean.
Broughan, Thomas P.	Healy, Seamus.
Browne, John.	Healy-Rae, Michael.
Calleary, Dara.	Kelleher, Billy.
Collins, Niall.	Kirk, Seamus.
Colreavy, Michael.	Kitt, Michael P..
Cowen, Barry.	Mac Lochlainn, Pádraig.
Crowe, Seán.	Martin, Micheál.
Daly, Clare.	McConalogue, Charlie.
Doherty, Pearse.	McDonald, Mary Lou.
Donnelly, Stephen S.	McGrath, Finian.
Dooley, Timmy.	McGrath, Mattie.

Níl—*continued*

McGrath, Michael.  
McGuinness, John.  
Moynihan, Michael.  
Murphy, Catherine.  
Ó Cuív, Éamon.  
Ó Fearghaíl, Seán.  
Ó Snodaigh, Aengus.  
O'Brien, Jonathan.

O'Dea, Willie.  
O'Sullivan, Maureen.  
Pringle, Thomas.  
Smith, Brendan.  
Stanley, Brian.  
Tóibín, Peadar.  
Troy, Robert.  
Wallace, Mick.

Tellers: Tá, Deputies John Lyons and Paul Kehoe; Níl, Deputies Aengus Ó Snodaigh and Seán Ó Fearghaíl.

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

The Dáil divided by electronic means.

**Deputy Pearse Doherty:** As provided under Standing Orders and given the magnitude of the U-turn the Labour Party Members have made on this issue and the importance for the State to retain our State assets, it is appropriate to give the Labour Party Members the time to reconsider their position. Therefore, I call for a vote by other than electronic means.

**An Ceann Comhairle:** I am sorry, but I cannot accept the Deputy's call because Deputy Ó Snodaigh was the teller, not Deputy Doherty.

**Deputy Aengus Ó Snodaigh:** Standing Orders allow for "a Deputy" and a teller representing over 20 Deputies.

**An Ceann Comhairle:** They allow for a teller to call.

**Deputy Aengus Ó Snodaigh:** They allow for a teller and "a Deputy" representing over 20 Deputies.

**Deputy James Bannon:** Will the Deputy put that in print?

**Deputy Aengus Ó Snodaigh:** However, as teller, I call for a vote by other than electronic means.

**An Ceann Comhairle:** As Deputy Ó Snodaigh is a teller, we will proceed with a vote through the lobby.

Question again put: "That the motion, as amended, be agreed to."

The Dáil divided: Tá, 73; Níl, 41.

Tá

Bannon, James.  
Barry, Tom.  
Breen, Pat.  
Bruton, Richard.  
Butler, Ray.  
Buttimer, Jerry.  
Byrne, Catherine.  
Byrne, Eric.

Cannon, Ciarán.  
Carey, Joe.  
Coffey, Paudie.  
Collins, Áine.  
Conway, Ciara.  
Coonan, Noel.  
Creed, Michael.  
Daly, Jim.



Tá—*continued*

Deasy, John.  
 Deenihan, Jimmy.  
 Doherty, Regina.  
 Dowds, Robert.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Farrell, Alan.  
 Fitzpatrick, Peter.  
 Flanagan, Charles.  
 Harris, Simon.  
 Hayes, Brian.  
 Hayes, Tom.  
 Heydon, Martin.  
 Howlin, Brendan.  
 Humphreys, Heather.  
 Humphreys, Kevin.  
 Keating, Derek.  
 Keaveney, Colm.  
 Kehoe, Paul.  
 Kenny, Seán.  
 Lawlor, Anthony.  
 Lynch, Ciarán.  
 Lyons, John.  
 Maloney, Eamonn.  
 Mathews, Peter.  
 McCarthy, Michael.  
 McEntee, Shane.  
 McFadden, Nicky.

McGinley, Dinny.  
 McHugh, Joe.  
 Mitchell O'Connor, Mary.  
 Mitchell, Olivia.  
 Mulherin, Michelle.  
 Murphy, Dara.  
 Neville, Dan.  
 Nolan, Derek.  
 O'Donnell, Kieran.  
 O'Donovan, Patrick.  
 O'Dowd, Fergus.  
 O'Mahony, John.  
 O'Sullivan, Jan.  
 Perry, John.  
 Phelan, Ann.  
 Phelan, John Paul.  
 Ross, Shane.  
 Ryan, Brendan.  
 Shatter, Alan.  
 Sherlock, Sean.  
 Spring, Arthur.  
 Stanton, David.  
 Tuffy, Joanna.  
 Twomey, Liam.  
 Varadkar, Leo.  
 Wall, Jack.  
 Walsh, Brian.  
 White, Alex.

## Níl

Adams, Gerry.  
 Boyd Barrett, Richard.  
 Broughan, Thomas P.  
 Browne, John.  
 Calleary, Dara.  
 Collins, Niall.  
 Colreavy, Michael.  
 Cowen, Barry.  
 Crowe, Seán.  
 Daly, Clare.  
 Doherty, Pearse.  
 Donnelly, Stephen S.  
 Dooley, Timmy.  
 Ferris, Martin.  
 Fleming, Sean.  
 Healy, Seamus.  
 Healy-Rae, Michael.  
 Kelleher, Billy.  
 Kirk, Seamus.  
 Kitt, Michael P.  
 Mac Lochlainn, Pádraig.

Martin, Micheál.  
 McConalogue, Charlie.  
 McDonald, Mary Lou.  
 McGrath, Finian.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 Moynihan, Michael.  
 Ó Cuív, Éamon.  
 Ó Fearghaíl, Seán.  
 Ó Snodaigh, Aengus.  
 O'Brien, Jonathan.  
 O'Dea, Willie.  
 O'Sullivan, Maureen.  
 Pringle, Thomas.  
 Smith, Brendan.  
 Stanley, Brian.  
 Tóibín, Peadar.  
 Troy, Robert.  
 Wallace, Mick.

Tellers: Tá, Deputies John Lyons and Paul Kehoe; Níl, Deputies Aengus Ó Snodaigh and Seán Ó Fearghaíl.

Question again declared carried.

The Dáil adjourned at 9.40 p.m. until 10.30 a.m. on Thursday, 1 March 2012.

## Written Answers.

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**The following are questions tabled by Members for written response and the ministerial replies as received on the day from the Departments [unrevised].**

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*Questions Nos. 1 to 10, inclusive, answered orally.*

### **Enterprise Support Services**

11. **Deputy Sandra McLellan** asked the Minister for Jobs, Enterprise and Innovation the target he has set for institutions in this State to draw down support from the EU progress micro enterprise fund. [11327/12]

32. **Deputy Sandra McLellan** asked the Minister for Jobs, Enterprise and Innovation the steps he is taking to promote and support bids by credit institutions to access the EU progress microfinance facility; the amount that will be drawn down from this programme; and when this fund will be available to the small and medium enterprises sector. [11326/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I propose to take Questions Nos. 11 and 32 together.

The European Progress Microfinance Facility is a European Investment Fund (EIF) initiative to support entrepreneurship and employment through microfinance activities. It was established by the EU Commission in 2010.

It does not directly provide microfinance to either Member States' Governments or entrepreneurs. Instead, following a rigorous due diligence process, selected microfinance providers across the EU who fulfil the requirements are accredited by the EIF and can avail of supports designed to increase lending into the Microenterprise sector.

Specifically, capped guarantees may be provided to eligible intermediaries partially covering their portfolios of micro-loans, or loan facilities may be availed of to increase lending to micro-enterprises. The guarantees provided are intended to mitigate bad debts incurred in the lending operations. Microfinance providers may apply for the guarantee, or for the loan facility, but may not avail of both. Eligible intermediaries are any public and private institutions that provide microfinance loans and/or guarantees to individuals, or micro-enterprises established in the EU Member States. To apply to become an intermediary, interested institutions must submit a formal application for Progress Microfinance micro-credit guarantee directly to the EIF. Any EU microfinance institution may apply to the EIF under this Facility and State involvement is not a prerequisite.

[Deputy Richard Bruton.]

I am currently finalising the delivery structures for a State-backed Microfinance Loan Fund to provide loans to the microenterprise sector. This Fund is designed to stimulate lending to sustainable microenterprises and is targeted at start-up, newly established, or growing micro enterprises across all industry sectors, employing not more than 10 people. It will provide loans of up to €25,000 for commercially viable proposals that do not meet the conventional risk criteria applied by commercial banks.

Following establishment of the Microfinance lending facility, application will be made for the EIF guarantee facility.

### **Prompt Payment System**

12. **Deputy Dessie Ellis** asked the Minister for Jobs, Enterprise and Innovation the steps being taken to ensure that prompt payment is made by Departments and associated bodies to small and medium enterprises. [11329/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Since 2009, Central Government Departments have been improving their respective payment times, so as to assist the cash flow of businesses, and are obliged to pay their suppliers within 15 days of receipt of a valid invoice. This 15 day prompt payment rule was introduced by Government on an administrative basis.

Departments are required to report quarterly to my Department on their performance in meeting this target. To date, 10 sets of Quarterly returns have been published on my Department's website *www.djei.ie*. The returns for the last Quarter of 2011 were published today. This data will show that in value terms 97-8% of invoices were paid within 15 days for that quarter.

The ongoing publication of these composite returns by my Department provides clarity in relation to the performance of individual Departments in meeting the terms of the Government Decision.

As part of the commitments in the EU/IMF Programme for Ireland, the 15 day prompt payment rule was extended beyond central Government Departments and rolled out to the Health Service Executive, the Local Authorities, State Agencies, and all other Public Sector Bodies, (excluding Commercial Semi-State bodies), in respect of valid invoices received, on or after, 1 July 2011.

As part of this new extended arrangement, parent Departments are required to publish on their respective websites Quarterly composite reports covering those bodies under their aegis. The individual bodies covered by this arrangement are also required to publish their own Quarterly reports on their websites

These new reporting arrangements should ensure that all Ministers will be able to monitor the performance of the bodies under their aegis and will enable them to address any issues with those bodies who are not meeting these obligations.

Any Small Businesses experiencing difficulties in securing payments should, in the first instance, approach the Government Department or State body concerned. Any failures to comply with the initiative can also be brought to the attention of the relevant Minister with responsibility for the body concerned.

### **Enterprise Support Services**

13. **Deputy Michael Moynihan** asked the Minister for Jobs, Enterprise and Innovation when his proposed potential exporter division will be implemented; and if he will make a statement on the matter. [11558/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** It is recognised in the Action Plan for Jobs that creating an indigenous engine of economic growth is central to revitalisation of the Irish economy. One of the many measures outlined in the Plan to realise this ambition is the establishment of a new Potential Exporters Division in Enterprise Ireland. The aim of the Unit is to stimulate greater activity within companies across all regions and to reorient those demonstrating real growth potential from the domestic to the international market place. The new unit will provide assistance designed to aid client companies investigate, prepare and execute an international strategy including: practical business advice, information and market intelligence; targeted funding supports where appropriate; suitable training and development.

This approach represents a new model of engagement with companies and will ensure that Enterprise Ireland's interaction is fully effective in stimulating activity among small companies.

Already, a dedicated team of Enterprise Ireland staff is being assembled for this new Division. The personnel who will staff the Unit will have the skills and experience of the Development Adviser and Market Adviser roles as well as programme management and enquiry handling skills. The Unit's responsibilities will include responding to the development needs of companies; promoting and advocating the export agenda; proactively promoting a range of tailored services, initiatives and grants; helping companies easily access EI services and financial supports; proactively identifying and stimulating companies that demonstrate the potential to grow and establish a developmental agenda with those particular companies.

Enterprises will be given the opportunity to access the services through Enterprise Ireland's website, a dedicated email address and a dedicated phone number. Outreach channels will include regional events run on a regular basis, liaising with the City and County Enterprise Boards, and regular interaction with Chambers of Commerce and other relevant bodies and agencies.

There will be a range of supports for First Time Exporters which will include general awareness events; knowledge and training workshops; access to specific market information; access to market knowledgeable mentors; funding supports; and access to Enterprise Ireland's market resources.

In 2012, engagement with in excess of 500 enterprises is planned. It is expected that companies in this cohort will increase their preparedness to export and will deliver increased exports as a result of the establishment of the Unit.

### **Job Protection**

14. **Deputy Denis Naughten** asked the Minister for Jobs, Enterprise and Innovation the progress made to date on protecting employment at a company (details supplied) in County Leitrim; and if he will make a statement on the matter. [11406/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I am informed that the process regarding the sale of Bank of America's Irish and UK credit card businesses is ongoing.

I took the opportunity of my recent visit to New York to raise the issue with the CEO of Bank of America, Brian Moynihan who confirmed this position.

As I have previously indicated, there is considerable interest in both the MBNA Ireland portfolio and the MBNA UK portfolio, the potential sale of each is being pursued separately by Bank of America.

Negotiations regarding the sale of the MBNA Ireland portfolio are continuing.

[Deputy Richard Bruton.]

I understand that IDA has met the relevant parties, is monitoring the situation closely and is providing relevant input into the process as it moves forward. IDA is in regular contact with local Bank of America management in Carrick-on-Shannon and Dublin and at corporate level to monitor developments.

Separate to the above, IDA has been and continues to market Carrick-on-Shannon and the BOA MBNA capability there to other potential investors, should the above negotiations fail to lead to a positive outcome.

This has included creating a detailed profile/factfile in conjunction with BOA MBNA management to highlight the skillset, experience and facility in Carrick-on Shannon. This profile is being used by IDA's international network of offices to market both the centre itself and the location.

### **Business Regulation**

15. **Deputy Micheál Martin** asked the Minister for Jobs, Enterprise and Innovation when he expects to complete the audit of licences required for business per item 1.49 of his action plan; and if he will make a statement on the matter. [11551/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Better Regulation is an important aspect in ensuring that costs are reduced for firms. Forfás has been assigned responsibility for conducting the review of licences under Action Point 1.49 of the Action Plan for Jobs. The Table of Actions in the Annex to the Action Plan for Jobs sets out a timeframe for the review.

Initial scoping of the review has commenced and draft Terms of Reference are being considered. Forfás will complete this phase in the coming week, as set out in the timetable.

The audit, consultations, and analysis will also be completed in Q3 of 2012, in line with the timetable. The findings and recommendations will be set out in a report to Government in Q3 2012. Some consultations have already taken place on the matter, and further consultations with Government regulatory agencies, departments and enterprises will be undertaken in the coming months.

### **Job Creation**

16. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Jobs, Enterprise and Innovation the way he intends to ensure that resources will be targeted to major and ongoing regional disparities in job creation. [11328/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Job creation is at the top of the Government's agenda. Since we came into office, we have been working hard to create the improved economic conditions which will support the maintenance of existing jobs and the creation of new ones. The Action Plan for Jobs, which I launched on 13 February, outlines the Government's plan to rebuild the economy and create jobs. The plan will improve access to finance for small businesses, reduce costs and red tape, and improve supports for exports, management and innovation.

The achievement of balanced regional growth is a core objective of Government. Promoting entrepreneurship and facilitating the key infrastructural needs of Irish enterprise across all regions is vital to ensuring a vigorous pipeline of new business leaders, new business ideas and entrepreneurial activity. Cooperation across many organisations operating in the region is vital

in developing a competitive edge and successfully supporting enterprise in the region. The development of sectors of opportunity and the fostering of clusters can play an important role.

This objective is consistent with the EU Commission's Regional Aid Guidelines, which govern the areas in which the enterprise and industrial development agencies in Member States may grant regional aid, more commonly known as investment aid. Investment aid is intended to promote the economic development of certain disadvantaged areas within the European Union in order to redress regional disparities. The Guidelines specify rules for the selection of regions that are eligible for regional aid and define the maximum permitted levels of this aid. Under Ireland's current Regional Aid Map, regions covering 50% of the population are entitled to Regional Aid grants. The details of the support in terms of aid intensity for each county are available on my Department's website.

The national Enterprise Development agencies under the aegis of my Department operate through a regional structure with a mandate to maximise regional opportunities. The IDA in particular has a target that 50% of delivering 50% of investments outside of Dublin and Cork. The County Enterprise Boards have been an important element in local enterprise development and in the Action Plan for Jobs we envisage better integration between Enterprise Ireland, Local Enterprise Support and the activity of local authorities supporting business development.

I am confident that the measures outlined in the Action Plan for Jobs, together with the policies and initiatives being pursued by the Industrial Development agencies and the County and City Enterprise Boards, will create the employment opportunities necessary for national recovery.

### **Legislative Programme**

17. **Deputy Willie O'Dea** asked the Minister for Jobs, Enterprise and Innovation when it is expected the partial credit scheme and the micro finance scheme will be published; and if he will make a statement on the matter. [11535/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** With regard to the Temporary Partial Credit Guarantee Scheme, an Operator has been selected through a public tendering process and will shortly be contracted by my Department to act as the agent for the practical oversight, management and operation of the Scheme. Primary legislation to underpin the Scheme is being urgently progressed with the Attorney General's Office, and a Credit Guarantee Bill will be published during this Spring session. The Guarantee Scheme will go live as soon as possible following enactment of the legislation in Quarter 2 2012.

I am currently finalising the delivery structures the Microfinance Loan Fund to provide loans to the microenterprise sector. This Fund is designed to stimulate lending to sustainable microenterprises and is targeted at start-up, newly established, or growing micro enterprises across all industry sectors, employing not more than 10 people. It will provide loans of up to €25,000 for commercially viable proposals that do not meet the conventional risk criteria applied by commercial banks.

The Government recently approved the allocation of €10 million as seed capital for the Fund. It is anticipated that the Fund will supplement this seed capital by leveraging further funding from private sources, including the banks.

Following establishment of the Microfinance lending facility, application will be made for the EIF guarantee facility. A rigorous due diligence process is required to secure EIF accreditation. Following EIF approval of the guarantee facility, and subject to completion of all administrative

[Deputy Richard Bruton.]

and corporate governance requirements, it is anticipated that the Loan Fund will become operational by mid-year.

### **Enterprise Support Services**

18. **Deputy Denis Naughten** asked the Minister for Jobs, Enterprise and Innovation the steps he is taking to support enterprise development in the midland and western regions; and if he will make a statement on the matter. [11407/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The role of Government is to create the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities can be grown and maintained. Our objective is to put the country back on the road to economic recovery and full employment. The Action Plan for Jobs, which I launched a fortnight ago, outlines the Government's plan to rebuild the economy and create jobs. The plan will improve access to finance for small businesses, reduce costs and red tape, and improve supports for exports, management and innovation.

Supporting new and existing indigenous businesses, across all regions, to grow and export is central to our plans for recovery, growth and jobs. The Action Plan for Jobs contains a significant number of measures which are aimed specifically at the facilitation and incentivisation of growth among SMEs throughout the country. The introduction of a microfinance fund will provide loans of up to €25,000 to micro-enterprises in the Irish economy and the establishment of a potential exporter Division within Enterprise Ireland will stimulate greater activity within companies across all regions and reorient those demonstrating real growth potential from the domestic to the international market place.

The Industrial Development agencies under the aegis of my Department, IDA Ireland and Enterprise Ireland, together with the relevant County Enterprise Boards (CEBs) have been supporting enterprise development in the regions in question and will have a crucial role to play in the implementation of the various initiatives in the Action Plan for Jobs.

One of the targets for IDA Ireland in the Action Plan for Jobs is to have 50% of foreign direct investments based in locations outside of Dublin and Cork. In this regard, considerable success has been achieved in attracting high quality investment to both regions. At present, there are a total of 120 IDA supported companies employing over 17,500 people between both regions.

Currently, Enterprise Ireland has almost 700 clients employing over 17,500 people in the regions in question. In 2011, Enterprise Ireland-assisted companies created 457 new full-time jobs in the Midlands region and 1,144 in the West. In addition, over €6.7m was approved for the agency's client companies in the West regions.

In 2011, the County and City Enterprise Boards in the Midlands and Western Regions paid out over €2.3m in grant assistance to clients. Support for the microenterprise sector is being strengthened under the Action Plan for Jobs through the establishment of Local Enterprise offices in each county. I am confident that the measures outlined in the *Action Plan for Jobs*, together with the other policies and initiatives being pursued will continue to attract investment and employment opportunities to the two regions.

### **Pharmaceutical Patents**

19. **Deputy Seán Crowe** asked the Minister for Jobs, Enterprise and Innovation if he will identify the 2011 value in export terms of patents that will expire in 2012, 2013 and 2014. [11318/12]

20. **Deputy Martin Ferris** asked the Minister for Jobs, Enterprise and Innovation the steps he is taking to ensure that ending of pharmaceutical patents does not negatively impact on job creation and retention. [11332/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I propose to take Questions Nos. 19 and 20 together.

I am aware that a series of major patents will expire in the coming year and that patent expiry can result in reduced selling prices for pharmaceutical companies. Manufacturing location decisions are rarely made on a single product basis, however, and companies also consider factors such as quality, safety, competence, costs and tax. In addition, transferring production lines from one pharmaceutical site to another is a complex undertaking and cannot be done easily. Multinational companies practice optimal site loading to ensure high efficiency and productivity within a global plant network.

The 2011 value in export terms of patents in the pharmaceutical industry that will expire in 2012, 2013 and 2014 is not available as such information is confidential to each individual pharmaceutical company and can depend on the company's supply chain, location of patented drugs production and the company's method of accounting. I can confirm, however, that Ireland is the world's largest net exporter of pharmaceuticals with exports valued at €55 billion in 2010 accounting for 50% of exports. The pharmaceutical sector employs 25,000 people directly in high paid jobs and contributes almost €1 billion in annual corporation tax.

Ireland has been enormously successful in attracting eight of the major global players and the world's number one biotechnology company to Ireland. In addition, Ireland has a large number of companies outside of the top ten who manufacture and successfully export from Ireland. In accordance with its Horizon 2020 Strategy, IDA Ireland continues to attract leading investment in the pharmaceutical industry and, in the last two years, has attracted manufacturing companies of the quality of Warner Chilcott, Biomarin, Alkermes, Sangart and one of the world's leading generic manufacturers, Mylan. This is in addition to major on-going investment by existing companies.

IDA Ireland utilises the presence of leaders in the pharma sector, who have established a presence here, to market Ireland as the location of choice for potential investors while working closely with its existing client base to encourage further growth of their Irish operations, ensuring a positive future for Ireland's Life Sciences Sector.

Whether available as a generic or a brand, global companies strive to ensure that their products are produced to the highest international standards. Ireland retains an exemplary global record in this regard with an excellent regulator in the Irish Medicines Board and with much improved competitiveness through wage reduction and restraint which is helping Ireland to compete with lower cost locations.

The overall export performance of the sector therefore is multifactorial and whilst there are challenges with regard to patent expiration, IDA Ireland is succeeding in renewing its patent protected volumes through winning new product mandates in small and large molecule manufacture. Future export performance will be a reflection of all of these drivers of activity and the flexibility of the Irish operating environment to support continuous improvement and transformation.

### **Job Creation**

21. **Deputy Martin Ferris** asked the Minister for Jobs, Enterprise and Innovation the locations being considered for any future job creation health innovation hub. [11333/12]



**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The Government is committed to delivering a Health Innovation Hub to drive collaboration between the health system and enterprise leading to the development and commercialisation of new health care technologies. This is identified as an action in the Action Plan for Jobs and discussions have begun between my Department and the Department of Health with the relevant agencies on this matter.

At this point in the process possible locations for the hub have not yet been explored.

### Work Permits

22. **Deputy Thomas P. Broughan** asked the Minister for Jobs, Enterprise and Innovation if he has been briefed by the Private Security Authority in terms of the way that body operates within the context of his Department's work permit licensing system; and if he will make a statement on the matter. [11404/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** My Department processes applications in respect of the different types of employment permits and all applications are processed in line with the Employment Permits Act 2006.

It is current Government policy to issue new employment permits only in respect of:

- highly skilled, highly paid positions or;
- non-EEA nationals who are already legally resident in the State on valid employment permits or;
- positions requiring specialist or scarce skills, expertise or qualifications which cannot be filled otherwise.

Furthermore, the position of Security Officer is currently one of the occupational categories ineligible for a new first time permit. However, permits for this position may be considered for non-EEA nationals already in the State in that position who wish to change employer or permits under the Spousal/Dependant Scheme.

The Employment Permits Section has been in contact with the Private Security Authority and understands that a person may not work as a Security Officer without having a Private Security License issued on their behalf. In this regard all applications for an employment permit in respect of a Security Officer must be supported by an in-date license from that Body.

I wish to advise the Deputy that the issue of a Private Security License, in itself, does not authorize a non-EEA national to work in the State. In order to work in Ireland a non-EEA national must have a valid employment permit issued on their behalf or have immigration permission from the Department of Justice and Equality that allows them to work in the State without an employment permit.

### Business Regulation

23. **Deputy Michael McGrath** asked the Minister for Jobs, Enterprise and Innovation when he expects to achieve item 1.50 of his action plan regarding reducing the regulatory burden; and if he will make a statement on the matter. [11554/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** International benchmarking statistics reveal that Ireland imposes a relatively low burden of regulation on business. The Forfás Competitiveness Scoreboard 2011 states that Ireland's regulatory environment is one of the least restrictive in the OECD in relation to product market regulation, the time

taken to comply with tax payments is one of the lowest in the OECD across all categories and Ireland's employment framework is less rigid than the OECD average.

The work to reduce administrative burdens on business in Ireland is being progressed on two fronts. The High Level Group on Business Regulation works to fast-track simplifications to specific red tape issues identified by business; and an Inter-Departmental Group of officials from all Departments, having regulation affecting business, drives the measurement and reduction of administrative burdens in a systematic manner, based on the internationally recognized Standard Cost Model.

To date, the High Level Group has progressed a range of administrative burden issues brought to its attention by business and continues to drive progress on further issues. The Group continues to work with business interests to identify new opportunities for simplification.

As far as the 25% target is concerned, my Department has already reduced measured burdens by 23%, a potential saving of €198 million for business. Details of all the initiatives making up this total are available on my Department's website.

The cross-Government measurement and reduction of administrative burdens, towards the 25% target, as detailed in the Action Plan for Jobs, is coordinated by my Department. The target is to be reached by the end of this year. A project to measure the burden imposed by regulation under the responsibility of seven Departments and Revenue was initiated in September 2011. I expect results from the first cluster of Departments by the end of the first quarter and from the second cluster by the end of quarter two.

When the measurements are complete, we will know the administrative burden arising for business as a result of regulation under the responsibility of each of these Departments, as well as how much these burdens have been reduced since the base year, 2008.

Each Department must then draft a Simplification Plan setting out how they will achieve the remaining reductions to reach the 25% target. The first cluster of Departments should report to Government with Simplification Plans by the end of quarter two, and the second cluster by end quarter three.

### **Job Creation**

24. **Deputy Aengus Ó Snodaigh** asked the Minister for Jobs, Enterprise and Innovation the way he intends to promote clustering of related industries to address regional disparities in job creation. [11322/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Job creation is at the top of the Government's agenda. Since we came into office, we have been working hard to create the improved economic conditions which will support the maintenance of existing jobs and the creation of new ones. Our objective is to put the country back on the road to economic recovery and full employment. The Action Plan for Jobs, which I launched on 13 February, outlines the Government's plan to rebuild the economy and create jobs. The plan will improve access to finance for small businesses, reduce costs and red tape, and improve supports for exports, management and innovation.

One of the recommendations in the Plan is to "support industry-led clustering in key areas of opportunity, based on new models, industry proposals, and newly developed niche market strategies". The responsibility for delivery of this action has been assigned to my Department, the Enterprise Development agencies and relevant industry networks and groups. A number of sectors have potential to progress clustering, particularly in the guise of collaborative industry-led networks which seek to identify mutual objectives which if tackled collaboratively, can

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have a positive impact on the capability of companies to grow and create employment, wherever they are located.

The Action Plan for Jobs 2012 refers to a number of specific sectors, namely Finance, Telecommunications, e-Learning, Food, Gaming and the Environment. In bringing forward industry-led clustering the Enterprise Development agencies under the auspices of this Department will be working closely with industry and each other. During Quarter 1 2012, an approach and a programme to support industry-led clustering will be developed, taking account of best practice and industry views. It is intended that industry proposals for the establishment of collaborative networks to drive clustering, will be invited during Quarter 2 2012, with an active roll-out of the programme occurring in the latter half of this year. To this end, Enterprise Ireland has recently assigned responsibility for clustering initiatives to a Senior Manager with responsibility to drive the agency's activity in this space.

I am confident that the measures outlined in the Action Plan for Jobs, together with the other policies and initiatives being pursued will create the employment opportunities necessary for national recovery.

25. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation the number of jobs to be created per year to achieve a net increase of 100,000 by 2016 as outlined in the action plan for jobs. [11308/12]

29. **Deputy Gerry Adams** asked the Minister for Jobs, Enterprise and Innovation the number of jobs to be created in 2012, 2013, 2014, 2015 to create a net increase of 100,000 new jobs by the year 2016. [11310/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I propose to take Questions Nos. 25 and 29 together.

The Action Plan for Jobs has set a target of supporting the creation of 100,000 net new jobs over the period 2012 to 2016. Even in good times, businesses close and jobs are lost, so a significantly larger number of new jobs will need to be generated on a gross basis over the period in question to achieve our target. These jobs will be created by entrepreneurs and successful businesses, aided by Government policies which create the right environment for jobs growth.

There is no reliable data published on gross job creation forecasts across the economy. However, my Department tracks data in respect of its agencies' client companies. Over the period of the Action Plan for Jobs, Enterprise Ireland and IDA Ireland are targeting the support of over 100,000 gross jobs in client firms. Experience has shown that such job creation is matched by a similar number of about 100,000 connected jobs in the economy through the supply chain. Approximately 5,000 full time jobs and over 3,500 part-time jobs will be created by the County and City Enterprise Boards each year, while jobs will also be created by companies who are not supported by the enterprise agencies.

The objective of the Action Plan for Jobs is to transform the operating environment for business to make it easier to start up, expand, access finance and find new markets. An initiative such as the proposed Microfinance Fund could, for example, be a game-changer for jobs in the local economy. The Action Plan for Jobs is seeking to influence the direction of growth and to change the forecasts of unemployment. It is about grinding out reforms to our policies, structures and systems, one by one, to create the environment where jobs can be created and sustained. Clearly, trends in global economics will have an effect on our trade and investment

ambitions, but we can, and will, improve the performance of our enterprises by acting on measures that are within our own control.

### **Social Welfare Code**

26. **Deputy Timmy Dooley** asked the Minister for Jobs, Enterprise and Innovation the liaisons he has had with the Department of Social Protection regarding changes to the sick pay regime; and if he will make a statement on the matter. [11545/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The Minister for Social Protection, Deputy Joan Burton, who has policy responsibility for the Illness Benefit scheme, held a consultative meeting recently to discuss the feasibility and potential impacts of introducing a Statutory Sick Pay scheme in Ireland. This was very much a first step in considering a range of issues that need to be examined in detail before any proposals can be progressed to Government for possible implementation. Minister Burton clearly indicated at the consultative forum that nothing has been decided yet in relation to Statutory Sick Pay.

Officials from my Department and Forfás attended Minister Burton's initial consultative forum, along with a number of business representative organisations. Forfás commented at the forum that any proposal that would increase costs for business would be of concern, and that further work was required to assess the potential cost of the proposal to enterprise, how these costs might be borne across different sectors, what implications these costs might have for employment, and what other actions could be taken to achieve the required goal of reducing the cost to the Exchequer of Illness Benefit.

I also appreciate the concerns of business representative bodies about the cost a Statutory Sick Pay scheme impose have on businesses. For these reasons, while I recognise that there are legitimate issues regarding the management of Illness Benefit budgets, it is clear that further research is required before any decision can be made by the Government on a Statutory Sick Pay scheme.

### **EU Directives**

27. **Deputy Catherine Murphy** asked the Minister for Jobs, Enterprise and Innovation when he expects to sign the statutory instrument proposed in January to fully transpose Ireland's obligations under the Council Directive 2001/29/EC relating to copyright law; if he will confirm that the wording of the SI as currently proposed will be altered before signing; if he will confirm when he expects to cease the practice of giving effect to EU legislation by statutory instrument without referral to Oireachtas Committees as laid out in the programme for Government; and if he will make a statement on the matter. [11401/12]

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock):** The European Union (Copyright and Related Rights) Regulations 2012 have today been signed and simultaneously I have launched the next stage of the Copyright Review Committee review of Ireland's copyright legislation, aimed at removing barriers to innovation. I acknowledge the desire of some interested parties that this instrument be more detailed and more prescriptive. However the High Court now has significant guidance from the European Court of Justice on the implementation of the measure, and will have to ensure any remedy provided will uphold the following principles:

- Freedom to conduct a business enjoyed by operators such as ISPs;
- The absolute requirement that an ISP cannot be required to carry out general monitoring on the information it carries on its network;

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- Any measures must be fair and proportionate and not be unnecessarily complicated or costly;
- The fundamental rights of an ISPs' customers must be respected, namely their right to protection of their personal data and their freedom to receive or impart information.

I believe that in Ireland we must build on our very substantial achievements in the creative and digital media industries, and become a model of international best practice for innovation in this area. Ireland is home to some of the world's most innovative internet companies, and we are determined to grow our reputation as a location where smart people and smart companies can innovate in this fast-moving arena.

It was necessary for us to proceed to sign this Statutory Instrument in order to ensure compliance with our obligations under EU law. The intended purpose of the proposed Statutory Instrument is not to enact new EU legislation but rather it seeks to merely restate the position that was thought to exist within the copyright legislation prior to Justice Charleton's judgement here and in all EU Member States. Accordingly, I am satisfied that the introduction of this measure by way of Statutory Instrument is not inconsistent with the legislative policy outlined in the Programme for Government.

As there are clearly many diverse interests, it is important that interested parties come together and work in a constructive way to map the path forward. For this reason I am particularly anxious that the consultation paper launched today is studied and comprehensively responded to by all interested parties. The challenge now is to examine what measures we can take to develop Ireland's laws in this area in such a way as to provide the greatest possible encouragement for innovation in the creative and digital industries to take place here.

This is a very complex area of law, which affects industries that are developing rapidly and where the interests of many diverse and changing parties interact with each other. My ambition to make Ireland a model of international best practice in this area will not be easily achieved, and as this debate develops I urge all interested parties on all sides to come together and work in a constructive and realistic way to the benefit of all.

In that context, I am committed to reviewing and updating the Copyright legislation currently in place in order to strike the correct balance between encouraging innovation and protecting creativity. This paper has been prepared by the Copyright Review Committee in response to submissions received and public engagement. I urge all interested parties, including information providers and ISPs, innovators, rights-holders, consumers and end-users, to study it carefully and engage in a constructive debate on all the issues.

This is a valuable opportunity for all interested parties to express their views and to make a meaningful contribution towards shaping the future development of Irish copyright law. I am confident that the work being carried out by the Copyright Review Committee, with the interaction and input of the interested parties, will result in establishing Irish copyright law on a firm footing to encourage innovation, foster creativity and meet the challenges of the future with confidence.

The independent Copyright Review Committee was established on 9th May, 2011:

- to examine the present national Copyright legislation and identifying any areas that are perceived to create barriers to innovation;
- to identify solutions for removing these barriers and make recommendations as to how these solutions might be implemented through changes to national legislation;

- to examine the US style ‘fair use’ doctrine to see if it would be appropriate in an Irish/EU context;
- and if it transpires that national copyright legislation requires to be amended but cannot be amended (bearing in mind that Irish copyright legislation is bound by EU Directives on copyright and other international obligations), make recommendations for changes to the EU Directives that will eliminate the barriers to innovation and optimise the balance between protecting and promoting and facilitating innovation.

The membership of the independent Committee is Dr Eoin O’Dell (Trinity College Dublin) (Chair), Patricia McGovern (DFMG Solicitors, Dublin), and Prof Steve Hedley (University College Cork).

### Enterprise Support Services

28. **Deputy Aengus Ó Snodaigh** asked the Minister for Jobs, Enterprise and Innovation the supports he will put in place to support businesses in crisis. [11323/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The Government’s commitment to supporting business is evident from the range of initiatives outlined in the Action Plan for Jobs launched two weeks ago. The Plan tackles the issue of access to finance through a range of measures, such as the introduction of a microfinance fund to provide loans of up to €25,000 to micro-enterprises and the roll-out of the temporary partial credit guarantee scheme. At a most practical level my Department and Enterprise Ireland (EI) will be working closely with the banking sector to assist them in achieving a cultural shift in lending practices towards those companies and sectors that are crucial to economic growth.

In the area of procurement, the Plan includes practical measures such as the strengthening of EI’s engagement between SMEs and procuring authorities and a new initiative to encourage contracting authorities to consider more innovative solutions to their procurement needs. EI will also have a crucial role in delivering many of the initiatives in the Action Plan for Jobs through delivering supports to drive sales and marketing capabilities, building Leadership and Management Capabilities, embedding Competitiveness Improvements, and providing financial supports. Under the Action Plan for Jobs, the micro-enterprise supports in Ireland will also be reshaped to put in place an improved enterprise support structure for small businesses throughout Ireland. EI will work with the Local Authorities to establish a new network of Local Enterprise Offices (LEOs) in each Local Authority, which will combine the enterprise support service of the previous CEBs and the business support work of the Business Support Units in the Local Authorities.

Good progress has also been made by my Department and its Agencies in reducing administrative burdens on business, with a reduction of over 23% already having been achieved. Work is continuing to identify new areas where administrative burdens on business can be reduced. I am also very encouraged by recent developments in the private sector such as the initiative launched by Chartered Accountants Ireland, which sees the its voluntary advice service extended nationwide. [www.charteredaccountants.ie](http://www.charteredaccountants.ie).

I am confident that these types of private sector initiatives combined with the focus that this Government has brought to bear on the issues that are of particular concern for business, will yield real benefit to individual enterprises and the economy as a whole in the short to medium term.

*Question No. 29 answered with Question No. 25.*

### Alternative Energy Projects

30. **Deputy Brian Stanley** asked the Minister for Jobs, Enterprise and Innovation the steps he is taking to enhance our competitiveness through supporting green technologies. [11330/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Companies are becoming increasingly aware of the financial savings and competitive advantage that arise from adopting an environmentally sustainable and resource-efficient approach to their business through green technologies and practices. There are a number of supports available to assist Irish enterprise in the development and implementation of green enterprise initiatives from a range of State agencies, including those under the aegis of my own Department. These supports are set out in the Developing a Green Enterprise guide which was published in July 2011 and is available on my Department's website.

The importance of developing the broader Green Economy sector has been identified in the Action Plan for Jobs. A range of drivers such as increased fossil fuel prices, renewable energy targets, emissions reductions targets, environmental legislation and consumer preferences, are creating significant opportunities for growth and jobs in this sector.

Ireland has a number of strengths which it can leverage to create employment and growth opportunities both for indigenous companies and for foreign direct investment, including excellent renewable energy resources, a strong R&D base, strengths as a location to test and develop new technologies, an outstanding natural environment to support green tourism and an established image as the 'Emerald Isle' which can be built upon to promote Ireland's Green offering.

Enterprise Ireland currently provides a number of supports to assist clients to develop products and services for export markets, while the IDA continues to attract investor interest in the clean-tech sector.

A key objective for Government in 2012, as part of the Action Plan for Jobs, will be to publish and implement a new Plan for the Development of the Green Economy. This Plan will set out the opportunities in the sector, the role that Government will play in working with enterprise to support the development of the Green Economy, and the structures that will be put in place to coordinate cross Government action to accelerate growth.

In addition, my Department is facilitating the development by Dublin City University of the vacant former Enterprise Ireland site in Glasnevin into an internationally-recognised 'Innovation Campus', involving a partnership of education and research institutions, enterprise and the semi-state sector with a particular focus on research-active clean-tech firms.

### Job Creation

31. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation if additional revenue or capital moneys will be made available to his Department to implement the recommendations of the action plan for jobs. [11309/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The measures in the *Action Plan for Jobs 2012* will be met from existing resources, as provided for in the annual Estimates process. The funding for my Department for 2012 was agreed in tandem with the preparation of the Action Plan. As part of the Estimates negotiations, I secured an increase in capital funding for enterprise development and support this year, resulting in the highest ever annual capital budget for my Department of €514 million.

The reality of the financial situation in which we find ourselves is that we must do more with the resources available to us, find innovative ways of leveraging funds and new ways of delivering on our job creation priorities. For example, in the Action Plan, we are finding innov-

ative ways of using Government policy to improve access to finance for businesses by guaranteeing bank lending to viable small and medium sized enterprises through the temporary Partial Credit Guarantee scheme. We are using Government policy to encourage job-creation by carefully targeting supports, reducing costs and red tape, and removing other barriers to job-creation.

We are using Exchequer funding to leverage private sector investment. In the case of my own Department:

- The State's investment of €50 million for the Development Capital Scheme will leverage up to €150 million in new funding for mid-sized, high-growth, indigenous companies.
- The investment of €10 million in the Microfinance Fund will leverage up to €100 million in new funding for micro-enterprises.
- The second call under the Innovation Fund Ireland for investment in small Irish-based tech companies is worth approximately €60 million, with the possibility of leveraging multiples of this sum from private investment.
- The Temporary Partial Credit Guarantee Scheme is expected to provide over €100 million in new lending to small and medium-sized businesses by the banking sector.

We will seek to replicate this type of approach across Government to maximise the potential impact of Exchequer investment to support the creation of jobs.

*Question No. 32 answered with Question No. 11.*

### **Enterprise Support Services**

33. **Deputy Pádraig Mac Lochlainn** asked the Minister for Jobs, Enterprise and Innovation the steps he is taking to help small and medium enterprises to leverage Internet marketing, sales and social media. [11314/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** As recognised in the Action Plan for Jobs 2012, internet communications is set to be one of the fastest growing sub-markets within ICT, with potential growth rate as high as 20 percent per annum over the next decade. Therefore, small and medium enterprises need to concentrate on developing this resource as a major tool for their day to day business. Already Enterprise Ireland provides a number of supports to help SMEs in this area. Enterprise Ireland formulated and developed a funding support programme called the eBusiness Management Initiative (eBMI) to assist SMEs in developing their online marketing potential. To date 289 client companies have received support under this Initiative and the approved value of this support is €4.3m.

Additionally, Enterprise Ireland has a dedicated resource called the Internet Marketing Unit. The Internet Marketing Unit is focused on helping client companies to exploit the Internet as a route-to-market, and to assist companies develop a strategy that will shape how they do business online. The Unit provides a range of services, including strategic guidance, workshops and seminars and funding support. This Unit also runs a number of eMarketing and Social Media events for clients each year. These events have become extremely popular and are always full to capacity. The Unit regularly publishes case-studies and other online marketing collateral through Enterprise Ireland's website.

Another initiative, the Internet Growth Acceleration Programme (iGap), has been launched by Enterprise Ireland in conjunction with the Irish Internet Association (IIA), which is an



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intensive management development programme aimed exclusively at high potential internet/games companies. This programme has been very successful and is now in its third year. To date, 62 companies (122 promoters) have completed the iGAP programme. The fourth iGAP will be launched in October 2012. iGAP has, over the last 36 months, equipped promoters within the Irish internet/Games industry with the practical tools needed to formulate aggressive international growth plans and scale their businesses. iGAP incorporates practical learning from world-class serial entrepreneurs, it is delivered over six monthly modules and covers fundamental topics integral to building a global internet business. The modules are combined with more intensive support from an implementation coach who supports the participating companies as they complete their programme milestones.

The County and City Enterprise Boards (CEBs) provide a range of grants to eligible micro-enterprises, which can cover all business costs directly attributable to growing and developing a business, as well as training and one-to-one mentoring initiatives to assist individual businesses develop as appropriate to their remit and the needs of the business. In addition, where appropriate opportunities present to offer additional services, the CEBs act in conjunction with other organisations, such as Google in their recent “Getting Business Online” to make additional services and supports available. In 2011 CEBs provided over 100 training seminars in the “Getting Business Online” initiative, resulting in the creation of almost 900 new business websites.

34. **Deputy Pearse Doherty** asked the Minister for Jobs, Enterprise and Innovation the steps he is taking to ensure that small and medium enterprises can benefit from the savings and increased productivity arising from the use of cloud computing. [11312/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The Government’s Action Plan for Jobs, which was launched last week, outlines the opportunities that can be exploited arising from the growth of cloud computing. These include stimulating the take up and use of cloud computing by small business, the development of the ICT enterprise sector, stimulating the emergence of start up companies providing technology services using cloud computing and, positioning the public service as a key driver in the use of cloud computing technology. The Action plan also acknowledges that challenges relating to data protection, information security, reliability of service and the availability of high speed broadband must be addressed if the benefits of cloud computing are to be fully realised.

The Cloud computing Group that I established last year will continue its work by supporting the growth and jobs potential of cloud computing and addressing the challenges outlined above. The Action Plan for Jobs identifies actions which are designed to ensure that SMEs can benefit from the opportunities offered by cloud computing including:

- Supporting industry groups (e.g. Irish Internet Association) to develop and deliver a practical tool kit to assist SMEs in assessing the adoption of Cloud Computing for their business;
- Examining the potential for demonstration projects in cloud computing to promote Ireland as a centre of excellence for this technology, providing a reference site for Irish companies, while potentially lowering costs and improving services;
- Developing a Cloud Computing Procurement Standard with industry experts through an NSAI Standards group;

- Ensuring that the ICT Skills Action Plan incorporates needs associated with the development of Cloud Computing in Ireland; and,
- Delivering a Cloud Computing Technology Research Centre in order to support an industry led research and innovation agenda in this area.

With regard to the final bullet point, I can confirm that a Cloud Computing Technology Centre is being established jointly by Enterprise Ireland and IDA Ireland. After an open consultation process with industry partners, a steering committee has begun the work of developing a detailed research agenda. This agenda formed the basis for the Initial Research Programme which will be undertaken by Dublin City University, University College Cork and Athlone Institute of Technology and will formally commence in the coming weeks.

This research is particularly valuable in that, it not only includes considerations of the technical expertise and requirements to develop effective cloud computing platforms, but also incorporates the business acumen required to build new business models, end user requirements and novel ways to commercialise these platforms at the very outset of the research programme. This approach will continue to inform and drive the development of the ongoing research into this increasingly economically advantageous area. While this phase is running in 2012, an open competition will be held to establish a Host for the formal Technology Research Centre, which will allow for a significant scale up in activity over a 5 year period.

### **County Enterprise Boards**

35. **Deputy Catherine Murphy** asked the Minister for Jobs, Enterprise and Innovation the county and city enterprise boards that will move premises to council offices; if leases have expired on all premises being vacated; if not, the ones that remain; the duration and rent due to be paid; the transition arrangements that need to be put in place and the timeframe for same; if the existing funding arrangements will continue for the enterprise boards; by whom the staff will be employed; and if he will make a statement on the matter. [11408/12]

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):** As announced in the Action Plan for Jobs, I propose to establish a new “one-stop-shop” small and micro-enterprise support structure. These “One Stop Shops” will be called “Local Enterprise Offices” and will build on the significant work done by the CEBs to date. The new structure will be achieved through the dissolution of the existing CEBs and the creation of a new Micro Enterprise and Small Business Unit within Enterprise Ireland that will work with the Local Authorities to establish a Local Enterprise Office (LEO) in each Local Authority. The LEOs will be staffed with a combination of Local Authority and CEB officials. The precise HR arrangements will be finalised as the process moves forward.

In conjunction with the dissolution of the CEB legal structure, Enterprise Ireland and the Local Authorities will be tasked with the practicalities of setting-up and rolling-out a LEO structure. There is clearly a lot of detailed developmental work to be done over the coming months to effect these changes, and to put appropriate new structures in place, as well as addressing many of the issues raised in the Deputy’s question. In advance of this work being done it is not possible to say with absolute certainty the date on which a formal transition to a LEO structure will take place, but clearly it is essential that all relevant parties work together to bring about this positive change as a priority.

In the interim, it is vital to ensure continuity of service to the Micro-enterprise Sector and in that regards it is “business as usual” for the clients of the City and County Enterprise Boards until these changes have been effected.

### Job Creation

36. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the degree to which he expects to maximise the opportunities for job creation through initiatives, innovation and technology throughout the employment spectrum in the manufacturing and service sectors, with particular reference to the need to achieve a balanced economy with economic dependency spread evenly across the lower, middle and upper income scales, thereby ensuring the highest possible degree of competitiveness in home and overseas markets; and if he will make a statement on the matter. [11571/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The Action Plan for Jobs, which was published by the Government on 13th February last, is intended to maximise opportunities for job creation across the economy and will support the creation of 100,000 net new jobs to 2016. Of the net 100,000 jobs to be created, 20,000 are projected to be generated directly in manufacturing, while 30,000 will be created in international traded services. An additional 50,000 jobs will be generated indirectly through spin-offs and support activities.

The Action Plan outlines a number of measures and initiatives to enhance the operating environment for enterprise in Ireland and these measures will benefit all sectors of the economy, whether exporting or trading locally. Among the actions outlined in the Plan which will facilitate the transformation of enterprise and improve competitiveness are measures to:

- support and promote investment in research, development and innovation,
- improve cost competitiveness,
- align skills with enterprise needs,
- prioritise infrastructure investment to underpin employment growth, and
- reduce costs through sensible regulation.

The Action Plan also sets out specific measures to support the development of a number of key sectors where Ireland can competitive advantage, including in manufacturing and services sectors. This approach will ensure we achieve balanced economic development across a range of sectors.

Recognising the importance of manufacturing, the Government will target a number of specific actions in support of the sector in 2012. These include the establishment of a Manufacturing Development Forum to assist in identifying the needs of manufacturing enterprises and to progress the on-going transformation agenda required in this sector, aimed at deepening technology and growing productivity. We will also develop a long term vision for the manufacturing sector and put in place a strategic plan that will help to realise this vision. Similarly, the Action Plan contains a range of initiatives aimed at developing services sectors, including ICT, International Financial Services and Business Process Outsourcing.

### Enterprise Support Services

37. **Deputy Seán Crowe** asked the Minister for Jobs, Enterprise and Innovation the market failures in lending to small and medium enterprises that necessitate a partial credit guarantee scheme. [11319/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I have committed to introduce a carefully targeted Temporary Partial Credit Guarantee Scheme on the basis that it will deliver positive returns to the economy and will address the competitive disadvantage

being experienced by specific categories of Irish SMEs. The Scheme will be exclusively targeted at commercially viable micro, small and medium enterprises, i.e. well performing companies that have a solid business plan and a defined market for their products or services, thereby demonstrating their ability to repay the loan, but that do not secure credit facilities due to the following two market failures:

1) Insufficient collateral for the additional facilities, or,

2) Growth / expansionary SMEs which due to their sectors, markets or business model are perceived as a higher risk under current credit risk evaluation practices. In this way, the scheme will complement, rather than be a substitute for, existing lending activities by the main financial institutions.

We have identified two distinct characteristics of the Irish SME lending market which provide the rationale for a Temporary Partial Credit Guarantee scheme. Firstly, there is a cohort of commercially viable companies in the SME sector with growth potential that have experienced difficulties accessing credit as they do not have the security required for conventional collateral based bank lending. Second, there is also an issue that predates the recent banking crisis, whereby new companies or expanding companies engaged in new sectors, new technologies and markets struggle to secure finance. This can be due to a lack of familiarity or understanding on the part of the banks, of the new industry, the new product or the potential of new markets. SME customers particularly affected, include those involved in software, medical devices and other specialist products and services sectors. This market failure in the provision of credit to viable businesses became particularly acute in Ireland during the property bubble, during which time the Irish banks lost the capacity to assess credit risk in companies that were unable to offer property related collateral.

The cohorts of SMEs targeted by this initiative are of strategic importance to national enterprise policy objectives. The Scheme will also place Irish SMEs on a more level footing with international competitors that have access to similar schemes in their own countries. A key objective of this intervention is ensuring that the Scheme will add value to the measures already taken by the Government to address the SME credit supply issue and represent value for money to the State.

### **Job Creation**

38. **Deputy Thomas P. Broughan** asked the Minister for Jobs, Enterprise and Innovation if he will report on his new targets for job creation under the new 2012 action plan for jobs; the measures that are in place to facilitate the hiring of workers off the live register when jobs vacancies arise; and if he will make a statement on the matter. [11403/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The Action Plan for Jobs has set a target of supporting the creation of 100,000 net new jobs over the period 2012 to 2016, with the longer term objective of having 2 million people at work by 2020.

Of the net 100,000 jobs to be created over the next five years, 20,000 are projected to be generated directly in manufacturing, while 30,000 will be created in international traded services. An additional 50,000 jobs will be generated indirectly through spin-offs and support activities.

The Action Plan for Jobs is part of a wider, whole of Government response to the jobs crisis, which includes also the recently published plan for labour market activation, Pathways to Work. Both documents are fundamentally linked and recognise the need to reform our policies and

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our structures to secure long-term and lasting results for our enterprise base and for job-seekers.

The Action Plan for Jobs includes a number of measures to support employers to recruit people from the Live Register when vacancies arise. These include simplification and extension of the Employer Job (PRSI) Incentive Scheme which exempts employers from liability to pay employer's PRSI for certain employees. This scheme will be extended to cover the first 18 months of employment while the eligibility criteria for job seekers will also be amended and improved. The Government will promote the increased take up of this scheme through business and employer representatives.

Similarly, the Government will target the increased take-up of Revenue's Job Assist scheme, which provides for a double wages deduction to employers who employ a person who has been unemployed for 12 months or more.

Under Pathways to Work, the public employment services will be reformed through the creation of the new National Employment and Entitlements Service, which will provide better targeted services to both job seekers and employers. The new service will include the provision of recruitment and job-matching services for employers, to facilitate the hiring of workers from the Live Register. A target has been set to increase the proportion of vacancies filled from the Live Register by the Department of Social Protection's employment services to 40% by 2015.

39. **Deputy Simon Harris** asked the Minister for Jobs, Enterprise and Innovation if his attention has been drawn to the pressing need for a jobs strategy for Bray, County Wicklow; if he is taking steps to ensure that this need is addressed; and if he will make a statement on the matter. [11402/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Job creation is at the top of the Government's agenda. Since we came into office, we have been working hard to create the improved economic conditions which will support the maintenance of existing jobs and the creation of new ones. Our objective is to put the country back on the road to economic recovery and full employment. The Action Plan for Jobs, which I launched on 13 February, outlines the Government's plan to rebuild the economy and create jobs. The plan will improve access to finance for small businesses, reduce costs and red tape, and improve supports for exports, management and innovation.

Supporting new and existing indigenous businesses, across the country, to grow and export is central to our plans for recovery, growth and jobs and the Action Plan for Jobs contains a significant number of measures which are aimed specifically at the facilitation and incentivisation of growth among SMEs throughout the country. Among the measures announced are:

- The introduction of a microfinance fund to provide loans of up to €25,000 to micro-enterprises in the Irish economy.
- A drive to support 95 new High Potential Start-Ups (HPSUs) with a significant contribution to that number from ambitious international mobile entrepreneurs.
- The reshaping of the micro-enterprise supports in Ireland to put in place an improved enterprise support structure for small businesses throughout Ireland.
- The establishment of a potential exporter Division within Enterprise Ireland to stimulate greater activity within companies across all regions and to reorient those demonstrating real growth potential from the domestic to the international market place. The

introduction of capital initiatives including the Development Capital Scheme and the Second Call of Innovation Fund Ireland.

- Rolling out of a number of market initiatives, including Trade missions, an International Market Week, attracting 600 inward buyers to Ireland, driving the take up of the Going Global initiative, and working proactively with the Diaspora.
- Establishment of a Senior Management team between EI and IDA to drive effective collaboration to deliver on key priorities such as procurement opportunities for SMEs and attracting inward start-ups.

It is important to clearly state that eligible companies have the same access to State services and supports, regardless of their location. Enterprise Ireland coordinates a range of supports delivered locally, including entrepreneurship programmes which are focused on identifying and assisting new business prospects across the country. Under the Regional Aid Guidelines, the Development agencies can support projects in less advantaged regions to a higher level of aid intensity, which can act as a significant incentive to the undertaking of projects which can aid job growth and expansion.

I am confident that the measures outlined in the Action Plan for Jobs, together with other policies and initiatives being pursued, will create the employment opportunities necessary for Bray and Co. Wicklow generally.

### **Regional Aid**

40. **Deputy Mary Lou McDonald** asked the Minister for Jobs, Enterprise and Innovation the steps that he has taken to renegotiate the regional aid guidelines that govern the areas in which the enterprise and industrial development agencies in member states may grant regional aid; and when the new fairer guidelines will be in place. [11317/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The Regional Aid Guidelines govern the areas in which the enterprise and industrial development agencies in Member States may grant regional aid, more commonly known as investment aid. Investment aid is intended to discriminate in favour of certain disadvantaged areas within the European Union in order to redress regional disparities by promoting the economic development of such areas. The Guidelines specify rules for the selection of regions that are eligible for regional aid and define the maximum permitted levels of this aid. Under Ireland's current Regional Aid Map, regions covering 50% of the population are entitled to grant Regional Aid. The details of the support in terms of aid intensity for each county are available on my Departments website, and are also listed in the chart at the end of this answer. Under the Regional Aid Map, the highest rates were afforded to the Border, Midlands and West (BMW) region. For the period of 2007 to the end of 2010, the region qualified for a rate of 30% for large firms; for medium and small firms the rates were 40% and 50% respectively.

In accordance with the Guidelines, a reduced rate of aid for the BMW region is applicable from 1 January 2011: 15% for large companies, 25% and 35% for medium and small firms respectively. The maximum aid rates for eligible regions within the Southern and Eastern Region remain at 10% for large companies, 20% and 30% for medium and small firms respectively.

To launch the work on the new Guidelines beyond 2013, the European Commission hosted a workshop for Member States in Brussels last March. The purpose of the workshop was to gather information on the operation of the current Guidelines and the experiences of Member

[Deputy Richard Bruton.]

States and to give Member States the opportunity to express preliminary views on the issues that should be reviewed in the future framework.

Following extensive consultation with the relevant stakeholders, my Department made preliminary submissions to the Commission both in advance and after the workshop. In December, the European Commission sent my Department its initial thoughts on 2014-2020 Regional Aid Guidelines. These Guidelines were discussed at a multilateral meeting of Member States and the Commission on 8-9 February 2012. Another multilateral meeting is scheduled to take place later this year, with the adoption of the new Regional Aid Guidelines scheduled for 2013. My Department will continue to liaise with the relevant stakeholders throughout this process and will seek to ensure that Ireland's interest are articulated at EU Level.

Regional Aid Map 2007-2013 — Ireland (as reviewed by Commission Decision

N130/2010 — Official Journal c 226/5 21.8.2010)

Border, Midlands and West Region

Period	Large Firms		Medium Firms		Small Firms	
	2007-2010	2011-2013	2007-2010	2011-'13	2007-'10	2011-'13
Aid Rate (Gross Grant Equivalent)	30%	15%	40%	25%	50%	35%

Southern and Eastern Region

Designated Areas	Large Firms		Medium Firms		Small Firms	
South East sub-Region (Carlow, Kilkenny, Wexford, Waterford, South Tipperary) and designated islands <sup>1</sup>	2007-2013		2007-2013		2007-2013	
	10%		20%		30%	
	2007-2008	2009-2013	2007-2013		2007-2013	
Mid West (Clare, Limerick, North Tipperary <sup>2</sup> )	10%		20%		30%	
	10%	0%	20% <sup>3</sup>		30% <sup>3</sup>	
Kerry, Cork Urban Regeneration Area Cork (apart from Urban Regeneration Area)	10%	0%	2007-2008	2009-2013	2007-2008	2009-2013
			20%	0%	30%	0%

<sup>1</sup>Bear, Cleire, Dursey, Heir, Long, Sherkin, Whiddy.

<sup>2</sup>As a result of Commission Directive N 130/2010, large investment aid and aid for investment projects with eligible expenditure exceeding €25 million is once again permitted for these three counties. Prior to the decision, such aid had only been allowed up until the end of 2008.

<sup>3</sup>From 2009-2013 no aid may be awarded in these counties for investment projects with eligible expenditure exceeding €25 million.

Lower aid rates apply to Large Investment Projects (i. e. > €50 million).

### Departmental Bodies

41. **Deputy Mary Lou McDonald** asked the Minister for Jobs, Enterprise and Innovation if he will compare and contrast the resources assigned to the Competition Authority here with those operating at best practice level within the EU; if he will detail the resources needed

within the economy here; and if he will detail the additional expenditure that he will designate to the Competition Authority to deal comprehensively with anti competitive practise across the State. [11316/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** My Department is currently undertaking a review of the resources of the Competition Authority. I expect this review to be completed by the end of March 2012. This review will have to take account of Government policy to reduce the size and cost of the public sector through the Employment Control Framework. Until that review has been finalised, I am not in a position to comment further in the matter.

*Question No. 42 answered with Question No. 10.*

### **Innovation Initiatives**

43. **Deputy Micheál Martin** asked the Minister for Jobs, Enterprise and Innovation the recommendations from the innovation task force that have been implemented; the number that are outstanding; and if he will make a statement on the matter. [10754/12]

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock):** The Taskforce's recommendations outlined a whole of Government approach to realising an important strand of Ireland's economic recovery and made a wide range of recommendations in areas such as intellectual property, venture capital, the higher education system, procurement, convergence, sectoral issues, taxation, enterprise agency supports and structures, broadband infrastructure, marketing and implementation. There were 26 Key Recommendations and 63 Supporting Recommendations in the Innovation Taskforce Report. Of the 26 Key recommendations, 12 have been implemented, 9 are to be implemented, in full or in part, and finally 5 will not be implemented. In the main, the unimplemented items are recommendations regarding tax allowances or are concepts requiring significant further analysis to become implementable proposals — many of them give rise to substantial additional investment costs or to revenue foregone.

Significant recommendations implemented include putting into place the €500 million Innovation Fund-Ireland to target the development of a vibrant venture capital community in Ireland through attracting top international venture capitalists. Cycle 5 of the Programme for Research in Third Level Institutions (PRTLTI) was launched. Moreover, funding for a number of ITF recommendations in the budgetary process to 2016 were secured, enabling my Department and its agencies to support innovative companies, grow the number of high potential start-up companies, provide more venture capital and develop a portfolio of sector specific Angel Funds and increase Enterprise Ireland supports for commercialisation. They also enable the retention of a strategic mass of world class researchers who act as a pull factor for foreign direct investment (FDI) in Ireland.

Furthermore, increased funding was secured for the R&D activities of Science Foundation Ireland, Enterprise Ireland and IDA Ireland in the context of Budget 2011 and Budget 2012 to enable Ireland to retain the science base built over the past decade, attract further R&D FDI, strengthen collaborations between researchers and enterprise, provide additional company R&D grants, and ensure the best use is made of research with commercial and market potential.

The ITF recommendation to introduce incentives to encourage greater take up of higher level maths has been implemented by the introduction of a scheme of bonus points for students who sit higher level maths. The scheme is to be introduced for a four year pilot period commen-



[Deputy Sean Sherlock.]

cing Leaving Certificate 2012 and will be reviewed in 2014. This initiative complements the recommendation to roll out Project Maths — an initiative designed to place greater emphasis on the understanding of mathematical concepts and the application of mathematical knowledge and skill — which is also being implemented.

The Action Plan for Jobs contains a myriad of initiatives to support broad based innovation.

The majority of public research funding will be aligned with priority areas where we are most likely to get economic returns and monitoring systems will be put in place to measure the impact of funding. This initiative was approved by Cabinet and published.

Science Foundation Ireland operates a range of programmes designed to deliver world class research in third level institutions linked to Irish enterprises. Industry and academia collaborations have now reached 800 linkages across 500 companies. The remit of Science Foundation Ireland will be extended to include applied research, in addition to its existing remit covering oriented basic research, thereby enhancing the focus on commercialisation. SFI's funding will include support for Research Centres to enable them to build scale and world class in a sustainable way that fully underpins the development of industry in Ireland and the commercialisation of Irish research.

IDA will continue their strategy of attracting high quality FDI projects to Ireland and more firmly embed existing FDI companies with a strong emphasis on RDI — in 2011 IDA approvals for RDI stood at €700million representing an increase of 40% from 2010. The Department of Finance is also implementing, via the Finance Bill 2012, the R&D tax credit improvements announced in the budget which will help all companies and support research and innovation generally. This year, my Department will provide €140m to Enterprise Ireland (EI) to ensure the continued growth in the capacity in indigenous Irish companies to develop innovative and cutting-edge products, processes and services.

Enterprise Ireland will expand their in-company innovation capability and host a Big Ideas Showcase in 2012 to focus on securing investment and identifying business partners that will bring new technologies to the next stage of commercialisation. New Technology Centres in Cloud Computing, Learning Technologies and Financial Services will be established and preparatory work will begin on others relevant to the prioritisation exercise mentioned already. EI will also develop and pilot, in the South East, an innovation Graduates Programme managed in conjunction with the Institutes of Technology and open a call under the Innovation Voucher Scheme specifically focussed on design and branding activities for SMEs, with Third Level Institutes as providers. A second call will be launched under Innovation Fund Ireland to attract significant venture capital players to Ireland.

In the area of Intellectual Property(IP) a new Protocol is being developed to manage IP arising from state funded research. Separately a feasibility study is underway to examine what structures and policies could be developed to make Ireland a world centre for managing and trading in IP.

Public Procurement is also being used as a lever for innovation. My Department is working with Enterprise Ireland and others to develop a Procuring Innovation Initiative to increase purchasing of innovative solutions from SMEs by encouraging a more flexible approach to tendering that focuses on procuring solutions to needs rather than specific products or services.

My Department is working with the Department of Health and relevant State Agencies to develop a Health Innovation Hub to drive collaboration between the health system and enterprise leading to the development and commercialisation of new healthcare technologies.

There are also a number of initiatives being taken to support innovation in sectors including the Green Economy, Agri-Food, ICT, Cloud Computing, Retail and Wholesale.

Innovation is cross-cutting and requires a broad based approach. The breadth of initiatives in the Action Plan for Jobs to support innovation is a testament to the Government's commitment to delivering innovation policy to support our economic recovery.

### **Human Rights Issues**

44. **Deputy Gerry Adams** asked the Tánaiste and Minister for Foreign Affairs and Trade if he raised the issue of the plight of the people of Tibet with Chinese Vice President Xi Jinping during his recent visit. [10761/12]

**Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore):** As I have said recently, the Government has closely followed the reported violent events in areas of Tibetan population in Chinese provinces neighbouring Tibet and is concerned about the situation. Since 1971, when Ireland voted in favour of UN General Assembly Resolution 2758, this country has recognised the Government of the People's Republic of China as the sole legitimate government of China. Ireland together with our EU partners adheres to the One China Policy and recognises Tibet as an integral part of China.

Through the formal framework of the EU-China Human Rights Dialogue, which was established in 1995, the EU continues to share with China its experience in the field of human rights protection and promotion, and to urge China to take clear steps to improve the human rights situation. The issue of Tibet is also raised by the European Union as part of regular political dialogue as well as during specific Human Rights Dialogue with China. Efforts are continuing in Beijing to engage at the EU level with the Chinese Government on the issue of Tibet.

Ireland together with our EU partners believes that constructive dialogue between the Chinese Government and the representatives of the Dalai Lama is the best way to address differences and tensions in Tibet and to reach a solution that respects Tibetan culture, language, religion and identity. It is important for the long-term peace and stability of the region that the two sides come to an agreement on the future of Tibet. To this end, we continue to encourage an early resumption of dialogue by the parties.

Human rights are a constant and important issue of dialogue and discussion with the Chinese Authorities, at both national and European Union level. In the course of the recent visit of the H.E. Xi Jinping the Vice-President of the People's Republic of China, the issue of human rights was raised at a variety of levels, including directly between the Taoiseach, myself and Vice President Xi.

### **Passport Applications**

45. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Foreign Affairs and Trade the number of passport applications submitted for the years 2007 to 2011, inclusive, and to date in 2012; the number of applicants who were requested to submit additional information in each of these years; the average time in each of these cases to process a passport; if additional personnel will be allocated to the Passport Office during the high summer season; and if he will make a statement on the matter. [11816/12]

**Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore):** The total number of passport applications received and the number of applications for which additional information was sought for the period 2007 to 24 February 2012 is detailed as follows:

[Deputy Eamon Gilmore.]

Year	Applications	Add. Info.
2007	608,740	90,279
2008	581,954	82,684
2009	576,486	66,291
2010	614,284	61,040
2011	608,051	71,895
2012	99,641	8,966

It is not possible to quantify the average time to process a passport application. However, applications submitted through the Passport Express service in post offices within the State have been processed within ten working days of receipt in the Passport Service, save in exceptional circumstances.

I can confirm that 125 temporary staff have been recruited by the Passport Service for this year's high summer season. All 125 staff are in place and all but a very small number have completed a training programme in passport processing. The recruitment of 125 temporary staff for 2012 contrasts with the 85 that were recruited in March 2011 for the 2011 season and 52 recruited for the 2010 season.

#### Departmental Records

46. **Deputy Gerry Adams** asked the Minister for Finance, further to Parliamentary Question No. 34 of 22 February 2012, the identity of a person from a company (details supplied) whom he met on 8 November 2011. [11671/12]

**Minister for Finance (Deputy Michael Noonan):** The persons from the Company, referred to in the question, who attended the meeting with the Taoiseach and the Minister for Finance were Mr. Steve Schwarzman and Mr. Gerry Murphy.

#### Consumer Protection Code

47. **Deputy Michael Healy-Rae** asked the Minister for Finance his views on an investment (details supplied); and if he will make a statement on the matter. [11749/12]

**Minister for Finance (Deputy Michael Noonan):** Firstly, I wish to inform the Deputy that it would not be appropriate for me to comment on an individual's investment portfolio. The Central Bank has in place a Consumer Protection Code (the Code). This Code applies to all financial institutions regulated by the Central Bank (regulated entities). The Code was introduced in 2006 and revised in 2010 coming into full force on 1 January 2011. The 2006 version of the Code placed a number of requirements on regulated entities about the contents of advertisements directed at "consumers". These requirements included providing consumers with a number of important warnings. Three of these warnings were particularly important in relation to investments, namely:

- "Past performance is not a reliable guide to future performance".
- Where an advertisement contained information on simulated performance it had to contain the following warning "These figures are estimates only. They are not a reliable guide to future performance of this investment".

- Where a product could fluctuate in price or value, an advertisement had to contain the following warning “the value of your investment may go down as well as up”.

The requirements for these three warnings have been included in the revised version of the Code. In addition, two other important warnings have been added. The first is that where the consumer may not get back 100% of the initial capital invested the advertisement must contain the following warning: “*if you invest in this product you may lose some or all of the money you invest*”. The second is that where the promised return on capital is only applicable on a specified date the advertisement must contain the following warning: “*If you cash your investment before ... you may lose some or all of the money you invest*”. A copy of the Central Bank’s Consumer Protection Code may be accessed on the Central Bank’s website [www.centralbank.ie](http://www.centralbank.ie). In addition, the European Communities (Markets in Financial Instruments) Regulations 2007 require that certain information about the nature and risks of financial instruments be provided to consumers. Regulation 84 specifies that an investment firm has to provide clients or potential clients with a general description of the nature and risks of financial instruments.

### Consultancy Contracts

48. **Deputy Gerry Adams** asked the Minister for Finance his views that FTI Consulting can truly be considered an independent adviser when, in the aftermath of the acquisition of its US advisory role for the bank, it subsequently hired a person (details supplied), a former vice president within Anglo Irish Bank; if his attention has been drawn to the fact that one of the senior management partners at FTI Consulting formerly worked for Blackstone; if his further attention has been drawn to the fact that a senior managing director at FTI Consulting works as an adviser to the chief executive of Blackstone; and if he will make a statement on the matter. [11750/12]

**Minister for Finance (Deputy Michael Noonan):** As indicated previously to the Deputy the Board of the bank is responsible for the day to day operation of the bank. The matters referred to by the Deputy were not brought to my attention as these matters would, in normal course, be a matter for the Board to ensure that proper procedures are followed. However, I require the highest standards from financial institutions operating in the State particularly so from the covered institutions. I have, in the circumstances, asked IBRC to look at the matters raised in your question and to provide a comprehensive response.

The following response is based on information provided to IBRC by FTI Consulting: “The individual, referred to in the Question, is a Director in the FTI *Corporate Finance Restructuring Practice* and was hired by FTI on December 19, 2011. His hiring occurred after FTI’s work on the IBRC US portfolio was complete and without any knowledge on the part of IBRC. He is not connected in any way to the FTI *Real Estate Solutions Practice* that worked on the Bank’s US Loan Portfolio nor the group working on the ‘Segregation Conditions’ engagement between Blackstone’s advisory business and its real estate investment business. He has no access to the practice’s network where engagement data is stored (the network for the *Real Estate Solutions Practice* and the *Corporate Finance Restructuring Practice* are completely separate). Furthermore, he is based in the FTI Boston office and is physically separated from our New York (750 3rd Avenue office) and New Jersey offices where the *Real Estate Solutions Practice* is located.

FTI has also confirmed to IBRC that Sanjeev Khemlani, a Senior Managing Director in FTI’s *Corporate Restructuring Practice* out of FTI’s NY — 3 Times square was a senior person in Blackstone’s GSO Capital Partners group in Hong Kong in 2009. Mr. Khemlani left Blackstone in 2009 and we understand has been employed by FTI since then. The segment leader of the *Corporate Finance Practice* has assured FTI Consulting that Blackstone is not Mr. Khle-

[Deputy Michael Noonan.]

mani's client and that he is not an advisor to Blackstone's CEO. Nevertheless, the same issues as mentioned above apply to Mr. Khemlani with respect to separation of network access that precludes Mr. Khemlani having any access to the IBRC files as well as physical separation of offices. Furthermore, none of the people who work on the IBRC account from the *Real Estate Practice* were aware of Mr. Khemlani until this issue was raised and have never met him or discussed any matter with him.

Please note that FTI employs over 2,600 professionals (over 3,600 employees) worldwide. As such, it is always possible to employ an individual who had some employment history with financial institutions and large advisory or investment firms. However all employees enter into confidentiality agreements and receive annual training on ethics and ethical behaviour to ensure the confidentiality of our client matters." I believe this reply is comprehensive and addresses the concerns raised by you in relation to independence of FTI's involvement in the process to appoint advisors at IBRC.

### Financial Services Regulation

49. **Deputy Brendan Ryan** asked the Minister for Finance the daily and weekly cost of employing Ernst and Young as special manager to a credit union (details supplied); and the total weekly billable hours per Ernst and Young employee working at the credit union; and if he will make a statement on the matter. [11780/12]

**Minister for Finance (Deputy Michael Noonan):** The total fees to be paid to the Special Manager and his team at the credit union concerned will be subject to approval by the Court upon request by the Special Manager. The request would typically include sufficient information for the Court to determine if the fees are reasonable, and might include a work schedule, indicating tasks performed, hours worked, and staff levels. As this request has not been made to the Court at this point, the information requested by the Deputy is not finalised. The Deputy might note that the hourly rate of fee payable to the Special Manager was reduced from €423 to €375 following an application by the Central Bank of Ireland to the Court on 10th February 2012. The fees payable to his team were reduced on a pro-rate basis.

### State Banking Sector

50. **Deputy Gerry Adams** asked the Minister for Finance the number of contracts signed by the Irish Bank Resolution Corporation, IBRC, to advise upon the sales of commercial loan books in 2011 and 2012; and the total cost to the bank of these contracts. [11791/12]

**Minister for Finance (Deputy Michael Noonan):** As indicated previously to the Deputy the Board of the bank is responsible for the day to day operation of the bank. The Board is also charged with responsibility to ensure the optimum return to the State from the work out of the IBRC loan book. Notwithstanding this, IBRC has informed me that the bank signed eight major contracts with core providers for advice relating to the sale of its commercial loan books in 2011 and 2012. These contacts have been signed with a wide range of advisors including strategic advisors, financial advisors and legal advisors across the Bank's geographies in the United States and the UK in order to ensure that the deal execution achieves the maximum recovery value for the Irish State. The majority of these been directly involved in the recently concluded successful sale of its multiple US loan portfolios. The value of these contracts is deemed by the Bank to be commercially sensitive information and the subject of non-disclosure agreements with these appointed firms.

### Tax Code

51. **Deputy Sean Fleming** asked the Minister for Finance if he will set out in tabular form the corporation tax rate prevailing in each year from 1985 to date; the receipts from corporation tax; the total receipts of taxation in each year; the percent of total taxation received from corporation tax; and if he will make a statement on the matter. [11805/12]

**Minister for Finance (Deputy Michael Noonan):** I am informed by the Revenue Commissioners that the information requested by the Deputy is as follows for the years in question. The total tax revenue and corporation tax revenue figures in columns C and D in the following table are Revenue “net receipts” figures which can differ from tax revenues reported on an Exchequer basis for accounting and timing reasons.

Year (A)	Standard Rate of Corporation Tax applicable to profits earned in the year (B)	Total net receipt of all tax revenue (C)	Total net receipt of corporation tax (D)	Corporation tax as a percentage of all tax revenue (E)
		€m	€m	
1985	50%	6,797.2	276.2	4.1%
1986	50%	7,442.2	327.5	4.4%
1987	50%	7,944.9	324.7	4.1%
1988	50% and 47%	8,974.4	425.2	4.7%
1989	47% and 43%	9,097.0	384.7	4.2%
1990	43%	10,056.3	603.0	6.0%
1991	43% and 40%	10,581.7	754.4	7.1%
1992	40%	11,333.1	938.0	8.3%
1993	40%	12,333.9	1,209.0	9.8%
1994	40%	13,775.1	1,438.2	10.4%
1995	38% and 40%	14,360.9	1,458.0	10.2%
1996	38%	15,907.7	1,813.4	11.4%
1997	38% and 36%	18,107.4	2,155.0	11.9%
1998	32%	20,463.9	2,614.3	12.8%
1999	28%	23,532.5	3,442.4	14.6%
2000	24%	27,223.8	3,885.3	14.3%
2001	20%	28,023.8	4,143.9	14.8%
2002	16%	29,276.6	4,803.8	16.4%
2003	12.5%	32,218.9	5,155.4	16.0%
2004	12.5%	35,784.6	5,335.0	14.9%
2005	12.5%	39,503.3	5,503.2	13.9%
2006	12.5%	45,539.3	6,684.6	14.7%
2007	12.5%	47,505.4	6,393.4	13.5%
2008	12.5%	41,074.4	5,071.5	12.3%
2009	12.5%	33,278.7	3,889.5	11.7%
2010	12.5%	31,919.6	3,943.6	12.4%
2011	12.5%	34,237 (preliminary)	3,500.4 (preliminary)	10.2%

Note: Where two tax rates are shown for a year it denotes a rate change applying during the year.

### EU-IMF Agreement

52. **Deputy Pearse Doherty** asked the Minister for Finance further to Parliamentary Question

[Deputy Pearse Doherty.]

Nos. 57, 58, 59 of 28 September 2011, in which he states that he proposed to and secured agreement from ECB President Trichet and European Commissioner Rehn for meetings of technical experts to examine the technical aspects of the Anglo Irish Bank promissory notes, if he will confirm who is leading the discussions for his Department; the number of persons on his Department's team in these discussions; the details of these persons including their positions in his Department; if any of the team have been brought in from outside bodies or companies; if so, the cost; the number of meetings that have taken place to date, the number, with whom and on what dates these meetings took place; the number of further meetings that are scheduled to take place up to 31 March 2012; and if he will make a statement on the matter. [11807/12]

**Minister for Finance (Deputy Michael Noonan):** Currently, the Banking Division of my Department, the NTMA and the Central bank are working on this technical review. This group is being supported by McKinsey and Company who is advising my Department. The deputy will appreciate it is not appropriate for commercial reasons to disclose details of the specific arrangement with the company. These resources are sufficient to progress the technical review and examination at this point. The Deputy will also appreciate that it is not appropriate to disclose details of those involved in this review. At an appropriate time it may be necessary to supplement these resources once the final shape of any solution is better defined, so that the outcome for the State is optimised.

### **Banking Sector Regulation**

53. **Deputy Joanna Tuffy** asked the Minister for Finance if his attention has been drawn to newspaper reports that some Irish banks have made special provisions for mortgagees that are in negative equity; if he has been given any information by the banks about the nature of these arrangements and how widespread or otherwise those arrangements are; if there are any plans to encourage more banks to make provision specifically aimed at mortgagees that are in negative equity in properties that they would like to divest themselves of in order to move on with their lives in accommodation more appropriate to their circumstances; and if he will make a statement on the matter. [11810/12]

**Minister for Finance (Deputy Michael Noonan):** The Central Bank has advised me that they wrote to all mortgage lenders in 2010 to ascertain whether they were offering, or intended to offer, a mortgage product that would allow home owners to sell their existing home and transfer the negative equity portion of the original loan to the new loan. In order to ensure that proposals in relation to such mortgages are consistent with the Central Bank's consumer protection and prudential policy objectives, the proposed criteria for any such facility would need to be agreed in advance between mortgage lenders and the Central Bank. In response to the Central Bank's letter, only a small number of mortgage lenders said that they would consider offering such a facility.

The Central Bank has also advised me that following the issue of the report of the Inter-Departmental Mortgage Arrears Working Group in September 2011, which included a recommendation on trade down mortgages, several lenders have contacted the Bank with regard to offering negative equity mortgages. This includes trade-up, trade-down and trade-down where the customer is in arrears.

In light of this and the initial low level of take up in 2011, the Central Bank has reviewed some of its criteria for negative equity mortgages and recently communicated this revision to the main lenders. It still remains that any institution offering such a mortgage facility may do so only in accordance with criteria set out by and with the prior approval of the Central Bank.

### National Asset Management Agency

54. **Deputy Gerry Adams** asked the Minister for Finance the number of cases the National Asset Management Agency allows debtors to retain part of the income from their income producing assets to pay overheads including salaries to the debtors themselves; the number of cases in which debtors are receiving salaries; if he will provide a breakdown of the salaries received by these debtors; the number that are under €50,000, between €50,001 and €100,000; the number that are between €100,001 and €150,000; the number that are between €150,001 and €200,000; the number that are over €200,001; and the total cost to NAMA of paying these salaries in 2010 and 2011. [11838/12]

**Minister for Finance (Deputy Michael Noonan):** I am advised by NAMA that it does not pay salaries to debtors or their employees as NAMA is not their employer. NAMA inform me that it is the agency's practice to allow debtor companies to retain overhead costs from rental or other income that are produced by their assets where this is necessary for the company's operations. In a minority of cases, where assets are under development and not yet producing income, funds are advanced to debtors to cover essential overheads pending the completion of the project involved. NAMA assures me that the level of overheads is only agreed following a thorough and rigorous evaluation of the debtor's business plan by NAMA and that each cost element is reduced to the minimum. The level of overheads sanctioned by NAMA typically represents very significant reductions on the level which prevailed in the past. Indeed, I am informed that NAMA has on occasions looked for and obtained a reduction of 50% to 75% in overhead costs.

The retention of overheads from income in certain circumstances is considered essential to reaching an agreement that would generate a better rate of return than the option of enforcement and the employment of asset managers for the large portfolios with the significant potential cost involved. The decision to work with debtors, and in such cases the level of overheads that are approved are decisions for NAMA to make on a case by case basis in line with its commercial mandate. Indeed it would be unrealistic to expect debtors and their staff to work with NAMA in some cases for the next seven years for no income.

I am informed by NAMA that the majority of debtor remuneration packages fall into the €70,000 to €100,000 range. NAMA has also indicated that in two cases the debtors' remuneration package authorised by NAMA as part of the budget for overheads is €200,000.

NAMA deals with about 800 debtor connections, either directly or through the participating institutions acting on its behalf. Each debtor's circumstances are different and the Agency considers that details of its engagement with those 800 debtor connections, including details of sanctioned overheads, is an operational matter for NAMA.

### State Banking Sector

55. **Deputy Gerry Adams** asked the Minister for Finance further to Parliamentary Question No. 31 of 22 February 2012, if he will outline the exact date officials in his Department were notified as part of the ongoing communications with IBRC about the existence of the retention agreement between a company (details supplied) and IBRC; and if he will make a statement on the matter. [11841/12]

**Minister for Finance (Deputy Michael Noonan):** The Department was informed of the bank's intention to engage the advisory arm of the company referred to in the question on the 1st November 2011. The bank was requested by my Department to confirm that there is no conflict in relation to the appointment. This confirmation has been provided by the bank.



56. **Deputy Gerry Adams** asked the Minister for Finance further to Parliamentary Question No. 34 of 22 February 2012, if he will detail if the officials in his Departments' weekly discussions with a company (details supplied) about IBRC were with the advisory or investment side of the company; if he will detail the purpose of these meetings; and if he will make a statement on the matter. [11842/12]

**Minister for Finance (Deputy Michael Noonan):** The weekly discussions are with the advisory arm of the firm in question, as engaged by IBRC. While this is ordinary business of IBRC for which the Board is responsible, the purpose of the calls is to keep my Department apprised of progress and developments.

### State Agencies

57. **Deputy Gerry Adams** asked the Minister for Finance if he will detail the number of meetings held by his Department or NTMA officials with any part of a group (details supplied) on any topic since March 2011; and if he will make a statement on the matter. [11843/12]

**Minister for Finance (Deputy Michael Noonan):** As the Deputy will be aware My Department and the NTMA meet a very wide range of groups, companies, individuals etc. in normal course and on an on-going basis. The Deputy will appreciate that it would not be usual or appropriate to make public details of such meetings on the basis that the parties to such meetings are entitled to normal commercial confidentiality.

### School Staffing

58. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Carlow; and if he will make a statement on the matter. [11624/12]

59. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Kilkenny; and if he will make a statement on the matter. [11625/12]

60. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Cavan; and if he will make a statement on the matter. [11626/12]

61. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Monaghan; and if he will make a statement on the matter. [11627/12]

62. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Clare; and if he will make a statement on the matter. [11628/12]

63. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Cork; and if he will make a statement on the matter. [11629/12]

64. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Donegal; and if he will make a statement on the matter. [11630/12]

65. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in Dublin; and if he will make a statement on the matter. [11631/12]

66. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Galway; and if he will make a statement on the matter. [11632/12]

67. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Kerry; and if he will make a statement on the matter. [11633/12]

68. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Limerick; and if he will make a statement on the matter. [11634/12]

69. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Kildare; and if he will make a statement on the matter. [11635/12]

70. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Laois; and if he will make a statement on the matter. [11636/12]

71. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Longford; and if he will make a statement on the matter. [11637/12]

72. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will now confirm that there will be no changes to DEIS posts in schools in County Westmeath; and if he will make a statement on the matter. [11638/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** I propose to take Questions Nos. 58 to 72, inclusive, together.

The Report on the Net Impact, in terms of posts, of Budget Measures on DEIS Band 1 and Band 2 urban primary schools that still had additional posts allocated under disadvantage schemes, pre-dating DEIS was published on 21 February 2012.

On foot of the analysis of this report, the Government agreed to retain a total of 235 posts, on a concessionary basis, in the 140 DEIS Band 1 and DEIS Band 2 schools which were identified as being impacted by the possible loss of posts. However, staffing identified for individual schools are affected by a number of net factors such as demographics — impact of increasing and decreasing enrolments, the reform of the teacher allocation process to update the General Allocation Model and the move away from a ‘top up’ to the staffing schedules.

As already announced the withdrawal of 192 posts from primary schools outside DEIS Band 1 and 2 and from DEIS second level schools will proceed. These involve 136 posts from 163 post primary schools, 16 posts from 16 rural primary schools, 40 posts from 17 non DEIS primary schools. A fully accurate comparison between the staffing levels in DEIS schools in the current school year and the 2012/13 school year can only be made when the allocation process is fully completed later in 2012 to include applications by schools for developing posts,

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the Appeals Process, clustering arrangements for GAM and the allocation of resource hours by the National Council for Special Education.

The priority for my Department now is to complete the teacher allocation process and to issue notification to each DEIS Band 1 and Band 2 school of their staffing entitlements for 2012/13 and the outcome of the Government's decision to retain 235 posts from previous disadvantage schemes in 140 Band 1 and Band 2 DEIS schools. The report is available on my Department's website.

73. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Louth; and if he will make a statement on the matter. [11639/12]

74. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Meath; and if he will make a statement on the matter. [11640/12]

75. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Mayo; and if he will make a statement on the matter. [11641/12]

76. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Roscommon; and if he will make a statement on the matter. [11642/12]

77. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Leitrim; and if he will make a statement on the matter. [11643/12]

78. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Sligo; and if he will make a statement on the matter. [11644/12]

79. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Tipperary; and if he will make a statement on the matter. [11645/12]

80. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Waterford; and if he will make a statement on the matter. [11646/12]

81. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Wexford; and if he will make a statement on the matter. [11647/12]

82. **Deputy Brendan Smith** asked the Minister for Education and Skills in view of his recent announcement on DEIS posts, if he will confirm that there will be no changes to DEIS posts in schools in County Wicklow; and if he will make a statement on the matter. [11648/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** I propose to take Questions Nos. 73 to 82, inclusive, together.

The Report on the Net Impact, in terms of posts, of Budget Measures on DEIS Band 1 and Band 2 urban primary schools that still had additional posts allocated under disadvantage schemes, pre-dating DEIS was published on 21 February 2012. On foot of the analysis of this report, the Government agreed to retain a total of 235 posts, on a concessionary basis, in the 140 DEIS Band 1 and DEIS Band 2 schools which were identified as being impacted by the possible loss of posts. However, staffing identified for individual schools are affected by a number of net factors such as demographics — impact of increasing and decreasing enrolments, the reform of the teacher allocation process to update the General Allocation Model and the move away from a ‘top up’ to the staffing schedules.

As already announced the withdrawal of 192 posts from primary schools outside DEIS Band 1 and 2 and from DEIS second level schools will proceed. These involve 136 posts from 163 post primary schools, 16 posts from 16 rural primary schools, 40 posts from 17 non DEIS primary schools. A fully accurate comparison between the staffing levels in DEIS schools in the current school year and the 2012/13 school year can only be made when the allocation process is fully completed later in 2012 to include applications by schools for developing posts, the Appeals Process, clustering arrangements for GAM and the allocation of resource hours by the National Council for Special Education.

The priority for my Department now is to complete the teacher allocation process and to issue notification to each DEIS Band 1 and Band 2 school of their staffing entitlements for 2012/13 and the outcome of the Government’s decision to retain 235 posts from previous disadvantage schemes in 140 Band 1 and Band 2 DEIS schools. The report is available on my Department’s website.

83. **Deputy Dara Calleary** asked the Minister for Education and Skills if he will clarify the impact that Budget 2012 will have on a school (details supplied) in County Donegal; and if he will make a statement on the matter. [11762/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** There is no increase in the staffing schedule general average of 28:1 for the allocation of classroom teachers at primary level. However, there is a phased increase in the pupil threshold for the allocation of classroom teachers in small primary schools. As part of the Budget decisions announced, the number of pupils required to gain and retain a teaching post in small primary schools will be gradually increased between September 2012 and September 2014. The schools concerned are those with four or less classroom teachers. The phasing of these measures can provide the schools concerned with time to consider the potential for amalgamation with other schools where this is feasible. If amalgamations take place, they will be voluntary and follow decisions taken by local communities and not by my Department.

This Government recognises that small schools are an important part of the social fabric of rural communities. They will continue to be a feature of our education landscape. However, this does not mean that small schools can stand still or never have their staffing levels changed to something that is more affordable and sustainable for these difficult and challenging times. The teachers in small schools cannot be immune from the requirement that is being asked of all public servants to deliver our public services on a reduced level of resources.

My Department has expanded the existing appeals process so that it is accessible to the small schools that are losing a classroom post as a result of the budget measure. They won’t lose their classroom post if any of them are projecting increased enrolments in September 2012 that would be sufficient to allow them to retain their existing classroom posts over the longer term. The detailed arrangements are set out in the Department’s Staffing Circular that is now pub-

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lished on my Department's website. The closing date for submission of appeals for the April meeting of the Staffing Appeals Board is 23 March, 2012.

### **Departmental Funding**

84. **Deputy Noel Harrington** asked the Minister for Education and Skills if he will identify possible sources of additional funding for a community group (details supplied) available from his Department and-or any of the agencies funded by his Department; and if he will make a statement on the matter. [11771/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** Neither my Department nor agencies operating under its aegis have a funding stream for community playgroups. The funding Department would, in this case, be the Department of Children and Youth Affairs.

### **Site Acquisitions**

85. **Deputy Martin Heydon** asked the Minister for Education and Skills further to Parliamentary Question No. 118 of 22 February 2012, in relation to a new school (details supplied) in County Kildare, if his officials have visited any of the proposed sites for the new school; the timeline for identification and acquisition of the final site; and if he will make a statement on the matter. [11797/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** The Deputy will be aware that my Department has sought the assistance of, and is working closely with, the relevant Local Authority in relation to identifying and acquiring a suitable site for the provision of permanent accommodation for the school he referred to. The Local Authority has identified a number of potential site options and it is intended to carry out joint site inspections of these sites with the Local Authority soon. Once a suitable site has been identified and acquired, the proposed building project will be considered in the context of the capital budget available to my Department for school buildings generally.

### **School Enrolments**

86. **Deputy Aodhán Ó Ríordáin** asked the Minister for Education and Skills if he will address an issue of admission policies in a school (details supplied) in Dublin 5; and if he will make a statement on the matter. [11811/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** The question of enrolment in individual schools is the responsibility of the managerial authority of those schools. My Department's main responsibility is to ensure that schools in an area can, between them, cater for all pupils seeking places.

It is the responsibility of the managerial authorities of schools that are not in a position to admit all pupils seeking entry to implement an enrolment policy in accordance with the Education Act 1998. In this regard a board of management may deem it necessary to restrict enrolment to children from a particular age group or to children living in a particular area or on the basis of some other criterion. Some schools use parish or other boundaries for this purpose. The selection process and the enrolment policy on which it is based is matter for the individual school authority. In formulating an enrolment policy a school must, however, ensure it is lawful and applied fairly to all applicants.

Section 29 of the Education Act 1998, provides parents with an appeal process where a board of management of a school or a person acting on behalf of the Board refuses enrolment to a

student. Where a school refuses to enrol a pupil, the school is obliged to inform parents of their right under Section 29 of the Education Act 1998 to appeal that decision to either the relevant Vocational Educational Committee or to the Secretary General of my Department.

The National Educational Welfare Board (NEWB) is the statutory agency which can assist parents who are experiencing difficulty in securing a school place for their child. The Board can be contacted at National Educational Welfare Board, National Headquarters, 16-22 Green Street, Dublin 7 or by telephone at 01-8738700.

The Deputy will be aware that last June, I launched a discussion paper on school enrolment. The document, “Discussion Paper on a Regulatory Framework for School Enrolment” contains suggestions on how to make the process of enrolling in schools more open, equitable and consistent.

I have made it clear that the paper was not meant to be prescriptive, nor have any decisions been made as to what elements will be contained in any final regulations or legislation. The purpose of the paper was to lead and provoke debate on enrolment policies and practices.

I invited education partners and interested parties to submit their views to my Department by the 28th of October last and my officials are now co-ordinating the submissions received.

The feedback from this consultation will help inform the nature and scope of a new regulatory framework for school enrolment.

### **School Staffing**

87. **Deputy Peadar Tóibín** asked the Minister for Education and Skills if he will review a matter in respect of a school (details supplied). [11824/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** The school to which the Deputy refers is not among the schools included in the report on the net impact, in terms of posts, of budget measures on DEIS Band 1 and Band 2 urban primary schools that still had additional posts allocated under disadvantage schemes predating DEIS, which was published on 21 February 2012, as the school is not a DEIS school.

Where a school is losing three or more posts as a result of the combination of budget and reform measures an application can be made to the Staffing Appeals Board with a view to seeking to have a portion of the loss in posts deferred to the 2013/14 school year on the basis that it is impacting in a particularly adverse manner on the school’s overall allocation.

### **Institutes of Technology**

88. **Deputy Jerry Buttimer** asked the Minister for Education and Skills if he will provide, in soft-copy spreadsheet format, details of the numbers of persons awarded added years under the professional added years for superannuation purposes scheme for Institutes of Technology for the period 2002 to date, identifying for each institute the number of staff who have benefited, the grades or posts held by staff, the professional qualifications in question, the number of years reckoned in acquiring necessary qualifications and experience for appointment to the post in question, and the number of added years awarded; and if he will make a statement on the matter. [11844/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** The professional added years terms for members of the Education Sector Superannuation Scheme in Institutes of Technology were introduced by the Department of the Environment in 1987, Circular S6/1987.

In accordance with scheme rules, there is provision for the granting of a gross award of up to ten professional added years where the minimum age limit or qualifications and/or experience

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specified for appointment to a permanent pensionable professional, technical or specialist post in an Institute of Technology would not allow an individual to be appointed by age 25 and thereby acquire maximum reckonable service (40 years) by age 65. A contribution is payable in respect of added years awarded under the scheme: 5% of retiring salary in respect of each year purchasable (6% if the employee is a member of the Spouses' and Children's Scheme). From 2002 to date, 110 individuals employed in the Institute of Technology sector have been awarded professional added years at retirement. The average award was 3.25 years.

The table below outlines in tabular form the information sought by the Deputy:

Institutes of Technology — Added Years Awards 2002 to date

Institute of Technology	No. of Awards	Grade/Post	Professional Qualification	No. of years to acquire qualifications and experience	No. of added years awarded
				Range of years	Average no. of years
Athlone IT	3	Lecturer	Degree/Membership of Professional body	From 7 to 8 years	3.271 years
Carlow IT	6	Lecturer	Degree/Apprenticeship	From 7 to 10 years	1.8399 years
Cork IT	29	Lecturer	Degree/Apprenticeship/ Membership of professional body/First class certificate of competency	From 7 to 10 years	3.5023 years
Dublin IT	25	Lecturer	Degree/Apprenticeship/ Membership/Fellowship of professional body	From 7 to 10 years	3.0029 years
Dundalk IT	8	Lecturer	Degree/Apprenticeship/ Membership of professional body	From 7 to 10 years	2.3271 years
Galway-Mayo IT	6	Lecturer	Degree/Apprenticeship	From 7 to 10 years	2.9986 years
Letterkenny IT	2	Lecturer	Apprenticeship/Membership of professional body	From 7 to 10 years	4.2883 years
Limerick IT	12	Lecturer	Degree/Apprenticeship/ Membership of professional body/First class certificate of competency	From 7 to 10 years	5.4256 years
IT Sligo	12	Lecturer	Degree/PhD/Apprenticeship/ Membership of professional body	From 7 to 10 years	3.2857 years
IT Tralee	6	Lecturer	Degree/Apprenticeship	From 7 to 10 years	1.5402 years
Waterford IT	1	Lecturer	Degree	From 7 to 8 years	1 year
Total	110				Average overall award was 3.25 years

### Skills Development

89. **Deputy Brendan Smith** asked the Minister for Education and Skills his proposals, if any, to deal with skills shortages in specific sectors of the economy; and if he will make a statement on the matter. [11852/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** The Expert Group on Future Skills Needs identifies future skills needs of enterprise outlining current provision of education and training and identifies gaps in provision, where enterprise requirements cannot be met from current supply. The Expert Group has a key role to play in the identification of skills shortages in the enterprise sector and its recommendations will continue to be reflected in all new Labour Market Activation programmes and its research will continue to inform education and training provision at all levels.

The establishment of SOLAS, the new Further Education and Training Authority, will ensure the provision of 21st century high-quality further education and training programmes. My Department also has a number of measures under the recently announced “Action Plans for Jobs” initiative, and the “Pathways to Work” sets out the strategy to reform labour market activation policy.

In 2012, at a time of reducing resources, my Department will fund over 450,000 education and training places across the range of provision in the higher education, further education and training sectors which, despite the need for widespread cutbacks, is still in line with the 2011 provision.

The early identification of skill needs that is reflected in FAS training provision comes from many sources including engagement with employers, industry and education and training providers along with national and international research and helps identify future skills needs of our economy. FAS plan to deliver up to 75,000 training places in 2012 and will manage the new Education and Training Fund which will provide up to 6,500 places.

Skillnets which is an enterprise-led body funded through the National Training Fund to provide companies with new opportunities to develop relevant, effective answers to their training and development needs was set ambitious targets for 2011 to train 40,000 persons, of which up to 8,000 will be unemployed, with up to 50% of training being for the low basic skilled. Similar targets to 2011 have been set for 2012 which will target the long term unemployed.

Following on the Labour Market Activation Fund which operated in 2010 and 2011, a new Training and Education Fund will be introduced in 2012 specifically targeted at the long term unemployed. This fund amounting to €20m, from the National Training Fund, will deliver upwards of 6,500 education and training places.

In response to skills shortages in the ICT sector, earlier this month the Government launched the Joint Government-Industry ICT Action Plan: Meeting the High Level ICT Skills Needs of Enterprise in Ireland. The Action Plan sets out how Ireland is going to build the supply and quality of graduates in the medium to long term. One measure included in the plan is provision of more than 750 free places on 17 new graduate skills conversion programmes throughout the country.

In addition, since it was launched in May 2011, the Springboard programme has supported more than 4,300 unemployed people to undertake higher education programmes in areas of identified skills needs such as ICT, the pharmaceutical and chemistry industries and the green economy. Earlier this month an additional 500 places were made available on Springboard programmes that had very high demand when they first ran in 2011. €10 million has also been made available for an expansion of Springboard in 2012 and an open competitive call for proposals for courses which can be included in the programme issued to providers earlier this week.

The timely training and upskilling of the country’s workforce through a variety of relevant training programmes, further education and higher education programmes is a vital step to meet the future skills needs of industry.



### School Curriculum

90. **Deputy Brendan Smith** asked the Minister for Education and Skills if he will outline the progress made to date with regard to Project Maths; and if he will make a statement on the matter. [11853/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** Project Maths is a major programme of reform of mathematics in second level schools. Project Maths began in 24 schools in September 2008. The purpose of the initial engagement with 24 schools was to learn from the experience in these project schools while using this period to work with the schools to develop materials and lesson plans and resource materials, which would then be available for mainstreaming. This phase of development has therefore been evolutionary in nature, with syllabuses and resources being developed and refined during the project phase.

Project Maths began in all schools in September 2010. As in the project schools is being implemented on a phased basis over 5 strands of mathematics as follows:

Phase 1 Strand 1: statistics and probability; Strand 2: geometry and trigonometry

Phase 2 Strand 3: number; Strand 4: algebra

Phase 3 Strand 5: functions

Project Maths has been examined in the 24 Project Schools in the Leaving Certificate 2010 and 2011, and in the Junior Certificate in 2011, and the results have been published by the State Examinations Commission. Mainstream schools will sit their first examination in Strands 1 and 2 of Project Maths in the Leaving Certificate in 2012.

The initiative is supported by comprehensive investment in professional development for teachers, at an average cost of €3.3m per annum. In addition, the Department has tendered for the development of a post graduate course for teachers who need more intensive support. A wide range of resources for the project are on [www.projectmaths.ie](http://www.projectmaths.ie). The support for teachers is supplemented by evening courses in the Education Centre network and by summer courses in the National Centre of Excellence for Maths and Science Teaching and Learning in the University of Limerick.

### National University of Ireland

91. **Deputy Brendan Smith** asked the Minister for Education and Skills his views on the future of the National University of Ireland; the costs per annum of this body; and if he will make a statement on the matter. [11857/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** In July 2011, the Government decided not to proceed with the implementation of the decision of the previous Government to dissolve the National University of Ireland. Abolition of the NUI would seriously damage a valuable national brand at home and abroad. NUI degrees enjoy a high recognition nationally and internationally. This is important, particularly in medicine and health sciences. NUI institutions are increasingly successful both in attracting international students to Ireland and in delivering programmes on campuses abroad. Abolishing NUI would severely inhibit this growing internationalisation of Irish higher education.

NUI also provides important shared services in awarding and examination to its constituent universities and recognised colleges as well as providing services to graduates. These services would have to be performed by the institutions themselves in the absence of NUI and this limits the savings that would arise from abolition.

The annual State grant to NUI is just less than €13,000 and in 2010 constituent universities paid fees to NUI of approximately €2.2 million.

### **School Staffing**

92. **Deputy Brendan Smith** asked the Minister for Education and Skills if consideration will be given to a request by a school (details supplied) in Dublin 10 in respect of the appointment of an additional teacher, in view of the fact that a detailed submission has been made to him in support of the application; and if he will make a statement on the matter. [11858/12]

**Minister for Education and Skills (Deputy Ruairí Quinn):** As part of the reforms to the teacher allocation process, existing posts are being used to put in place a network of over 2,500 full-time resource posts in close to 1,700 base schools throughout the country. These posts will be allocated on a permanent basis and the teachers in them will undertake NCSE approved (low incidence) resource hours in the base schools or in neighbouring schools. This approach builds on the interim arrangements that operated in 2011 but in a more structured and transparent manner. While individual schools may have their own particular preferences the Department has to look at it from a national perspective. The overall objective with these reforms is to enable the teacher allocation and redeployment process to operate more smoothly and efficiently within the new climate of fixed ceilings on teaching posts. The changes are designed to give a more equitable distribution of existing posts between schools, give earlier certainty to schools about their staffing allocations and, where possible, simplify and streamline existing processes and give greater autonomy to schools.

It also has to be borne in mind that the previous clustering arrangements included inherent inefficiencies whereby schools could retain full-time posts on less than 25 hours (some on as low as 19 hours). The new GAM arrangements operate in 5-hour blocks to facilitate, as appropriate, the day to day operation of GAM support between schools and also ensure that full-time GAM posts are fully utilised (25 hours in each post). The Department will also be requiring any surplus capacity in full-time resource posts to be fully utilised before it approves part-time resource posts for neighbouring schools.

All schools have now received their resource teaching allocations for the current school year, based on the number of valid applications for resource teaching support received by the NCSE to 25th November, 2011, and taking into account my Departments Employment Control Framework obligations which limits the number of overall resource teaching posts which may be allocated to schools.

Applications for resource teaching hours received after 25th November, 2011, will be processed by the NCSE in the context of the 2012/13 school year applications process. In the interim, schools should support pupils for whom new applications are being made from their existing resource teaching allocations, until revised allocations are made for the September 2012 school year.

Where a pupil meets the criteria for Resource Teaching support, following diagnosis or enrolment to a school which does not have any existing allocation of resource teaching support, the NCSE may make an allocation for such pupils from the small pool of remaining posts which have been reserved for such emergencies or eventualities.

### **Public Service Staff**

93. **Deputy Gerry Adams** asked the Minister for Public Expenditure and Reform if he will report on his involvement in transition teams to manage the exodus of staff from the public sector under the early retirement scheme by the end of February 2012. [10763/12]

**Minister for Public Expenditure and Reform (Deputy Brendan Howlin):** I remind the Deputy there is no generally available incentivised scheme of early retirement in operation at present in the public or civil service. Many of the retirements at this time are occurring in the normal course where an individual has reached retirement age. There are also cases where individuals are availing of cost-neutral early retirement, which allows retirement earlier than normal retirement age, but with an off-setting actuarial reduction applied to the individual's lump sum and pension.

The latest information from across the public service indicates that over 7,000 people have applied to retire in the first two months of the year. The sectoral breakdown of applications is as follows:

Sectoral Breakdown of Applications	
Health	2,567
Education	2,058
Civil Service	1,236
Local Authority	931
Defence	362
Garda	310
Total	7,464

When public service salaries were reduced in 2010, it was agreed by the then Government that persons retiring during a transitional or grace period would have their retirement benefits calculated on the basis of the previous payscale levels before the salary cut. That grace period will now expire on 29 February 2012. Public service managers have known about the grace period for the past 18 months and have therefore had time to plan accordingly.

As the Deputy is aware, the Government has ensured that Transition Teams have been put in place in each of the sectors to deal with the specific short-term challenges arising from the ending of the grace period and to manage the process in their respective sectors. These teams are drawn from the existing Workforce Planning Groups.

The Transition Teams have reported on their plans to manage the reduction in staff numbers arising from retirements to end-February and I have brought these to Government. Based on the information received from the Transition Teams, I am satisfied that due consideration has been given by each of the sectors to the impact of the staffing reductions and the most appropriate and expeditious ways of managing these. I would add that these departures represent less than 3 per cent of staff serving in the public service so it would be unduly alarmist to categorise them as an "exodus".

As they have the most current information on service provision at a local level, each sectoral Transition Team has been directed to actively communicate with the public via whichever means appropriate in order to allay concerns with regard to critical front-line service delivery. Public concerns about service levels should be addressed proactively and the public should be kept informed of business continuity arrangements that are in place. In the case of the civil service, material from the Transition Team process is available on my Department's website. For the wider public service, information can be provided by the relevant Minister.

Beyond the February 2012 grace period deadline, the Strategic Workforce Planning Groups in each sector will continue to ensure that sectoral employers develop plans to deal on an ongoing basis with the operational and strategic consequences arising from the reductions in public service staffing numbers.

### Departmental Funding

94. **Deputy Noel Harrington** asked the Minister for Public Expenditure and Reform if he will identify possible sources of additional funding for a community group (details supplied) available from his Department and or any of the agencies funded by his Department; and if he will make a statement on the matter. [11775/12]

**Minister for Public Expenditure and Reform (Deputy Brendan Howlin):** The Minister for Public Expenditure and Reform has no function in programmes of assistance to individual groups. The Deputy should raise the matter directly with the Departments concerned, indicating the basis on which funding is being sought.

### Heritage Projects

95. **Deputy Michael McNamara** asked the Minister for Public Expenditure and Reform if he will provide a progress report on the refurbishment of Ennis Friary, Ennis, County Clare (details supplied); if he will provide a date for its reopening this side of the tourist season; and if he will make a statement on the matter. [11839/12]

**Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes):** Significant phases of the Ennis Friary project have been completed. The nave has been roofed and installation of glazing is under way. This phase of the project will be complete in June 2012. Works to provide for the setting and display of the collection of medieval carved stone have been delayed. This phase of the project is not scheduled for completion by June 2012. Limited public access to the friary will be permitted in June 2012.

### National Monuments

96. **Deputy Michael McNamara** asked the Minister for Public Expenditure and Reform if the State is the owner of Leamanagh Castle which is situated at the intersection of the R476 Corofin Kilnaboy road and the R480 road to Ballyvaughan, at the southern boundary of the Burren in County Clare; if not, is the building in State care; and if he will make a statement on the matter. [11840/12]

**Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes):** Leamanagh Castle is a national monument in State guardianship. It is under the care and maintenance of the Office of Public Works. The castle is sited on privately owned land and is not accessible to the public.

### Foreign Direct Investment

97. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation the top ten Irish exporters; the proportion their exports make up of total Irish exports; and the steps he is taking to rebalance jobs creation and economic growth towards sustainable indigenous small and medium enterprises as opposed to the over-reliance on FDI. [11688/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Multinational enterprises are a very significant component of the Irish enterprise sector and will continue to play an important role in our economy. IDA multinational client companies support over 146,000 direct jobs and spend €19 billion in the Irish economy each year. The environment for foreign direct investment remains robust and has created core strengths in key sectors.

The pharmaceutical and ICT sectors make a very significant contribution to the Irish economy in terms of export earnings and employment. The medical, pharmaceutical and chemical

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sectors accounted for €46 billion, or 51%, of total merchandise exports in 2010. Computer components and electronics accounted for €8 billion of merchandise exports, while computer services accounted for €28.2 billion, or 38%, of all services exports in 2010. Between them, the two sectors employ over 110,000 people in Ireland. These sectors will therefore continue to play an important role in the Irish economy.

However, an indigenous engine of export growth is also an essential ingredient for economic recovery. We must now create the environment where Irish companies can consistently build market share, where more companies start to export for the first time, where clusters of competitive advantage develop, and Irish-owned and foreign-owned companies work more closely together to forge new areas of opportunity.

Although exports from the indigenous sector have increased over recent years, the overall contribution from the sector needs to be further enhanced. Our goal for increasing exports is to support enterprises to achieve challenging targets by building their share in key markets and to increase the proportion of output exported by indigenous companies.

Indigenous companies are also finding opportunities in emerging sectors which have been identified as holding particular potential for Ireland. These include sectors such as health and life sciences, cloud computing, digital and media services, digital gaming, and the green economy.

Supporting new and existing indigenous businesses to grow and export is central to our plans for recovery, growth and jobs. The recently launched action plan for jobs contains a significant number of measures which are aimed specifically at the facilitation and incentivisation of growth among SMEs in Ireland. Among the measures announced are a drive to support 95 new high potential start-ups (HPSUs) with a significant contribution to that number from ambitious international mobile entrepreneurs; the establishment of a potential exporter division within Enterprise Ireland to stimulate greater activity within companies across all regions and to reorient those demonstrating real growth potential from the domestic to the international market place; the introduction of capital initiatives including the development capital scheme and the Second Call of Innovation Fund Ireland; rolling out of a number of market initiatives, including trade missions, an international market week, attracting 600 inward buyers to Ireland, driving the take up of the Going Global initiative, and working proactively with the diaspora.

ON the top ten Irish exporters, I am precluded from putting sensitive information relating to the Enterprise Agencies client base into the public domain. However, according to the latest statistics available, Ireland's top merchandise exports are medical and pharmaceutical products and the top services exports are computer services.

### **Company Closures**

98. **Deputy Dara Calleary** asked the Minister for Jobs, Enterprise and Innovation the remedies in place for creditors of a company that has been liquidated or entered receivership and whose directors established a new entity trading in the same sphere. [11755/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** A fundamental principle of company law is that a company is a separate legal entity from the Members or Shareholders of the company. The order of preferential payments in the liquidation of a company is set out at section 285 of the Companies Act 1963 as amended. Section 98 of that Act contains relevant provisions as to the position where a receiver is appointed under a floating charge.

The Company Law Enforcement Act 2001 established the Office of the Director of Corporate Enforcement and strengthened the legislative provisions dealing with insolvent companies.

The Director has powers to initiate company investigations, prosecutions, restrictions and disqualifications with a view to curbing abusive practices by directors. Section 56 of the Company Law Enforcement Act 2001 provides that the liquidator of an insolvent company must submit a report to the ODCE together with information on the conduct of any person who was a director of the company during the 12 months preceding its liquidation. The liquidator must also proceed to apply to the High Court for the restriction of each of the directors of the insolvent company, unless relieved of that obligation by the ODCE.

A restriction declaration, if made, prohibits an individual from acting, either directly or indirectly, as an officer of a company or from being involved in its formation or promotion for five years, unless the company is adequately capitalised. In the case of a private company, the capital requirement is €63,487 in allotted paid-up share capital. The equivalent figure for public companies is €317,435.

### Debt Collection

99. **Deputy Dara Calleary** asked the Minister for Jobs, Enterprise and Innovation the proposals he has for small companies to pursue debts via a system of arbitration or mediation in order that legal costs can be reduced; and if he will make a statement on the matter. [11756/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Alternative Dispute Resolution (ADR) processes such as arbitration or mediation provide an alternative to court proceedings for the resolution of disputes. Because of the voluntary nature of these processes, they provide a non-adversarial forum in which, through dialogue between the parties, the resolution to the dispute may be found by the parties themselves. This form of voluntary dispute resolution is frequently more efficient and cost-effective than legal proceedings. I understand that my colleague, the Minister for Justice and Equality, is considering the preparation of legislation which may contain provisions to promote mediation as a viable, effective and efficient alternative to court proceedings, including with a view to reducing legal costs.

### Job Creation

100. **Deputy Sean Fleming** asked the Minister for Jobs, Enterprise and Innovation the number of Industrial Development Agency supported jobs in the country at the end of each year since 1985; the total number employed here; the percentage of employment in I.D.A. supported businesses; and if he will make a statement on the matter. [11806/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The total number of IDA supported jobs as at the end of each year in the period 1985 to 2011 is set out in the tabular statement. Statistics in relation to job numbers in the economy as a whole are maintained by the Central Statistics Office.

One of the targets set out in IDA Ireland's Strategy document "*Horizon 2020*" is the creation of 62,000 direct jobs in 640 investment projects in the period to 2014, which will result in 105,000 new jobs overall in the economy. 2011 saw a strong performance in the level of foreign direct investment (FDI) won by Ireland. IDA client companies created over 13,000 new jobs in 2011, up 20% on the previous year's level of 10,897, increasing the total number of those employed directly by IDA client companies to almost 146,000.

Even with intense global competition for FDI and the very difficult global economic environment, there are still investment opportunities in global markets. I have every confidence that with the continued support of Government and the Department of Jobs, Enterprise and Innovation IDA will continue to win investment and create jobs in the economy in the months and years ahead.

[Deputy Richard Bruton.]

Table showing the number of jobs in IDA supported companies at the end of each of the years 1985 to 2011

Year	Number of jobs in IDA supported companies
1985	63,360
1986	64,759
1987	64,365
1988	67,654
1989	72,616
1990	76,123
1991	77,788
1992	79,394
1993	81,835
1994	86,202
1995	92,821
1996	100,176
1997	109,875
1998	118,961
1999	128,007
2000	142,608
2001	138,569
2002	134,761
2003	131,469
2004	131,774
2005	134,935
2006	139,268
2007	140,038
2008	139,087
2009	126,415
2010	125,855
2011	130,499

101. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the extent to which he expects to be in a position to incorporate any of the suggestions received in the context of job creation throughout the country; and if he will make a statement on the matter. [11825/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The recently published Action Plan for Jobs 2012 is the first in a series of annual Action Plans which will be rolled out, with the objective of supporting the creation of 100,000 net new jobs over the period 2012 to 2016, and the longer-term target of having 2 million people at work by 2020. In preparing the 2012 Action Plan for Jobs, I consulted with my Ministerial colleagues and with a wide range of stakeholders from the public, private and community sectors, to obtain their views on actions to support employment creation. I also received the Report of the Advisory Group on Small Business, which contained a number of specific recommendations aimed at supporting the small business sector.

In total, I received over 600 individual ideas for consideration. All of these ideas were examined and considered. Some are being actioned in the short-term and feature in the 2012 Action

Plan for Jobs. Other proposals can be delivered in a longer timeframe, or require further consideration. These will be examined over the coming months and may be included in subsequent annual Action Plans.

As part of a campaign to inform the enterprise sector of the measures included in the 2 Action Plan for Jobs, I am undertaking a series of regional consultative meetings around the country. The first of these meetings took place last Monday, 27th February, in Cork and was attended by over 200 employers and business representatives. These regional meetings will help me to identify measures that might be suitable for inclusion in the 2013 Action Plan for Jobs.

102. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the degree to which he and his Department have assessed the potential for job creation throughout the labour force with particular reference to the possible expansion of various enterprises with built-in incentives to take persons off the live register; and if he will make a statement on the matter. [11826/12]

103. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the extent to which small and medium sized enterprises have been assessed for their potential to absorb persons from the live register with particular reference to the use of possible incentives; and if he will make a statement on the matter. [11827/12]

106. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the extent to which it is possible to incentivise the creation of new jobs in existing enterprises having particular regard to balancing any such costs against the costs of social welfare payments for those currently unemployed and anxious to return to the workforce; and if he will make a statement on the matter. [11830/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I propose to take Questions Nos. 102, 103 and 106 together.

The Action Plan for Jobs, which was published on 13 February, sets out a range of measures which are designed to support new business start-ups, improve enterprise competitiveness and help firms to grow. It aims to support the creation of 100,000 net new jobs by 2016 by systematically removing obstacles to competitiveness, putting downward pressure on business costs, promoting innovation and trade, supporting new and existing businesses to develop and expand, and by deepening the impact of foreign direct investment in Ireland. The Action Plan also includes a number of targeted, sector-specific measures to unlock the full potential of enterprise to create jobs.

Small and medium enterprises will benefit, in particular, from measures such as:

- the establishment of a new “one-stop-shop” structure for micro enterprise support;
- the roll out of the Microfinance Fund for small new start-ups;
- the introduction of a new temporary Partial Credit Guarantee scheme, which will address the problem of access to finance for viable SMEs that do not meet the normal lending criteria of the banks;
- the expansion of mentoring schemes, particularly between multinational companies and SMEs; and
- measures to improve access to public procurement opportunities for SMEs.



[Deputy Richard Bruton.]

The Action Plan for Jobs is part of a wider, whole of Government response to the jobs crisis, which includes also the recently published plan for labour market activation, Pathways to Work. Both documents are fundamentally linked and recognise the need to reform our policies and our structures to secure long-term and lasting results for our enterprise base and for job-seekers.

The Action Plan for Jobs contains a number of measures to support employers to recruit people from the Live Register when vacancies arise. These include simplification and extension of the Employer Job (PRSI) Incentive Scheme which exempts employers from liability to pay employer's PRSI for certain employees. This scheme will be extended to cover the first 18 months of employment while the eligibility criteria for job seekers will also be amended and improved. The Government will promote the increased take up of this scheme through business and employer representatives. Similarly, the Government will target the increased take-up of Revenue's Job Assist scheme, which provides for a double wages deduction to employers who employ a person who has been unemployed for 12 months or more.

Under Pathways to Work, the public employment services will be reformed through the creation of the new National Employment and Entitlements Service, which will provide better targeted services to both job seekers and employers. The new service will include the provision of recruitment and job-matching services for employers, to facilitate the hiring of workers from the Live Register.

104. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation if he will indicate arising from any discussions he has had with employers, the extent to which he is in a position to provide incentives for employers in the services sector to increase their labour force; and if he will make a statement on the matter. [11828/12]

105. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation if he will indicate arising from any discussions he has had with employers, the extent to which he is in a position to provide incentives for employers in the manufacturing sector to increase their labour force; and if he will make a statement on the matter. [11829/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I propose to take Questions Nos. 104 and 105 together.

The role of Government is to create the conditions where enterprise, entrepreneurship and innovation can flourish. It is through the creation of opportunities for growth that employers will be incentivised to increase their labour force and quality employment opportunities will be created. Our objective is to put the country back on the road to economic recovery and full employment. The Action Plan for Jobs, which I launched a fortnight ago, outlines the Government's plan to rebuild the economy and create jobs. The plan will improve access to finance for small businesses, reduce costs and red tape, and improve supports for exports, management and innovation.

Supporting new and existing indigenous businesses to grow and export is central to our plans for recovery, growth and jobs. The Action Plan for Jobs contains a significant number of measures which are aimed specifically at the facilitation and incentivisation of growth among SMEs throughout the country. These are all actions which will ultimately result in the creation of high quality jobs. For example, the introduction of a microfinance fund will provide loans of up to €25,000 to micro-enterprises in the Irish economy and the establishment of a potential exporter Division within Enterprise Ireland will stimulate greater activity within companies

across all regions and reorient those demonstrating real growth potential from the domestic to the international market place.

Under the Action Plan for Jobs, the micro-enterprise supports in Ireland will also be reshaped to put in place an improved enterprise support structure for small businesses throughout Ireland. EI will work with the Local Authorities to establish a new network of Local Enterprise Offices (LEOs) in each Local Authority, which will combine the enterprise support service of the previous CEBs and the business support work of the Business Support Units in the Local Authorities.

I am confident that the measures outlined in the “Action Plan for Jobs”, together with the other policies and initiatives being pursued will create the necessary conditions for growth, give employers confidence and create the employment opportunities needed across all sectors.

*Question No. 106 answered with Question No. 102.*

107. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the extent to which various costs have emerged as a disincentive to job expansion in existing enterprises in the manufacturing and services sectors; the extent to which he has identified the full extent of job creation opportunities arising therefrom; and if he will make a statement on the matter. [11831/12]

108. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the extent to which his office has examined the job creation opportunities in the low, medium and higher income sectors in both manufacturing and services; and if he will make a statement on the matter. [11832/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I propose to take Questions Nos. 107 and 108 together.

Cost competitiveness is one of the key determinants of every firm’s success. While we have seen reductions in wage costs and the costs of a range of business inputs, in many cases Irish prices are coming down from a high cost base and the costs of a range of business inputs remain relatively expensive compared to other jurisdictions. In addition, access to finance remains a key issue for many small and medium sized enterprises.

The objective of the Government’s Action Plan for Jobs, which was published on 13 February last, is to transform the operating environment for business in order to support enterprise growth and enable job creation. The Government will achieve this objective by systematically removing obstacles to competitiveness, promoting innovation and trade, supporting new and existing businesses to develop and expand, and by deepening the impact of foreign direct investment in Ireland. The Government has also identified a number of key sectors where Ireland can gain competitive advantage in global markets and benefit from employment growth.

The Action Plan includes a number of initiatives to reduce costs on businesses, including the enactment of legislation to reform wage setting mechanisms, measures to assist companies to manage their energy costs, the reduction of charges levied on business where possible, placing downward pressure on the costs of insurance, professional and legal services, and promoting greater competition.

In addition, the Action Plan contains a range of measures to address issues of access to finance such as:

- closely monitoring the lending targets set for the pillar banks and ensuring that these targets are met;

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- helping SMEs to improve the quality of their loan applications;
- the introduction of a targeted Partial Credit Guarantee for SMEs; and
- the roll-out of the Microfinance Fund for small business start-ups.

One of the main features of the Action Plan is the identification of a range of sectors which are targeted as areas for growth. These include manufacturing and a number of services sub-sectors. The development of these sectors will provide opportunities for people with a range of skills and at different income levels.

109. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the total number of jobs created in the indigenous industries, manufacturing and services over the past twelve months; the extent to which this compares with previous years; and if he will make a statement on the matter. [11833/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The figures in respect of jobs in Enterprise Development agency-supported companies and those supported by the County and City Enterprise Boards (CEBs) are compiled in the Forfás Annual Employment Survey and the CEB Annual Employment Survey respectively. The most up to date of these detail employment figures up until 2010. As the information is compiled on an annualised basis, the figures in respect of 2011 are not yet available.

There were 17,582 full time jobs created in agency-assisted companies in 2010 in the manufacturing and services sectors. The number of full time jobs created in CEB-supported companies for 2010 was 4,433. CEB job figures are not compiled on a sectoral basis.

110. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the total number of jobs created as a result of foreign direct investment over the past twelve months; the extent to which this compares with previous years; and if he will make a statement on the matter. [11834/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The Forfás Annual Employment Survey which reports on job gains and losses in companies that are supported by the Department of Jobs, Enterprise and Innovation's industrial development agencies shows that 13,068 jobs were created in IDA supported companies in 2011, which was an increase of 20% on the previous year's level of 10,897 and well in excess of the figure of 4,615 for 2009. The total number of those employed directly by IDA client companies now stands at almost 146,000.

Despite the current global economic situation and a strong increase in international competition there was an overall increase of 17% in the number of investments from IDA client companies in 2011. There was a record of 148 new investments won during the year across all industry segments and most encouragingly, there was an increase of 30% in the number of companies investing in Ireland for the first time.

The immediate outlook for Ireland's foreign direct investment portfolio is positive with a strong short term pipeline in place, with continued support from the Department of Jobs, Enterprise and Innovation. IDA Ireland has assured me that it is confident of securing further investments particularly in life-sciences which will include a number of capital intensive investments involving significant construction projects. Already since the beginning of the year, announcements have been made in relation to a major site expansion by Allergan with the creation of 200 jobs and Eli Lilly investing €330 million in a brand-new facility at its Kinsale

campus in Cork which will create 300 jobs during construction and 200 highly skilled employees when operational.

The pipeline from the ICT, International Financial Services, Digital Media and Business Services sectors is also strong in the short term with announcements by Accenture with the creation of 100 jobs, HP, Galway with the creation and support of 280 jobs and Pay Pal, Dundalk with the creation of 1,000 jobs.

I have every confidence that with continued strong support from Government and the Department of Jobs, Enterprise and Innovation IDA will continue to win investment for this country in the months and years ahead.

111. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the number of high skilled jobs provided in County Kildare on an annual basis over the past five years; and if he will make a statement on the matter. [11835/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** The figures in respect of jobs in Enterprise Development agency-supported companies and those supported by the County and City Enterprise Boards (CEBs) are compiled in the Forfás Annual Employment Survey and the CEB Annual Employment Survey respectively. The most up to date of these detail employment figures up until 2010. As the information is compiled on an annualised basis, the figures in respect of 2011 are not yet available.

The figures in respect of jobs in agency and CEB-supported companies are set out in Tables 1 and 2 accompanying this reply. There are no figures available specific to “high skilled” jobs.

Table 1

Number of persons employed in Agency-assisted companies in Co. Kildare

2007	2008	2009	2010
16,514	15,632	14,064	14,666

Table 2

Number of persons employed in CEB-assisted companies in Co. Kildare

2007	2008	2009	2010
1,004.5	975	897.5	932

112. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the number of jobs directly or indirectly supported or assisted through the Industrial Development Agency or the county enterprise board in both manufacturing and services throughout County Kildare in each of the past five years to date in 2012; and if he will make a statement on the matter. [11836/12]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Figures showing the number of jobs in County Kildare supported by IDA client companies and by the Kildare County Enterprise Board in the five year period 2007 to 2011 are set out in the attached tabular statement. Figures for 2012 will not be available until the end of the year.

One of the targets set out in IDA Ireland’s Strategy document “*Horizon 2020*” is the creation of 62,000 direct jobs in 640 investment projects in the period to 2014, which will result in

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105,000 new jobs overall in the economy, with 50% of investments being located in areas outside of Dublin and Cork. The Strategy also highlights that IDA Ireland will work with existing client companies operating in Ireland to transform the existing foreign direct investment (FDI) base in order to develop, retain and grow employment in these companies.

IDA's strategy for Kildare is to promote the county as part of an integrated East Region with access to a population base of 1.5 million people. The East region has 551 IDA supported companies employing 72,000 people of which almost 10,000 are employed in County Kildare. Kildare has a strong base of manufacturing companies with the majority performing well in a challenging environment e.g. Intel, Wyeth Medica, Braun, Hewlett Packard and Proctor and Gamble. IDA is actively engaged with all its existing client companies in Kildare highlighting the ongoing importance of upskilling and re-skilling and the need to add high value activities in order to ensure their ongoing development and sustainability for the long term. A recent announcement by Hewlett Packard that with IDA support it is proposing to recruit 150 research and development jobs to support global markets across its Irish operations in Kildare and Galway highlights this ongoing engagement and relationship with its existing client companies.

Meanwhile, Kildare County Enterprise Board provides support for micro-enterprises in the start-up and expansion phases, promotes and develops indigenous micro-enterprise potential and stimulates economic activity and entrepreneurship at local level.

In addition IDA is working with others in marketing suitable property solutions in Naas, Athy and Newbridge.

Table showing the number of people employed in IDA supported companies in County Kildare in each of the years 2007 to 2011

2007	2008	2009	2010	2011
11,123	10,610	9,127	9,937	9,958

Table showing the number of people employed in existing CEB supported enterprises in County Kildare in each of the years 2007 to 2011

2007	2008	2009	2010	2011
1,004	975	897	1,081	1,002

### Rural Social Scheme

113. **Deputy Dara Calleary** asked the Minister for Social Protection if an RSS scheme can complete work in a private residential housing estate; and if she will make a statement on the matter. [11752/12]

**Minister for Social Protection (Deputy Joan Burton):** An underlying aim of the RSS is to provide low-income farmers and fisherpersons with work-like opportunities, harness their skills and talents and apply these to the benefit of the local community. While the types of work that are undertaken are determined locally, it is a requirement of the RSS that the works are consistent with the terms and conditions of the scheme, that the placement provider is an eligible organisation and that other criteria, particularly in respect of displacement have been addressed. Unless the residents of private residential housing estates have formed an organisation which fulfils the eligibility criteria, it is not possible for work to be completed in such

estates. Specific details in regard to eligible organisations can be obtained from the Local Development Company operating in the area.

### **Tax and Social Welfare Codes**

114. **Deputy John O'Mahony** asked the Minister for Social Protection if she will commission an impact assessment on the effects of the austerity measures on the lives of persons with disabilities, in view of the very real link between disability and poverty; and if she will make a statement on the matter. [11660/12]

**Minister for Social Protection (Deputy Joan Burton):** My Department is preparing an analysis of the distributive and poverty impacts on families of the Budget 2012 tax and welfare package, in conjunction with the Department of Finance. This analysis is currently being finalised. I will arrange for the analysis to be published on the Department's website in March 2012, in line with the arrangements I put in place last year.

There are no plans to conduct any further assessments at this time.

115. **Deputy John O'Mahony** asked the Minister for Social Protection if she adequately dialogued with disability organisations prior to implementing cuts affecting the lives of persons with disabilities; and if she will make a statement on the matter. [11662/12]

**Minister for Social Protection (Deputy Joan Burton):** In my discussions with my colleagues in Government about measures announced in Budget 2012, I had regard to any views expressed by disability organisations as well as other welfare representative organisations generally. In this regard, I held a Pre-Budget Forum on 16th September 2011. This was attended by 34 organisations, including organisations representing people with disabilities, and I and my officials had the opportunity to listen carefully to the groups' proposals relating to Budget 2012.

### **Social Welfare Code**

116. **Deputy Brendan Griffin** asked the Minister for Social Protection if migraine will be recognised as a disability for those who suffer frequent and severe migraines; and if she will make a statement on the matter. [11665/12]

**Minister for Social Protection (Deputy Joan Burton):** Migraine is accepted as a certifiable medical condition. Eligibility to illness related benefit/allowance is determined by its severity and expected duration. The medical assessment is made in accordance with the Department's evidence based medical guidelines and protocols.

*Question No. 117 withdrawn.*

### **Social Welfare Benefits**

118. **Deputy Willie O'Dea** asked the Minister for Social Protection if she has been contacted by the Carer's Association in connection with the habitual residence condition; if she will advise the allowances available to carers as a result of section 180(2) of the Social Welfare (Consolidation) Act 2005; and if she will make a statement on the matter. [11668/12]

**Minister for Social Protection (Deputy Joan Burton):** The Carer's Association has been in contact with my office regarding the habitual residence condition for carers.

Carers allowance is a means tested social assistance payment made to persons who are unable to work because they are providing full time care and attention to elderly people or people with disabilities. Expenditure on carers has increased by 550% over the last ten years. In 2000,

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expenditure on carers by my Department was around €100 million compared to a provisional outturn in 2011, for carer's allowance, carer's benefit and respite care grant of some €658 million. This does not include the cost of the household benefits package or free travel which carers also receive. In 2011, there were almost 52,000 people in receipt of carers allowance from my Department; 22,000 of these were getting half-rate carers allowance in addition to another social welfare payment, an increase of almost 40% since 2008.

The habitual residence condition, as provided for in section 246 of the Social Welfare (Consolidation) Act, 2005 (as amended), applies to claims for jobseeker's allowance, non-contributory State pension, blind pension, non-contributory widow's and widower's pensions, guardian's payment, one-parent family payment, carer's allowance, disability allowance, supplementary welfare allowance including rent supplement, and child benefit. The effect of the condition is that a person whose habitual residence is elsewhere is not qualified for these payments in Ireland. The purpose of this condition is to safeguard the social welfare system from abuse by restricting access for people who are not economically active and who have little or no established connection with Ireland.

The legislation directs the deciding officer to take into consideration all the circumstances of the case, including, in particular, the following factors specified by the European Court of Justice:

1. The length and continuity of residence in the State or in any other particular country;
2. The length and purpose of any absence from the State;
3. The nature and pattern of the person's employment;
4. The person's main centre of interest; and
5. The future intentions of the person concerned as they appear from all the circumstances.

I have no plans to change this requirement for carer's allowance. The operation of the scheme is kept under review to ensure it operates fairly and that applicants are not being refused without full and appropriate consideration. There are a number of issues which contribute to rejection on HRC grounds. These include:

- The applicant's main centre of interest clearly being outside Ireland, including Irish nationals returning home who clearly indicate that their homes, lives and future intentions are out of this State and that their stay in Ireland is of a short duration;
- Failure to provide relevant documentation (such as proof that they have terminated their employment, residency, closed bank accounts abroad etc.) or no documentation at all;
- Clear evidence that an applicant is continuing to receive welfare from another jurisdiction based on their residency there, for example a person receiving disability living allowance based on their residency in Northern Ireland;
- Persons who make multiple applications in a very short time for different allowances such as jobseekers, disability and carers.

In 2011, 13,888 applications for carer's allowance were processed. Of these, 223 were refused on the basis of habitual residency, of which 42 were Irish nationals. This means that, in 2011, approximately 1.6% of all applications were refused on habitual residency grounds.

### Social Welfare Appeals

119. **Deputy Sandra McLellan** asked the Minister for Social Protection if she will expedite and approve an appeal for disability allowance in respect of a person (details supplied); and if she will expedite a decision. [11682/12]

**Minister for Social Protection (Deputy Joan Burton):** The Social Welfare Appeals Office has advised me that the disability allowance claim of the person concerned was disallowed following an assessment by a Medical Assessor who expressed the opinion that he was medically unsuitable for the allowance. An appeal was registered on 24 November 2011 and in accordance with the statutory procedures the relevant department papers and the comments of the Deciding Officer on the matter raised in the appeal have been sought. In that context, an assessment by another Medical Assessor will be carried out.

The Social Welfare Appeals Office functions independently of the Minister for Social and Family Affairs and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

### Pension Provisions

120. **Deputy Robert Troy** asked the Minister for Social Protection further to Parliamentary Question No. 196 of 6 December 2011, when a decision on the review will issue. [11685/12]

**Minister for Social Protection (Deputy Joan Burton):** The qualifying conditions for State pension (transition) require the applicant to:

- have entered insurable employment before attaining the age of 55 years,
- have at least 260 paid contribution weeks, since entry into insurance,
- have a yearly average of at least 24 paid/credited contributions.

According to the records of the Department, the person concerned has self-employment contributions paid from April 1989 to 2011. The Department does not have a record of the person concerned paying PRSI contributions as an employed contributor prior to that date.

Self-employment (S-class) PRSI is not a reckonable class of social insurance for State pension (transition).

A social welfare inspector has been requested to investigate the position relating to his employment as a mechanic during the period 1959 to 1980, and to confirm if any additional PRSI contributions would be due for this period. The person concerned will be contacted by the inspector next week to arrange an interview. When the investigation has been completed, his claim to State pension (transition) will be reviewed and he will be notified of the outcome without delay.

The person concerned satisfies the conditions for entitlement to a State pension (contributory) at 98% of the maximum rate, payable from age 66.

### Child Poverty

121. **Deputy Mick Wallace** asked the Minister for Social Protection her plans to address the rates of child poverty in Ireland, with more than 19% of children at risk of poverty and almost 9% of children living in consistent poverty; her views on the fact that measures introduced in Budget 2012 may result in an increase in these rates; and if she will make a statement on the matter. [8085/12]



122. **Deputy Mick Wallace** asked the Minister for Social Protection her views on the fact that budget 2012 introduced a series of measures that impact disproportionately on the poorest children; if she will outline her plans to address child poverty here in view of the fact that children are the group most at risk of poverty and are also the group most reliant on State support; and if she will make a statement on the matter. [8086/12]

**Minister for Social Protection (Deputy Joan Burton):** I propose to take Questions Nos. 121 and 122 together.

Plans to tackle child poverty are outlined in the National Action Plan for Social Inclusion 2007-2016 (NAPSincl) and in the Programme for Government. The Government is committed to achieving the targets in the NAPSincl to reduce the number of people experiencing poverty. These targets are currently being reviewed to ensure that they continue to be appropriate and achievable.

The highest rates of poverty are in jobless households and households that have limited engagement with the labour market, including lone parent and unemployed families. Children in jobless households are three times more likely to experience consistent poverty than children generally. A multidimensional approach to tackling child poverty is needed to take into account income supports, services and parental access to employment.

The Programme for Government sets out the framework to achieve the critical objectives of increasing employment, building sustainable economic growth and protecting the most vulnerable in society. Employment opportunities will be increased through labour market activation, skills training and education measures. New initiatives such as Pathways to Work will also facilitate especially those who have been long-term unemployed to re-enter the labour market.

In Budget 2012, the Government limited cuts in social welfare to households where there was additional income above the basic social welfare payment to avoid any general reduction in primary weekly payments. In standardising child benefit rates, the Government sought to introduce a more appropriate system of child income supports as balanced by unchanged payments providing additional child-related supports to families on low incomes.

This Department works closely with the Department of Children and Youth Affairs (DCYA) in relation to these issues. The development of the overarching Children and Young People's Policy Framework, 2012-2017, to guide the development and implementation of policy and services for children and young people in the State, will use cross-departmental collaboration to achieve its objectives. Early childhood care and education programmes, especially aimed at low income families, are priorities. The role of early intervention and support programmes for the most vulnerable children and their families will be enhanced in the context of the new Child and Family Support Agency under the DCYA. Programmes developed within the network of 107 family resource centres, funded through the DCYA and the results of three Dublin-based pilot projects to enhance children's development (jointly funded by the DCYA with a philanthropic organisation), will also inform the Government's plans to develop a new area

### **Social Welfare Appeals**

123. **Deputy Martin Ferris** asked the Minister for Social Protection the reason a person (details supplied) in County Limerick who is caring for their 79 year old mother, has been waiting more than eight months for a decision as to whether or not they are entitled to a carer's allowance when the medical problems that affect their mother are becoming more severe by the day. [11746/12]

**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 16 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 January 2012 and the appeal was assigned to an Appeals Officer for consideration on 27 January 2012. There was a significant increase in the number of appeals received by the Social Welfare Appeals Office between 2007, when the intake was 14,070, and 2010 and 2011 when the intake rose to 32,432 and 31,241 respectively. This has had a significant impact on the processing time for appeals. In order to be fair to all appellants, they are dealt with in strict chronological order. The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

### Social Welfare Benefits

124. **Deputy Eric Byrne** asked the Minister for Social Protection the amount and type of payments that a person (details supplied) in Dublin 12 receives from your Department on a weekly and monthly basis; the manner in which their eligibility for rent allowance is assessed; the amount this person receives; and if she will make a statement on the matter. [11766/12]

**Minister for Social Protection (Deputy Joan Burton):** The person concerned is in receipt of disablement pension at the weekly rate of €43.80 and one-parent family payment of €217.80 per week. She is also in receipt of rent supplement of €600.64 per month. This rate is calculated on the basis of her weekly one-parent family and disablement payments.

### Community Development

125. **Deputy Noel Harrington** asked the Minister for Social Protection if she will identify possible sources of additional funding for a community group (details supplied) available from her Department and or any of the agencies funded by her Department; and if she will make a statement on the matter. [11770/12]

**Minister for Social Protection (Deputy Joan Burton):** Under the Community Initiatives area of responsibility in the Department of Social Protection (ie Rural Social Scheme, Tús, Community Employment Schemes and Community Services Programme), there is no provision to provide direct funding by way of grants to organisations. In the case of the RSS and Tús, organisations may submit a work plan requesting participants to undertake certain works of benefit to the local community. Pending approval of the work plan, participants are assigned to undertake the work. Under the Community Services Programme, funding is offered as a contribution towards the costs of employing a number of workers. Companies are given flexibility in how and who they employ, in determining job descriptions, salary levels and progression. I understand that Goleen Community Playgroup Limited is funded by the Department of Children and Youth Affairs under the Community Childcare Subvention Scheme.

### Social Welfare Appeals

126. **Deputy John McGuinness** asked the Minister for Social Protection the status of an appeal for disability allowance in respect of a person (details supplied) in County Kilkenny, if she will expedite the appeal in view of the fact that it was lodged in September 2011; and expedite a response. [11776/12]

**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 14 October 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 2 February 2012 and the appeal will be assigned, in due course, 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 Fraud**

127. **Deputy Joanna Tuffy** asked the Minister for Social Protection the procedures in place for dealing with persons who may have received an overpayment in their social welfare payments; the way in which they can resolve the matter; if measures can be put in place to repay the amount to the Department by instalments; and if she will make a statement on the matter. [11781/12]

**Minister for Social Protection (Deputy Joan Burton):** My Department endeavours to seek the maximum level of repayments from clients, who have received payments in excess of what they were entitled to, in order to encourage prompt repayment of all debts. We are fully committed to recovering 100% of all overpayments, including those arising as a result of suspected fraud or error.

Effective debt recovery is seen an integral part of the deterrent to fraudulent claiming. Debt holders should be aware that a departmental debt will remain on their records until fully recovered and will result in a reduction of all future entitlements, up to and including state pension. Following the death of a customer who owes a debt, my Department has a claim on any estate remaining. Persons who have a debt and who are no longer dependent on social welfare are required to repay this debt as quickly as possible. My Department actively pursues the recovery of all overpayments, including the initiation of civil proceedings, where appropriate.

Where an overpayment has been assessed against a person, that person is afforded an opportunity to bring to the notice of the Department any views s/he wishes to offer on the assessment of the overpayment and their views on the proposed method of repayment.

In determining the actual amount to be repaid and the method of recovery the Department takes into account the personal circumstances of the person overpaid and the circumstances in which the overpayment occurred. Overpayments may be recovered by (i) withholding arrears due to the person, (ii) deduction from payments due to the person, (iii) payment of a lump sum by the person, (iv) regular payments by the person to the Department or (v) recovery from the person's estate.

When determining the rate of recovery, consideration is given to a number of issues, including the need to recover the overpayment as soon as possible but also ensuring that undue hardship is not caused to the person. The general approach is that the amount proposed is the maximum repayment that the person can afford in order to recover the overpayment as quickly as possible.

Most overpayments are recovered in instalments over a period of years, rather than in a single lump sum.

In the context of the Fraud Initiative 2011-2013 which I launched last September, the Department is reviewing its overall approach to debt recovery. A range of options are currently being examined with a view to both minimising overpayments and increasing the rate of recoveries. The consideration of all options has to be balanced of course, clearly taking into account the core income support and social inclusion purpose of social protection payments and any particular legal requirements.

### Departmental Offices

128. **Deputy Alan Farrell** asked the Minister for Social Protection if she will give an update on the acquisition of an appropriately located community welfare office in Dublin North, on which she had previously instructed the Office of Public Works to locate as an alternative to the current arrangement of residents having to travel to the current office in Gardiner Street, Dublin 1 to apply for certain benefits; and if she will make a statement on the matter. [11786/12]

**Minister for Social Protection (Deputy Joan Burton):** The Office of Public Works, on behalf of my Department, is in the process of acquiring suitable accommodation for the establishment of new public offices in Balbriggan and Swords as a matter of priority. All available options are being examined in the context of a viable accommodation solution, taking account of the operational needs of the Department, the service needs of the local community and also the need to demonstrate value for money to the taxpayer in the acquisition of property.

### Pension Provisions

129. **Deputy Kevin Humphreys** asked the Minister for Social Protection when the Social Welfare Bill will be published; when those who are approaching eligibility for partial State contributory pensions will receive clarification on their future entitlements in view of the fact that the lack of implementation of measures announced in Budget 2012 has created uncertainty for future financial planning; and if she will make a statement on the matter. [11787/12]

**Minister for Social Protection (Deputy Joan Burton):** The Social Welfare Act 2011, which was enacted on 19 December 2011, gave legislative effect to a number of social welfare measures arising from Budget 2012. It will also be necessary to bring forward a further Social Welfare Bill to enact a number of other measures announced in Budget 2012, which are due to take effect early in 2012. This Bill will also provide for a range of other amendments to the social welfare code arising from policy, administrative or operational matters. Work is currently underway on drafting the required legislative changes and it is envisaged that this Bill will be published towards the end of March 2012.

One of the measures announced in Budget 2012 is a change to the rates bands for the State contributory pension which is being introduced from September 2012. The changes to the rates bands, as outlined below, will not be included in this Bill but will be introduced by Regulation in advance of September 2012

With effect from September 2012, the rate band of between 20 and 47 yearly average contributions will be replaced with new rate bands of between:—

- (i) 40 and 47 yearly average contributions,
- (ii) 30 and 39 yearly average contribution and,
- (iii) 20 and 29 yearly average contributions.

[Deputy Joan Burton.]

Therefore, the rate of State pension (contributory) paid to new applicants will be appropriate to the average number of contributions paid over a working life. Those who have fewer contributions will receive a lower rate of pension. The maximum rate is unchanged as is the rate for those with yearly average contributions of between 40 and 47. While existing pension recipients are unaffected, the changes proposed will apply to new claimants from September 2012.

Claimants who qualify for a reduced rate of State pension (contributory) and who have income needs may qualify, depending on their means, for a higher rate of State pension (non-contributory). Details of the new rates bands for both State pension (transition) and State pension (contributory) are set out at the end of this reply. Customers will be notified of their future entitlements when their claim is processed. In general, applications for State pension transition (SPT) should be submitted at least 4-5 months before a person reaches his/her 65th birthday while applications for State pension contributory (SPC) should be submitted at least 4-5 months before reaching age 66. In advance of this a person can request a copy of their contribution records from the Central Records Section of the Department.

#### Changes to Rate Bands

##### New State Pension (Transition) Rates

Yearly Average Contributions	Personal Rate Per Week €
48 or over	230.30
40-47	225.80
30-39	207.00
24-29	196.00

##### New State Pension (Contributory) Rates

Yearly Average Contributions	Personal Rate Per Week €
48 or over	230.30
40-47	225.80
30-39	207.00
20-29	196.00
15-19	150.00
10-14	92.00

### Social Welfare Benefits

130. **Deputy Dominic Hannigan** asked the Minister for Social Protection the number of applications for domiciliary care for children with autism in County Meath that have been received in the years 2009, 2010 and 2011; the number of applications that were processed and approved in each of the years; the number that were processed and denied in each of these years; the number of applications that were appealed in each of these years; and if she will make a statement on the matter. [11837/12]

**Minister for Social Protection (Deputy Joan Burton):** The Department has been accepting new claims for domiciliary care allowance (DCA) since 1st April 2009. Statistics relating to the allowance for the period prior to April 2009 are a matter for the HSE, the previous administrators of the scheme.

Statistics relating to the outcome of applications for children with specific disabilities or conditions in individual counties are not held. While statistics relating to specific disabilities are not routinely compiled, sample statistics for decisions relating to applications for children with autism were previously collated for the period 1st April 2009 to 31st March 2011. During this period, a total of 920 domiciliary care allowance applications were processed with a medical condition within the autism spectrum. Of these, 507 (55%) were deemed to satisfy the qualifying criteria, with 413 (45%) not satisfying the criteria.

This compared to 46% of general applications satisfying the qualifying conditions in the same period.

Autism Spectrum Disorder is treated in the same manner as other disabilities or conditions under the scheme. Qualification for the scheme is not based on the disability of the child, but on the level of additional care necessary because of that disability.

The overall number of applications for DCA that were received, awarded and refused in each year from April 2009 to end 2011 is set out in table 1 below. Details in relation to appeals are set out in table 2.

Table 1 — Domiciliary Care Allowance applications — April 2009 to 2011

	Applications received	Applications fully processed in year	Applications allowed incl. on review*	Applications refused
2009 (from 1st April)	3,389	2,823	1,220	1,603
2010	5,457	5,333	2,576	2,757
2011	5,525	5,396	2,502	2,894

\*Includes cases initially disallowed but allowed on review following receipt of additional information.

Table 2 — Domiciliary Care Allowance Appeals — April 2009 to 2011

Year	Appeals registered	Appeals withdrawn (allowed on medical review)	Medical reviews outstanding on appeal	Appeals allowed	Appeals disallowed	Appeals outstanding
2009	836	189	0	293	353	1
2010	1,858	518	0	528	728	84
2011	2,270	424	293	220	421	912

### Social Welfare Appeals

131. **Deputy Jack Wall** asked the Minister for Social Protection the position regarding an appeal against the decision to refuse an application for invalidity pension in respect of a person (details supplied) in County Tipperary; and if she will make a statement on the matter.

[11848/12]

**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 15th October 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 16th January 2012 and the appeal will be assigned, in due course, 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.

[Deputy Joan Burton.]

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.

### Employment Support Services

132. **Deputy Richard Boyd Barrett** asked the Minister for Social Protection if it is her intention to have a database of all jobs available here; and the number that are currently available. [11850/12]

**Minister for Social Protection (Deputy Joan Burton):** The Department of Social Protection advertises vacancies notified to its employment service's job bank through its national call centre, and maintains a database of all such vacancies.

During 2011, in the region of 69,000 job opportunities were notified to the job bank (then operated by FAS) and a further 9,500 jobs have been notified in the first two months of 2012. Currently, (February 28), there are 4,500 job-offers open on the job bank.

Jobs notified to the service represent only a share of all vacancies that arise in the economy. For example, data in the European vacancy monitor published by the European Commission in January 2012 indicate that approximately 95,000 jobs were filled in Ireland in the three months April-June last year.

### Social Welfare Benefits

133. **Deputy Michael Moynihan** asked the Minister for Social Protection the impact on farmers of the changes concerning farm assist which arose in budget 2012 in relation to a reduction in the income disregards; and if she will make a statement on the matter. [7265/12]

**Minister for Social Protection (Deputy Joan Burton):** Support for farmers on low incomes is available through the farm assist scheme. While this means-tested payment is broadly similar to the jobseeker's allowance scheme, it has a more generous means test, which takes account of the specific nature of farming and, unlike jobseeker's allowance, farmers claiming this payment do not need to be available for work outside of the farm in order to qualify.

The changes to the scheme announced in Budget 2012 relate to the assessment of means from self-employment, including farming, which was raised from 70% to 85%. In addition, the deductions from assessable self employment income for children were halved to €127 per year for each of the first two dependent children and €190.50 per year for each subsequent child.

These changes, which are estimated to affect some 5,500 claimants, bring the conditions of the scheme closer to those of jobseeker's allowance. In this regard they also facilitate a move towards the introduction of the proposed single assistance payment for persons of working age.

### Child Support

134. **Deputy Richard Boyd Barrett** asked the Minister for Social Protection the way she will ensure the health and welfare of children in the State considering the specific cuts that have been made to one parent families in budget 2012. [8084/12]

**Minister for Social Protection (Deputy Joan Burton):** The payment rate for the scheme remains at €188 per week — with a further €29.80 per week for each additional qualified child. Until 2011, the OFP payment provided long-term income support to lone parents until children were aged 18, or 22 if in full-time education, without any requirement for them to engage in

employment, education or training. 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, of their children or of society.

Legislative changes were introduced to the OFP in the Social Welfare (Miscellaneous Provisions) Act, 2010. These came into effect on 27 April, 2011, and reduced the maximum age limit of the youngest child for receipt of the OFP to 14. Further changes to the maximum age limit of the youngest child for receipt of the OFP were announced in Budget 2012. There are no changes for existing customers until 2013 — after which revised phasing-out arrangements will come into effect. The OFP will also see a reduction, over five years, of the earnings disregard for new and existing claimants.

Social assistance and the structure and delivery of payments have a key role to play in terms of incentive and disincentive effects with regard to commencing/returning to work, education or training and extending employment. While supports are available to those in receipt of the OFP payment, these are not currently provided in a structured or systematic way.

The changes to the OFP scheme put in place a model that:

- prevents long-term dependence on social welfare support and facilitates financial 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 also move the scheme towards a single means-tested social assistance payment for people of working age, which is the Department's strategy with regard to means-tested income support. This payment will end the categorisation of customers, including lone parents, into different payment types and will instead focus on the person and on their individual capacities. People can then be given, or be directed to, the supports and services that they need in order to return to, or take up, employment, training or educational opportunities.

135. **Deputy Seán Crowe** asked the Minister for Social Protection the future role of child income supports under the proposal to roll out a single working age payment system in the social welfare system. [10026/12]

**Minister for Social Protection (Deputy Joan Burton):** The Department of Social Protection makes a number of payments to families with children which include child benefit, which is provided on a universal basis to all families. They also include payments to low income families including the family income supplement and qualified child increases to recipients of primary social welfare payments, both of which provide a level of assistance that is directly or indirectly linked with a household's income situation.

The principle of a single working age payment is to create a payment that would cover all people of working age including those who would currently be classified as unemployed, disabled, or parenting alone. The aim of the single payment is to give effect to the policy principle that people are given or directed to the supports or services that they need in order to return to or take-up work or other training or educational opportunities, matched by a requirement that they avail of that support. This approach would also provide an opportunity to address the current complexity of Ireland's social welfare assistance system by streamlining a number of different payments for people of working age. There are no plans to change the existing



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arrangements in relation to increases for qualified children in the context of a single assistance payment for people of working age.

In June 2011, an Advisory Group on Tax and Social Welfare was established to address a number of specific issues around the operation and interaction of the tax and social protection systems. The Group has been tasked with recommending cost-effective solutions as to how employment disincentives can be improved and better poverty outcomes can be achieved, particularly child poverty outcomes, and to identify the specific practical institutional and administrative improvements to their operation. The Advisory Group is currently prioritising child income support payments and will, thereafter, examine other issues, including consideration of working age income supports.

### **Airport Development Projects**

136. **Deputy Brian Walsh** asked the Minister for Arts, Heritage and the Gaeltacht his plans in relation to the development of terminal buildings at airstrips on Inishbofin and Cleggan, County Galway; and if he will make a statement on the matter. [11650/12]

**Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Dinny McGinley):** My Department has retained consultants to undertake the next step in the process of developing terminal buildings at the airstrips on Inishbofin and Cleggan in County Galway. This includes the detailed design and costing for the project. It is envisaged that this stage will be completed by April 2012.

### **Creative Economy**

137. **Deputy Regina Doherty** asked the Minister for Arts, Heritage and the Gaeltacht with regard to the creative economy programme, the numbers of projects that are running here at present; the location and the categories of same; the number of persons employed on these projects; the total amount of funding secured from the EU for same; the projected amount of the €70 million of funding that Ireland hopes to secure during the life of the programme; and the information that has been made available to interested community based groups regarding the creative economy programme. [11686/12]

**Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan):** The Deputy will appreciate that, at present, there are two EU programmes operating within the areas for which I have responsibility:

1. The Media Programme is the EU support programme for the European audiovisual industry and details are available at [www.mediadeskireland.ie](http://www.mediadeskireland.ie); and
2. The Culture Programme is the EU support programme for organisations working in the field of culture and details are available at [www.ccp.ie](http://www.ccp.ie).

Discussions are currently underway between the Member States and the European Commission on a new framework programme for the cultural and creative sectors. This will run from 2014 to 2020 and will be called the Creative Europe Programme. A budget of some €1,800 million is mooted for the new programme but this is not finalised and will have to be considered in the context of the overall EU Budget. It includes a proposal to amalgamate the current Culture and MEDIA programmes under a common framework and create an entirely new facility to improve access to finance.

### National Monuments

138. **Deputy Gerry Adams** asked the Minister for Arts, Heritage and the Gaeltacht the permanent monuments that exist to commemorate the Famine; and if he has given any consideration to developing a national permanent monument to commemorate the Famine. [11798/12]

**Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan):** As the Deputy will be aware, there are a number of memorials, monuments and plaques in towns and villages around the country, which were put in place to commemorate the Great Irish Famine. The Deputy will appreciate that it would not be feasible for me to name all such memorials.

In relation to the issue of a national permanent monument to commemorate the Famine, the Deputy will be aware that in 1996 the then Government invited nominations for a suitable location for a national memorial to commemorate the Great Famine and Murrisk in Co. Mayo was chosen as the appropriate site. Sculptor John Behan was commissioned by the Government to create a sculpture to commemorate the Great Irish Famine, which was unveiled by the then President of Ireland, Mary Robinson, in July 1997.

### EU Directives

139. **Deputy Brian Walsh** asked the Minister for Communications, Energy and Natural Resources the mechanisms in place to ensure manufacturers and distributors of light bulbs comply with the EU lighting directive; the penalties that may apply in a case of non-compliance; the recourse open to persons wishing to report failure by a company to comply with the directive; and if he will make a statement on the matter. [11649/12]

**Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte):** European Regulation No 244/2009 on the eco-design requirements for non-directional household lamps and Directive 98/11/EC on the energy labelling of household lamps set out requirements for implementing EU directives on eco design and energy labelling respectively. As the Minister responsible, my Department is the market surveillance authority for these directives and their associated implementing measures.

National legislation, in the form of Statutory Instruments (S.I.s) transposing the above Directives allows for the withdrawal, seizure, detention and in certain cases forfeiture and destruction of non-compliant products. Penalties and associated appeals procedures are specified in the transposing legislation.

A person guilty of an offence under S.I. No. 203 of 2011 (Eco Design Regulations) is liable:

- On summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or
- On conviction of indictment, to a fine not exceeding €250,000 or imprisonment for a term not exceeding 3 years or both.

A person guilty of an offence under S.I. No. 366 of 2011 (Energy Labelling Regulations) is liable:

- On summary conviction, to a class A fine, or
- On conviction on indictment, to a fine not exceeding €250,000.

My Department has recently submitted its section of the National Market Surveillance Programme for 2012-2013, coordinated by the Department of Jobs, Enterprise and Innovation,

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which sets out surveillance activities to monitor products, in order to verify compliance with the applicable directives. These activities include:

- Proactive inspections — inspections of retail sites for compliance with the directives;
- Reactive inspections — inspections of retail sites on foot of complaints from members of the public or from information provided by customs authorities or other member states;
- Product testing — testing of applicable products for compliance with the requirements of the Directives and associated implementing measures.

Specifically, in the case of light bulbs, my Department undertook a surveillance activity in 2011 in respect of compliance with Regulation 244/2009. Almost 150 retailers, manufacturers and distributors were contacted in respect of the aforementioned Directive and the majority have returned a Declaration of Compliance to confirm their compliance with the applicable Regulations.

All cases of suspected non-compliance should be reported to and will be investigated by my Department.

### **Housing Grants**

140. **Deputy Sandra McLellan** asked the Minister for the Environment, Community and Local Government the reason the Health Service Executive occupational therapist reports are not sufficient for local authorities when tenants need essential works carried out due to health issues; the reason that local authority housing tenants need an OT report when they must have this done by a private therapist at the cost of anywhere up to €300; if there is any funding available to persons that cannot afford to have this report done privately; if the community welfare officer can pay the occupational therapist and be reimbursed when the works are approved; and if he will make a statement on the matter. [11751/12]

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O’Sullivan):** My Department provides capital funding to local authorities to assist with the provision of necessary adaptations and extensions to their properties to meet the needs of tenants with a disability. It is a matter for the local authority to determine the nature and extent of the required works and to procure the necessary technical or professional services to ensure that the works are fit for purpose and designed and constructed in accordance with best practice.

My Department is not aware of instances where a local authority tenant would be required to obtain and pay for professional services, including reports from occupational therapists, in cases where adaptations or extensions are being undertaken by the local authority to the social housing stock.

### **Local Authority Charges**

141. **Deputy Michael McCarthy** asked the Minister for the Environment, Community and Local Government if a club (details supplied) is liable to pay the septic tank charge; and if he will make a statement on the matter. [11621/12]

**Minister for the Environment, Community and Local Government (Deputy Phil Hogan):** The Water Services (Amendment) Act 2012 applies only to domestic households. Owners of premises connected to a domestic waste water treatment system will be required to register

their system with the water services authority in whose functional area the system is located. Larger properties, such as sports clubs, hotels and guest houses etc., served by septic tanks or other on-site waste water treatment systems and discharging in excess of 5 cubic metres of sewage in any period of 24 hours, require a discharge licence under Section 4 of the Local Government (Water Pollution) Act 1977. Section 4 applies to direct discharges to waters and also to indirect discharges via percolation areas and soil.

### **Planning Issues**

142. **Deputy Timmy Dooley** asked the Minister for the Environment, Community and Local Government the person who has responsibility for the maintenance and management of services in estates where the builder is no longer in business; and if he will make a statement on the matter. [11657/12]

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O’Sullivan):** Section 180 of the Planning and Development Act, 2000 applies to estates which have been granted planning permission and includes the construction of two or more houses (which as defined in the Act includes apartments) and the provision of new roads, open spaces, car parks, sewers, watermains or drains.

In relation to estates which have been completed to the satisfaction of the planning authority in accordance with the permission, section 180 provides that the planning authority must if requested to do so by the developer or by the majority of the qualified electors who are owners of the houses involved, initiate the procedures in section 11 of the Roads Act 1993 for declaring the road(s) to be public roads, for whose maintenance the local authority will then be responsible.

Section 11 of the Roads Act empowers a local authority to, by order, declare any road over which a public right of way exists to be a public road. Before making an order the local authority must be satisfied the road is of general public utility, consider the financial implications of taking the road in charge and consult with the public/consider any objections received. The consideration of the objections and the making of the order declaring the road to be a public road is a reserved function, so that the decision whether to take the road in charge is ultimately one for the discretion of the elected members.

In relation to estates which have not been completed to the satisfaction of the planning authority and enforcement proceedings have not been commenced within the relevant period section 180 also provides that the planning authority must, if requested to do so by the majority of the owners, initiate the procedures in section 11 of the Roads Act. However, in this case the section provides that the provision in section 11 of the Roads Act requiring the authority to consider the financial implications of taking the road in charge shall be disregarded.

Section 180 also provides that where a planning authority, in complying with section 180, makes an order under section 11 of the Roads Act, it must also take in charge any open spaces, car parks, sewers, watermains, or drains within the attendant grounds of the development. Section 180 was amended in the Planning and Development (Amendment) Act 2010 to provide that a planning authority may take in charge an unfinished estate, at the request of the owners of the housing units, at any time after the expiration of the planning permission, in situations where enforcement actions have commenced or where the planning authority consider that enforcement action will not result in the satisfactory completion of the estate by the developer. Planning authorities have also been empowered to take in charge part of an estate or some, but not all, of the facilities in an estate.

### Community Development

143. **Deputy Noel Harrington** asked the Minister for the Environment, Community and Local Government if he will identify possible sources of additional funding for a community group (details supplied ) available from his Department and or any of the agencies funded by his Department; and if he will make a statement on the matter. [11772/12]

**Minister for the Environment, Community and Local Government (Deputy Phil Hogan):** While my Department does not directly fund the activity covered by the group in question, they may wish to contact their local development company, West Cork Development Partnership Ltd, who can examine ways in which they can be of support.

### Water Services

144. **Deputy Finian McGrath** asked the Minister for the Environment, Community and Local Government his views on a submission on public water utility (details supplied). [11792/12]

**Minister for the Environment, Community and Local Government (Deputy Phil Hogan):** A public consultation process on the Government's proposals for the establishment of a new public water utility and the proposed approach to water charges and water metering concluded on 24 February. My Department received more than 300 submissions and these are now being considered.

The approach to be taken for the installation of meters in different household types, including those outlined in the Question, is under consideration by my Department. The Government plans to fund the metering programme through a commercial loan from the National Pensions Reserve Fund. In relation to leakage, water conservation measures have been given priority within my Department's Water Services Investment Programme 2010-2012 which provides for contracts for water main replacement/rehabilitation to the value of some €321m to commence in the programme period.

### Local Authority Charges

145. **Deputy Thomas P. Broughan** asked the Minister for the Environment, Community and Local Government if the Dublin City Manager briefed him on the €500 fire services call out charge; if he gave Dublin City Council approval to charge for calling out Dublin Fire Brigade; and if he will make a statement on the matter. [11812/12]

**Minister for the Environment, Community and Local Government (Deputy Phil Hogan):** Local authorities are permitted, under statute, to charge fees in relation to the services they provide. I do not have any role in approving or consenting to the levying of such charges.

Most fire authorities have had charges in place for their fire brigade services for many years. In the case of Dublin, I understand that additional charges were introduced in respect of fire service responses in the four Dublin local authorities in 2012, and that the money recouped through charges for services is only a small proportion of the overall cost of providing fire services. The full costs of the services are met by the local authorities through a range of income sources, including commercial rates, charges for services to commercial properties, Government grants and subsidies, the household charge and the charge on non-principal private residences.

In many cases, the householder/premises owners are covered for recouping charges for attendance of the fire brigade at incidents such as house fires, road traffic accidents and hay barn fires from relevant home, motor, and farm insurance policies.

Most fire authorities operate waiver schemes in respect of call-out charges; each case is considered on its merits, and partial waivers and deferred payment options are considered as appropriate.

### Departmental Agencies

146. **Deputy Dara Calleary** asked the Minister for Justice and Equality his plans for the future of the Equality Authority offices based in Roscrea, County Tipperary; and if he will make a statement on the matter. [11753/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** I wish to refer the Deputy to my reply below to Parliamentary Question No. 181 of 23 February 2012. The position is unchanged since then:

The future of the Equality Authority's Roscrea Office is being considered by a working group set up to advise me on issues relating to the amalgamation of the Human Rights Commission and the Equality Authority. A decision on its future will be taken once the working group has reported with its recommendations. I expect that the working group will shortly complete its work.

### Departmental Offices

147. **Deputy Dara Calleary** asked the Minister for Justice and Equality his plans for the future of the Garda Ombudsman offices based in Roscrea, County Tipperary; and if he will make a statement on the matter. [11754/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** I am informed by the Garda Síochána Ombudsman Commission that they do not have offices in Roscrea, Co. Tipperary. While it was the original intention to open an office in Roscrea under the decentralisation programme, suitable office accommodation could not be found. The Commission's senior management team decided that, because of the geographical distribution of the caseload of the Southern Region Team, the formal establishment of an office in Cork city would be more cost-effective than operating a team from Roscrea. Following consultation with the Probation and Welfare Service, agreement was reached that the Ombudsman Commission could avail of a suitable space in its premises in Cork. The Roscrea decentralisation project was subsequently postponed indefinitely. It is the experience of GSOC's Senior Management Team that the existing arrangement of locating an investigations team in Cork has proved to be a prudent business decision with regard to the efficiencies achieved, customer service provided, geographical spread of investigative staff achieved and the financial savings realised.

### Prison Committals

148. **Deputy Patrick Nulty** asked the Minister for Justice and Equality the number of committals to prison for non-payment of fines and non-payment of debt in 2011; if he will provide comparative figures for the previous three years; and if he will make a statement on the matter. [11622/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** A breakdown of the number of committals imprisoned for non-payment of fines and non-payment of debt for each of the years 2008, 2009, 2010, 2011 is set out in the following table.

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Year	Fines	Debtors
2008	2,520	255
2009	4,806	162
2010	6,683	5
2011*	7,514	35

\* The 2011 figures are provisional pending the publication of the Irish Prison Service Annual Report.

I can advise the Deputy that the number of such persons held in custody at any one time is a tiny fraction of the overall prisoner population. To illustrate this point, on 28 February, 2012, there were 27 (26 Fines, 1 Debtor) persons or 0.63 percent of the numbers in prison custody that fell into this category. As I explained recently in response to a separate Parliamentary Question, the Fines Act 2010 includes a number of provisions designed to minimise the level of fine default and where it does occur, to ensure, as far as possible, that fine defaulters are not committed to prison. In particular, under Section 14 of the Act, the court must consider the financial circumstances of the person before the amount of the fine is determined. There are also provisions in the Act, that I intend to commence in 2012, allowing for the payment of fines by instalments; the appointment of receivers to recover outstanding fines (or property to the value of those fines); and the substitution of community service orders for fines, where they remain unpaid after the receiver has completed his or her work.

I am also committed to pursuing alternatives to custody. The Criminal Justice (Community Service) (Amendment) Act 2011 commenced on 1 October last and requires judges when considering imposing a sentence of imprisonment of 12 months or less to first consider the appropriateness of community service as an alternative to imprisonment. I expect that these measures, taken together, will all but eliminate the need to commit persons to prison for non-payment of fines.

### Courts Service

149. **Deputy Dara Calleary** asked the Minister for Justice and Equality the number of staff in the Probate Service due to retire by 29 February; if he will outline on a county basis the current waiting time for probate; and if he will make a statement on the matter. [11652/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** The Probate Office is an office of the High Court. Under the provisions of the Courts Service Act 1998, management of the courts is the responsibility of the Courts Service which is independent in exercising its functions. However, in order to be of assistance to the Deputy, I have had enquiries made and the Courts Service has informed me that in Dublin probate is dealt by the Principal Probate Registry in the High Court where one officer is to retire by 29 February 2012. The Courts Service has informed me that waiting time for probate applications in the Principal Probate Registry (Dublin) have significantly improved. Substantial efforts were made in the course of 2011 to address waiting times for the personal applicant which have resulted in waiting times reducing from approximately 26 weeks last year to 10 weeks currently. Applications from solicitors currently take about 3-4 weeks. In addition there are 14 District Probate Registries located outside Dublin. These registries are attached to the Circuit Court Offices. Officers assigned to the District Probate Registries also have responsibility for other aspects of circuit court work. I am informed that the waiting times for District Probate Registries are not readily to hand but are being compiled and I will arrange to have them forwarded to the Deputy as soon as possible.

The Court Service has informed me that the impact of staff retirements on the provision of services will vary between court offices depending on the numbers retiring and the skill sets available in each office. The Service has put in place contingency plans which are being customised to meet the needs of individual offices. These plans include technical skills training to address the skills and knowledge deficit resulting from retirements. The following table sets out the overall number of staff retiring by 29 February 2012 in each Circuit Court office which has a District Probate Registry and the number of staff retiring who are currently assigned to the District Probate Registries.

Circuit Court Office	Number of retirements in each Circuit Court Office	Number of retirements from officers currently assigned to Probate Section in each Circuit Court Office
Mayo	0	0
Cavan	2	1
Tipperary	3	1
Cork	0	0
Louth	1	0
Galway	4	1
Kilkenny	1	1
Donegal	0	0
Limerick	2	0
Westmeath	0	0
Sligo	0	0
Kerry	4	1
*Waterford	2	0
Wexford	0	0
Total	19	5

\*Waterford is now a combined Court Office.

150. **Deputy Dara Calleary** asked the Minister for Justice and Equality the number of staff in the Courts Service due to retire by 29 February; the impact of these retirements on court services; and if any court services will be closed or curtailed during 2012. [11653/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** As the Deputy will be aware, under the provisions of the Courts Service Act 1998, management of the courts is the responsibility of the Courts Service which is independent in exercising its functions. However, in order to be of assistance to the Deputy, I have had enquiries made and the Courts Service has informed me that 53 staff members will have retired between 1 January and 29 February, 2012, bringing to 121 the total number to have retired from the Courts Service through age related or cost neutral early retirements in the period since 1 Feb 2010. The Court Service have put in place a series of work force planning measures over the last three years to ensure that available resources are deployed to best effect including the centralisation of processes, creation of multi-jurisdictional combined court offices, rationalisation of court venues and offices, rationalisation and standardisation of court procedures and an on-going review of resource allocation, including redeployment to front line services.

The Court Service have in place specific plans to address the immediate transition period following the 29 February 2012. These include the filling of key operational and front line posts, increased use of lateral transfer to fill such posts, increased flexibility in the use of staff resources; and redeployment of resources from other Government Departments and agencies



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where permissible. In addition, the Courts Service will continue to work closely with Court Presidents to ensure that court sittings are maintained. This will, in some instances, result in some restrictions on public access to services where resources are prioritised to allow for continuance of sittings.

I am sure the Deputy will appreciate that the Courts Service, in common with all other public sector organisations, is obliged to ensure that resources are deployed to best effect to ensure continuity of service with reduced budgets and resources. Greater flexibility in the deployment of available resources will be critical in maintaining the delivery of front line court services. All court facilities are subject to ongoing review and no court venue or office is excluded from this process.

### **Departmental Bodies**

151. **Deputy Dara Calleary** asked the Minister for Justice and Equality the number of staff in the Property Registration Authority due to retire by 29 February; the impact of these retirements on services; and if he will make a statement on the matter. [11654/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** In the period between 01 January and 29 February 2012 a total of 11 staff in the Property Registration Authority have retired or are due to retire. I am advised that the Authority has put arrangements in place to ensure the continued provision of services following staff retirements taking place up to end of February. The Authority is endeavouring to realign responsibilities in all areas to deal with the loss of staff through retirements. Cross functional teams have been set up to process specific areas of casework, on-line services have been extended to free-up staff, areas have been identified in which processes and workflows can be improved and organisational rationalisation has been discussed with Unions. A business case will be made to fill critical posts and an impact analysis exercise to deal with potential loss of legal expertise over the next four years is also planned.

152. **Deputy Dara Calleary** asked the Minister for Justice and Equality the number of staff in the Legal Aid Board due to retire by 29 February; the impact of these retirements on services; and if he will make a statement on the matter. [11655/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** In the period between 01 January and 29 February 2012 a total of 6 staff in the Legal Aid Board have retired or are due to retire. While the loss of any staff will have an impact on services, the Board is continually reviewing its service delivery processes with a view to ensuring that services are provided as efficiently and effectively as possible. In this regard, the Board intends to introduce a new “Triage” system which will be piloted initially in up to eight of the Board’s law centres, commencing in March. The main purpose of this initiative is to ensure that clients will be offered an initial appointment with a solicitor for legal advice within a month of applying for legal services. The operation of the Triage system will be critically reviewed on an on-going basis to determine its impact on service provision, including the extent to which clients can be referred to alternative dispute mechanisms, such as mediation, where appropriate. It is envisaged that the approach will be extended nationwide later in the year by the Board. I welcome in particular this approach of seeking alternative means of addressing disputes which might otherwise end up before the Courts which is consistent with Government policy in relation to the resolution of disputes through conciliation and mediation rather than through litigation, where possible.

### **Prison Visiting Committees**

153. **Deputy Dara Calleary** asked the Minister for Justice and Equality if he will outline all appointments made by him to Prison Visiting Committees since 9 March 2011. [11656/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** I have made 30 appointments to Prison Visiting Committees since 9 March, 2011, details of which are set out in the following table. The Deputy may wish to note that I am still in the process of making further appointments and writing to the people concerned informing them of their appointment.

Name	Visiting Committee
Rita Hayes	Arbour Hill
Abdullah Bulbulia	
Wilhelmina Daly	
Dermot O'Connell	Cork
Mary Loughnane	
Margaret O'Keefe	
Noel Cloak	Dóchas Centre
Bernie Donnelly	
Mary Elliott	
Mary Prendergast	Limerick Prison
John Higgins	
Val Rooney	
Kathleen Richey	Loughan House
Andrew Cullen	
Patrick Boyle	
Joe Aherne	Mountjoy
Richard Codd	Shelton Abbey
Gerry Delaney	
Margaret Shortt	
Thomas Gregan	
Denis Murphy	St. Patrick's Institution
John (Sean) Lyons	
Emma Muldowney	
Niall Counihan	
Sadie Jordan	Training Unit
Fintan Kelly	
Deirdre Kenneally	
Noel Turley	
Betty Gleeson	Wheatfield
Stewart Stephens	

### **Garda Equipment**

154. **Deputy Michael Healy-Rae** asked the Minister for Justice and Equality his views that senior members of the Garda Representative Association have stated that the cuts could leave Ireland vulnerable to a massacre on the scale of Norway's Utoya atrocity and that officers need armed capability even if it is never used; if he will confirm that he is proposing to reduce the number of firearms available and thus cutting costs by €2.7 million a year; and if he will make a statement on the matter. [11759/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** The carrying of firearms by Garda personnel is an operational matter for the Garda Commissioner. In that context the Commissioner determines the number of Garda members to whom firearms are issued without

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reference to either myself or my Department. The Garda authorities have indicated that at present the armed capability of Garda members is provided by District Detective Units supported by National Units. In addition, they have put in place specific arrangements to co-ordinate Garda armed response measures throughout the country. These arrangements include special responses to deal with emergency type situations. In view of the operational nature of the functions involved it would not be appropriate for me to comment in further detail on how the relevant resources might be deployed. The Garda authorities have also informed me that the armed capability of Garda members is kept under on-going review.

### **Garda Transport**

155. **Deputy Michael Healy-Rae** asked the Minister for Justice and Equality his views on whether gardaí will have to revert to using bicycles to patrol their areas in the absence of any transport being provided to them, in view of the fact that a total of 71 marked patrol cars were taken out of the system in the past six months after reaching the 300,000 km limit and no new cars were purchased to replace them; and if he will make a statement on the matter. [11760/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** The provision and deployment of Garda resources, including transport, is a matter for the Garda Commissioner.

I am advised by the Garda authorities that an order for 40 new Garda cars has recently been placed and that these vehicles are currently being rolled out. In addition, a tendering process is under way to put in place a contract which will allow for the provision of further Garda vehicles. This is a matter that will be pursued in the light of An Garda Síochána's operational priorities and the availability of financial resources.

I am further informed by the Garda authorities that a full and comprehensive policing service is being delivered throughout the country. They have also confirmed that the relevant policing arrangements are being kept under on-going review to ensure that optimum use is made of Garda resources.

### **Garda Stations**

156. **Deputy Martin Ferris** asked the Minister for Justice and Equality if he received correspondence (details supplied) in relation to the closure of the Garda station in Moyvane, County Kerry; and if he has had a chance to reply to their letter and respond to each of the points they raised. [11761/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** Correspondence on behalf of Moyvane Developments Association was received in my Department on 26 January and 8 February. A Report has been requested from the Garda Commissioner on certain specific points raised by the Association and a full reply will issue upon receipt of this additional information.

### **Departmental Funding**

157. **Deputy Noel Harrington** asked the Minister for Justice and Equality if he will identify possible sources of additional funding for a community group (details supplied) available from his Department or any of the agencies funded by his Department; and if he will make a statement on the matter. [11774/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** Unfortunately, given the overall resource constraints that my Department is currently operating under, I must inform the

Deputy that my Department does not have an allocation out of which funding can be made available to the group in question.

### **Garda Operations**

158. **Deputy Thomas P. Broughan** asked the Minister for Justice and Equality if he will report on Garda Operation Shannon; the number of vehicles recovered; the number of persons arrested and charged to date; the number of successful convictions secured to date; the cost of the operation to date; the number of gardaí involved; if this operation is still active; and if he will make a statement on the matter. [11813/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** In the time available it has not been possible for the Garda authorities to supply the information requested by the Deputy. I will be in contact with the Deputy when the information is to hand.

### **Closed Circuit Television Systems**

159. **Deputy Thomas P. Broughan** asked the Minister for Justice and Equality if he is concerned with the number of security camera systems in the Dublin city area that are reportedly not working; if he is considering introducing new guidelines or a national strategy on the operation of CCTV and security camera systems around the country; and if he will make a statement on the matter. [11821/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** A Community-Based CCTV Scheme was launched in 2005 to provide financial assistance to community-based groups towards the capital costs of establishing a Community CCTV System. To date 45 such CCTV Systems have been awarded funding under this Scheme.

The operation and maintenance of such CCTV Systems is a matter for each community based group and is governed by the Code of Practice for Community Based CCTV Systems. This Code of Practice includes the requirement to ensure that CCTV cameras are properly maintained and repaired.

Separate Garda CCTV systems are in operation throughout the country and I understand that they are functioning effectively.

Responsibility for the maintenance and repair of other CCTV Systems is a matter for the relevant operator.

### **Criminal Prosecutions**

160. **Deputy Martin Ferris** asked the Minister for Justice and Equality the proportion of successful cases taken by the Garda for assault against members of the Garda before a judge (details supplied). [11846/12]

**Minister for Justice and Equality (Deputy Alan Shatter):** As the Deputy will be aware, I have no role in the investigation or prosecution of cases. It is the function of the Garda to investigate alleged offences, to gather whatever evidence may be available and to submit a report to the Director of Public Prosecutions. The question of whether a person should be prosecuted and for what criminal offence is the responsibility of the Director of Public Prosecutions, who is independent in the performance of her functions.

In relation to the Court proceedings to which you refer, the position is that the Courts are, subject only to the constitution and the law, independent in the exercise of their judicial functions and the conduct of any court case is a matter entirely for the presiding judge. It is not

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open to me to comment or intervene in any way in relation to how particular proceedings are conducted or on the outcome of those proceedings.

### Grant Payments

161. **Deputy Jim Daly** asked the Minister for Agriculture, Food and the Marine the position regarding the agri-environment options scheme in respect of a person (details supplied); when payment will issue; and if he will make a statement on the matter. [11667/12]

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** The person named was approved for participation in the Agri-Environment Options Scheme with effect from the 1st November 2010.

Under the EU Regulations governing the Scheme and other area-based payment schemes, a comprehensive administrative check, including cross-checks with the Land Parcel Identification System, have to be completed before any payment can issue. During these checks a query arose in respect of land parcels declared which will require digitisation of the areas concerned. This is being dealt with by my Department at present and once the digitisation process is completed, the application will be processed with a view to making payment at the earliest opportunity.

Payment in respect of the 2011 Scheme year is subject to a similar administrative checking process which includes verification of capital investment through checks on receipts. During these checks queries were identified in relation to the capital expenditure claim of the person named. My Department has issued a letter to the person named regarding this matter and will process the application further upon receipt of a response to these queries.

### Global Strategic Framework

162. **Deputy Robert Dowds** asked the Minister for Agriculture, Food and the Marine if he will prioritise small scale farmers, especially women, in developing countries, in his submission to the UN Global Strategic Framework for Food Security and Nutrition process in April 2012. [11676/12]

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** The first discussions on the Global Strategic Framework will be held at the FAO Regional Conferences. The European Regional Conference, which my Department will be attending, will take place in April in Baku, Azerbaijan and will be an opportunity for Ireland to feed into the process and to influence the consensus ERG position to be formulated.

Ireland's submission will be prepared by my Department in consultation with our colleagues in the Department of Foreign Affairs and Trade. While our submission has yet to be completed, I can assure you that it will be very supportive of smallholder farmers, particularly women, in developing countries. Our submission will be informed by the 2008 Hunger Task Force Report, which recommended three priority areas for Ireland in its efforts to address global hunger: 1) support to smallholder farmers, particularly women, in Africa; 2) addressing maternal and infant undernutrition, and 3) strengthening international political commitment to addressing Hunger.

Ireland has made steady progress in implementing the Hunger Task Force recommendations. Through our overseas development programme, Irish Aid, we support a comprehensive range of programmes to sustainably improve food and nutrition security of the poorest and most vulnerable. For example, in Malawi, we support smallholder farmers' organisations to improve soil fertility and diversify to more nutritious crops; in Tanzania, we support smallholder farmers' access to better farm inputs such as seeds and fertiliser; and in Lesotho, we support small-

holder farmers to develop vegetable gardens to improve household nutrition. At the international level, we work to ensure that global agricultural research is focused on the needs of women smallholder farmers, and that research outputs are readily available to the poorest farmers.

The *UN Global Strategic Framework for Food Security and Nutrition* is another opportunity to further Ireland's work in this area, and I look forward to engaging with it.

163. **Deputy Robert Dowds** asked the Minister for Agriculture, Food and the Marine if he will attend the meeting of the UN Committee on World Food Security in October 2012 in Rome, at which the Global Strategic Framework for Food Security and Nutrition will be approved, demonstrating that Ireland is a leader in protecting small scale farmers. [11677/12]

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** A full meeting of the UN Committee on World Food Security takes place every October and is attended by my officials and officials from the Department of Foreign Affairs and Trade. October of this year. A decision on Ministerial attendance will be taken closer to the event.

### Knackery Industry

164. **Deputy Maureen O'Sullivan** asked the Minister for Agriculture, Food and the Marine if he will revoke the licence of a knackery which, located next to a preschool centre for children with special needs and public residences, is apparently in breach of European Communities (Knackery) Regulations, 1996 which state that the owner of a licensed knackery shall, subject to Regulation 11(1), ensure that the premises of the knackery is adequately separated from the public highway and other premises. [11758/12]

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** Knackeries are approved and supervised by my Department in accordance with Animal By-Product (ABP) Regulations (EC) No. 1069/2009 and Regulation (EC) No 142/2011, which lay down the health rules as regards the use and disposal of ABP and superseded the regulations referred to by the Deputy.

All such establishments are inspected on a risk basis by officials of my Department to ensure that the conditions attached to their ABP approvals are adhered to and that any non-compliances identified by the inspectorate in relation to the above regulations are addressed immediately.

Issues relating to noise pollution and odours from such premises are a matter for environmental rather than ABP regulation, which in this case is administered by the Local Authority.

### Forestry Sector

165. **Deputy Catherine Murphy** asked the Minister for Agriculture, Food and the Marine in the event of the sale of the forestry assets of Coillte, the steps he will take to ensure that the open forestry policy of Coillte, which facilitates recreational use of these forests, will continue; and if he will make a statement on the matter. [11795/12]

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** As announced by the Government last week, consideration will be given to the sale of some assets of Coillte, excluding the sale of land, when market conditions are favourable and at an acceptable price to Government. A valuation of Coillte assets is currently being undertaken by the NTMA (NewERA unit) in conjunction with my Department and the Department of Public Expendi-

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ture and Reform. No decision on the possible sale of Coillte assets will be taken until the valuation process is completed.

I am conscious that Coillte's forests provide a range of recreational opportunities for the general public continuing a long tradition of open access to state owned forests. I am aware that this is a very significant issue of concern for the general public, therefore public access to recreational land will be an important consideration in the decision-making process regarding the potential sale of such assets.

### Land Act Trusts

166. **Deputy Sean Fleming** asked the Minister for Agriculture, Food and the Marine if he will provide the information in relation to trusts (details supplied); and if he will make a statement on the matter. [11804/12]

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** The overall number of trusts set up under the Land Purchase Acts, which are currently in existence is 151.

The number of Land Act trusts that ceased to be operative under the provisions of section 30 of the 1950 Land Act for each of the last five years are as follows:

Year	No. of Land Acts
2012	1
2011	13
2010	12
2009	29
2008	40
2007	63

There are 6 Land Act trusts still in operation in County Laois, details as follows:

Table	
The Harps GAA Club	folio 8286
Cullohill GAA Club	folio 4457F
Clonin Sportsfield	folio 12391
Castletown Sportsfield	folio 16345
Trumera Sportsfield	folio 6794F
Srahcullen Trust	folio 3555

The following Land Act trusts have ceased to be operative in County Laois in the last 5 years are as follows:

Table		
2012	Ballinakill GAA Club	folio 12665
2011	Clonaslee St. Manmans GAA Club	folio 12588
	Trumra GAA Club	folio 7375F
2009	Slieve Bloom GAA Club	folio 18900F
	Mountmellick GAA Club	folio 19624F
2008	Ballylinan GAA Club	folio 13830

Table

2007	Timahoe GAA Club	folio 5320F
	Shanahoe GAA Club	folio 17698F
	O Dempsey's GAA Club	folio 15023
	Milltown St. Joseph's GAA Club	folio 12315
	Killeshin GAA Club	folio 2324F
	Kellaville GAA Club	folio 12675

### Child Care Services

167. **Deputy Michael McCarthy** asked the Minister for Children and Youth Affairs if she will advise on possible funding streams available to a child care facility (details supplied); her views on where it can source additional funding; and if she will make a statement on the matter. [11809/12]

168. **Deputy Noel Harrington** asked the Minister for Children and Youth Affairs if she will identify possible sources of additional funding for a community group (details supplied ) available from her Department and or any of the agencies funded by her Department; and if she will make a statement on the matter. [11769/12]

**Minister for Children and Youth Affairs (Deputy Frances Fitzgerald):** I propose to take Questions Nos. 167 and 168 together.

The Government currently supports the provision of early childhood care and education through three support programmes — the Early Childhood Care and Education (ECCE) programme, the Community Childcare Subvention (CCS) programme and the Childcare Education and Training Support (CETS) programme. These programmes are implemented by my Department.

The service referred to is participating in two of the aforementioned programmes.

Under the Community Childcare Subvention (CCS) programme, which supports community-based childcare services, enabling them to provide childcare at reduced rates to disadvantaged and low income families, funding of €10,569 for the academic year 2011/12 has been approved for this service. This funding is based on the income profile of the parents and the level of service provided to their children.

The service is also participating in the Early Childhood Care and Education (ECCE) programme providing a pre-school year to all eligible children in the year before commencing primary school. This service has received capitation funding of €13,932 to date to provide for the first 27 weeks of the school year 2011/2012 with a further payment due at the end of March, which will provide for the remaining 11 weeks of the school year.

My Department also implements the Childcare Education and Training Support (CETS) programme. The purpose of the CETS programme is to support parents on eligible FÁS and VEC courses by providing free childcare places to them. There is an opportunity for all services that provide full day care to participate in this programme. Also afterschools which are open all year round are eligible to apply. However, I understand that the service referred to by the Deputy does not currently offer the type of service required for eligibility for the CETS programme.

In December 2011, the Government announced a new National Childcare Investment Programme (NCIP) Capital Funding 2012 grant. This grant will provide capital funding of €6m this year to both community and private childcare providers currently participating in one or more



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of the above funding programmes: CCS programme; CETS programme and ECCE programme. The funding is available for small maintenance/renovation work or equipment and the maximum grant available to qualifying applicants is €50,000.

Funding of €250,000 has been allocated under the Parent and Toddler initiative for 2012 and the City/County Childcare Committees will administer this funding on behalf of my Department.

There is no further funding available to my Department to support childcare services at this time.

### Departmental Staff

169. **Deputy Thomas P. Broughan** asked the Minister for Children and Youth Affairs the number of persons employed by her by grade; and if she will make a statement on the matter. [11817/12]

**Minister for Children and Youth Affairs (Deputy Frances Fitzgerald):** The numbers employed by grade at my Department are contained in the following table:

Table	
Secretary General	1.00
Deputy Secretary	1.00
Assistant Secretary	1.00
Director	1.00
Special Advisor to the Minister	2.00
Principal Officer and Equiv Grades	12.30
Assistant Principal and Equivalent Grades	24.93
Personal Secretary to the Minister	1.00
Personal Assistant to the Minister	1.00
Higher Executive Officer	23.23
Administrative Officer	4.00
Executive Officer	26.73
Staff Officer	2.40
Civilian Driver to the Minister	2.00
Clerical Officer	25.80
Services Officer	3.00
Total	132.39

### Health Services

170. **Deputy Finian McGrath** asked the Minister for Health if she will review a case in respect of a person (details supplied). [11856/12]

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** As the Deputy's question relates to service matters, I have arranged for the question to be referred to the Health Service Executive for direct reply to the Deputy.

### Home Help Service

171. **Deputy Michael McCarthy** asked the Minister for Health his views on proposed changes

to hours worked by home helps; the measures he will take to ensure that such changes will not drive persons into nursing homes; and if he will make a statement on the matter. [11613/12]

**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.

### Nursing Education

172. **Deputy Noel Coonan** asked the Minister for Health the number and location of return-to-practice courses available nationwide for nurses wishing to return to the occupation; the number of spaces available; when more courses will come on stream; and if he will make a statement on the matter. [11614/12]

**Minister for Health (Deputy James Reilly):** As the number and location of return to practice courses available nationwide for nurses wishing to return to the occupation, is a matter for the HSE, this query has been forwarded to it for direct reply to the Deputy.

### Medical Cards

173. **Deputy David Stanton** asked the Minister for Health the number of applications for medical cards which are awaiting a decision; the average processing time for both renewal and new applications respectively; and if he will make a statement on the matter. [11615/12]

**Minister of State at the Department of Health (Deputy Róisín Shortall):** I have asked the Health Service Executive for a report on the issue raised by the Deputy. I will revert to the Deputy on the matter as soon as possible.

### Health Services

174. **Deputy Ciarán Lynch** asked the Minister for Health if he will confirm that there will be no disruption to day care centre services (details supplied) due to staff retirements under the public service arrangements; and if he will make a statement on the matter. [11618/12]

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** As this is a service matter it has been referred to the Health Service Executive for direct reply.

### Medical Cards

175. **Deputy Paul J. Connaughton** asked the Minister for Health when a person (details supplied) will receive a decision on his application for a medical card; and if he will make a statement on the matter. [11619/12]

**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.

176. **Deputy Martin Ferris** asked the Minister for Health the reason a 70 year old person (details supplied) has to produce evidence of fire and contents insurance of their house when applying for a medical card when this is not asked for in the medical card application form; and if he will make a statement on the matter. [11620/12]

**Minister of State at the Department of Health (Deputy Róisín Shortall):** Under the Health Act 2008, the income thresholds for entitlement to a medical card for those aged 70 and over are €700 (gross) per week (€36,500 per year) for a single person and €1,400 (gross) per week

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(€73,000 per year) for a couple (married couples and couples living together as husband and wife).

Persons aged 70 or over, whose gross income is above the stated thresholds, may, depending on their personal circumstances, still qualify for a medical card or a GP visit card under the standard means-testing arrangements which exist at present. The purpose of requesting proof of house insurance from persons making applications for medical cards is to assist in determining a person's net income, as per the medical card guidelines. Some housing costs such as house insurance costs, can be offset against an applicant's income and improve their chances of qualifying for a medical card.

### **Hospital Waiting Lists**

177. **Deputy Ciarán Lynch** asked the Minister for Health if an appointment for a person (details supplied) in County Cork will be brought forward or if the patient can be called in the event of any cancellation; and if he will make a statement on the matter. [11623/12]

**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 were instructed to ensure that, by the end of 2011, they had no patients waiting more than 12 months for treatment. I can confirm that the vast majority of hospitals achieved this objective. During 2012 the SDU will support hospitals in the delivery of a 9 month maximum wait time for in-patient or day-case surgery.

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 appointment, he/she would be in the best position to take the matter up with the consultant and facility involved.

### **Services for People with Disabilities**

178. **Deputy John O'Mahony** asked the Minister for Health if he adequately dialogued with disability organisations prior to implementing cuts affecting the lives of persons with disabilities; and if he will make a statement on the matter. [11661/12]

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** The recently approved HSE National Service Plan 2012 outlines, as required in legislation, the type and volume of services to be provided this year in return for the resources made available by the Oireachtas. The Plan acknowledges that there will be an inevitable and unavoidable reduction in services this year because of the scale of the financial and staffing challenge facing the health service. However, it also outlines the various actions that will be taken to mitigate as far as possible the impact which the budget and staff cuts would otherwise have on services. In framing the Plan, the HSE was asked to avoid across the board cuts in budgets and to ensure that reductions in budgets should not lead to a corresponding reduction in services. This is in line with the objectives of the Government's health reform programme to prioritise our services in a way that supports those in greatest need.

In the case of disability services, the Plan provides for a 3.7% reduction in budgets but makes it clear that there is scope for achieving efficiencies of 2% or more through measures such as consolidation and rationalisation of back office costs. All providers will be expected to achieve some efficiency savings but the level of savings required will vary depending on the profile of the service provider, efficiency savings achieved to date and the scope for further savings. The HSE will work closely with the Department in finalising the allocations. Some reductions in day services, residential and respite services will be unavoidable even with such efficiencies. The aim will be to tailor such reductions to minimise the impact on service users and families as much as possible.

The parameters applying to disability services in the Service Plan were informed by strong representations from organisations representing people with disabilities. The HSE and my Department recognise the valuable contribution disability organisations make to the provision of services to adults and children with disabilities, and acknowledge the significant savings and other efficiencies that service providers have made in general since 2008. Given the challenges service providers are experiencing, I recognise that the maintaining of service levels within available resources will require significant levels of cooperation, change, flexibility and creativity on the part of all stakeholders. HSE Disability Managers are currently engaging with service providers in line with the Service Plan requirements to achieve the necessary efficiencies in 2012.

### Health Services

179. **Deputy Brendan Griffin** asked the Minister for Health his plans to improve neurological care; and if he will make a statement on the matter. [11663/12]

**Minister for Health (Deputy James Reilly):** The report entitled “*National Policy and Strategy for the Provision of the Neuro-Rehabilitation Services in Ireland 2011-2015*” was jointly commissioned by the Department of Health and the Health Service Executive (HSE) and published in December 2011. The report sets out a clear policy with a recommended service framework that, when implemented, will ensure that the services are delivered in the most appropriate, most effective and most efficient way.

The report recognises that given the current economic climate, the focus in the short to medium term has to be on reconfiguration of services, structures and resources and the enhancement of the skills and competencies required to meet the changing context.

The HSE is committed to developing an implementation plan and an implementation structure for the provision of neuro-rehabilitation services, in close collaboration with the HSE Rehabilitation Medicine Clinical Programme.

180. **Deputy Brendan Griffin** asked the Minister for Health if a multidisciplinary approach to migraine management will be introduced nationwide; and if he will make a statement on the matter. [11664/12]

**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

181. **Deputy Tom Fleming** asked the Minister for Health the action he is taking to address the ear, nose and throat waiting list at Kerry General Hospital; the number of persons currently

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on the waiting list; the length of time that they are waiting; and if he will make a statement on the matter. [11672/12]

**Minister for Health (Deputy James Reilly):** As this is a service matter, it has been referred to the Health Service Executive for direct reply.

### Hospital Services

182. **Deputy Robert Troy** asked the Minister for Health if he will reconfirm the commitment he made in Dáil Éireann during Private Members' business on Wednesday 22 February to increase funding to the Midland Regional Hospital, Mullingar, County Westmeath, in view of the increased patient numbers following the downgrading of hospitals in Navan, County Meath and Roscommon. [11673/12]

**Minister for Health (Deputy James Reilly):** The funding I referred to during Private Members Business on Wednesday 22 February was in relation to the Prospective Funding Programme introduced in 2011 for Orthopaedics. I would like to clarify for the Deputy that the procedures involved are carried out in the Midland Regional Hospital, Tullamore.

### Sale of Alcohol

183. **Deputy Robert Troy** asked the Minister for Health his plans and the timeframe to deal with the below cost selling of alcohol. [11674/12]

**Minister for Health (Deputy James Reilly):** In its report on alcohol, the National Substance Misuse Strategy Steering Group recommended — among other things — the introduction of a legislative basis for minimum pricing per gram of alcohol. As minimum pricing is a mechanism of imposing a statutory floor in price levels for alcohol products that must be legally observed by retailers, its primary function would be thus to discourage at risk levels of alcohol consumption. This recommendation is being actively considered as part of the development of an Action Plan in advance of proposals being drafted for Government.

### Hospitals Building Programme

184. **Deputy Joanna Tuffy** asked the Minister for Health the total expenditure to date on the proposed new national children's hospital, including any cost for planning, design, architect fees, engineers fees, reports and so on; and if he will make a statement on the matter. [11678/12]

185. **Deputy Joanna Tuffy** asked the Minister for Health the position regarding proposals for a new national children's hospital in view of the fact that An Bord Pleanála has rejected the planning for the hospital on a site at Dublin's Mater Hospital; and if he will make a statement on the matter. [11684/12]

197. **Deputy Eamonn Maloney** asked the Minister for Health if, in view of the decision to refuse planning permission for the national paediatric hospital, will the site available at Tallaght hospital, Dublin, now be considered. [11799/12]

**Minister for Health (Deputy James Reilly):** I propose to take Questions Nos. 184, 185 and 197 together.

I announced my intention to establish an independent group to consider the implications of the decision of An Bord Pleanála received on 23 February 2012 to reject the planning application for the proposed construction of a national paediatric hospital on the site of the Mater Misericordiae Hospital.

I have asked Dr Frank Dolphin, a former Chairman of Temple Street Hospital and a former Chairman of the HSE, to chair the group. I will announce the full composition of this group and its terms of reference shortly.

In relation to the Deputy's question regarding the total expenditure to date on the National Children's Hospital, I can confirm that the overall costings to date to end of December 2011 are €36.6 million.

### **Health Service Staff**

186. **Deputy Gerry Adams** asked the Minister for Health further to Parliamentary Question No. 133 of 19 October 2011, if an embargo remains in place in respect of 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; if the promised review was carried out in January 2012 and the outcome of same; if the temporary staff who were covering the two posts have finished up; if he will give an update on the waiting list times in the National Counselling Service in RIAN; and if he will make a statement on the matter. [11745/12]

**Minister for Health (Deputy James Reilly):** The current Employment Control Framework for the health sector gives the HSE some flexibility in relation to filling posts in order to protect frontline services in so far as possible while still achieving the required staff reduction targets. In addition, the Public Service Agreement allows the HSE to redeploy staff based on service need.

As this is a service matter, it has been referred to the HSE for attention and direct reply to the Deputy.

### **Hospital Accommodation**

187. **Deputy Michael Healy-Rae** asked the Minister for Health if he will make a statement on the report by emergency doctors that children are spending up to 24 hours on hospital trolleys because of the shortage of beds and that it is reported that 13 or 14 children have to spend the night on a trolley in an emergency department and some spend their entire hospital stay on one. [11757/12]

**Minister for Health (Deputy James Reilly):** It is not acceptable that any patient and especially a child must wait for treatment. The whole thrust of the Government's health reform programme is to make the system work better and improve patient's experiences even while we are tackling the economic crisis facing our country.

Hospitals across the country are currently experiencing a surge in attendances to Emergency Departments due to an increase in the number of patients presenting with influenza and respiratory problems.

Children awaiting admission are in personal cubicles or isolation rooms where a bed is not yet available. I must emphasise that children who are waiting to be admitted are getting the full range of specialist care they need while in the Emergency Department.

The Paediatric Hospitals work together as a unified network. The Clinical Director, a joint appointment across all three hospitals, works with the hospitals to ensure patients are given

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the right treatment in the most appropriate location. When bed pressures occur, the Clinical Director clinically reviews patients and, where necessary, redeploys patients across the hospitals.

The three Dublin Paediatric hospitals are working closely together so that children can be admitted quickly where necessary. The Paediatric Hospitals remain cognisant at all times of the challenges facing their young patients and of the need to support families. The hospitals work with the families whenever possible to ensure the least possible disruption to the patient.

The HSE Regional Director of Operations and the Clinical Director are arranging to meet with the Association of Paediatric Emergency Medicine Physicians as soon as possible to review matters.

### Medical Cards

188. **Deputy Dara Calleary** asked the Minister for Health the reason there is a delay in processing medical card applications (details supplied); and the steps he is taking to reduce the waiting times [11763/12]

**Minister of State at the Department of Health (Deputy Róisín Shortall):** As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

### Health Services

189. **Deputy Dara Calleary** asked the Minister for Health the updated position in respect of the Health Service Executive review which he has requested of the sheltered attendance allowance cut which came into effect on 13 January 2012. [11764/12]

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** The decision to reduce the top up payment made to people with a disability attending rehabilitative training was implemented by the Health Service Executive (HSE) without informing the Department of Health. The reduction from €31.80 per week to €20 per week, from 1st January 2012, was communicated to the HSE Local Managers in advance of the Minister approving the National Service Plan for 2012.

I acknowledge that this proposed measure sought to bring consistency to the top up bonus paid to people attending the HSE rehabilitative training scheme with similar payments paid in other State training schemes.

Any reduction in payments to individuals requires adequate advance notice to enable the recipients and indeed, service providers, to take the reduction into account in planning their support needs and other arrangements.

It should also be noted that people with a disability attending Rehabilitative Training are usually in receipt of a State payment such as the Disability Allowance.

Accordingly, the HSE agreed to my request to review its decision, and it has recently submitted a Report on the matter which is under consideration in my Department.

### Medical Cards

190. **Deputy Michael Conaghan** asked the Minister for Health the position regarding an application for a medical card in respect of a person (details supplied) in Dublin 10; and if he will make a statement on the matter. [11778/12]

**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.

191. **Deputy John O'Mahony** asked the Minister for Health when a person (details supplied) in County Mayo will receive a decision on a medical card application; the reason for the delay in issuing same; and if he will make a statement on the matter. [11779/12]

**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.

192. **Deputy Ciarán Lynch** asked the Minister for Health when a decision will be made regarding a medical card application by a person (details supplied) in County Cork; and if he will make a statement on the matter. [11783/12]

**Minister of State at the Department of Health (Deputy Róisín Shortall):** As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

193. **Deputy Billy Timmins** asked the Minister for Health the basis on which an emergency medical card will be issued if applied for by a patient's general practitioner; and if he will make a statement on the matter. [11784/12]

**Minister of State at the Department of Health (Deputy Róisín Shortall):** I have asked the Health Service Executive for a report on the issue raised by the Deputy. I will revert to the Deputy on the matter as soon as possible.

### **Health Service Expenditure**

194. **Deputy Eamonn Maloney** asked the Minister for Health the cost to the Exchequer of drugs purchased for the years 2011 and 2012. [11790/12]

**Minister of State at the Department of Health (Deputy Róisín Shortall):** In 2010 the HSE's Primary Care Reimbursement Service spent €1.9 billion on medicines and other prescribed items supplied under the GMS and community drugs schemes. (This includes mark-ups and dispensing fees paid to pharmacists and wholesalers). Finalised figures for 2011 are not yet available.

The cost of medicines supplied in public hospitals is met from the overall budget of each hospital and is estimated to be in excess of €300 million per annum.

In recent years, a number of changes to the pricing and reimbursement system have been successfully introduced. These have resulted in an overall reduction in pharmaceutical expenditure by the HSE despite increases in the number of eligible people and the number of items supplied.

### **Health Services**

195. **Deputy Finian McGrath** asked the Minister for Health the position regarding the 330 persons on the residential placement waiting list at a location (details supplied). [11793/12]

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** As the Deputy's question relates to service matters, I have arranged for the question to be referred to the Health Service Executive for direct reply to the Deputy.



### Medical Cards

196. **Deputy Billy Timmins** asked the Minister for Health the position regarding a medical card in respect of a person (details supplied) in County Wicklow; and if he will make a statement on the matter. [11796/12]

**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.

*Question No. 197 answered with Question No. 184.*

### Hospitals Building Programme

198. **Deputy Eamonn Maloney** asked the Minister for Health if the concept of allowing private hospitals to be built on the grounds of public hospitals is no longer permitted. [11800/12]

**Minister for Health (Deputy James Reilly):** As indicated in the Programme for Government, existing policy of co-location of private hospitals on public hospital lands will cease.

Extensions granted in respect of the project agreements for the four most advanced co-location projects expired at the end of March 2011. The HSE also contacted the private parties involved with the other co-location projects, which were at earlier stages of the procurement and contractual processes, to inform them that it will not be proceeding with those projects.

### Medical Cards

199. **Deputy Mattie McGrath** asked the Minister for Health his views on the fact that a medical card was issued to a person who subsequently cancelled their health insurance and who one month later received a general practitioner's visit card and was informed that their medical card was no longer valid; his views that this person has a legitimate expectation that their medical card would be valid for at least one year as the expiry date was 31 May 2013 and it was reasonable for them to cancel their health insurance following receipt of their medical card; his further views that this card should be honoured until the expiry date in view of the fact that this person would have a very strong case on the grounds of legitimate expectation; and if he will make a statement on the matter. [11801/12]

**Minister of State at the Department of Health (Deputy Róisín Shortall):** Under the provisions of the Health Act 1970 medical cards are provided to persons who, in the opinion of the HSE, are unable without undue hardship to arrange GP services for themselves and their dependants. The assessment for a medical card is therefore determined primarily by reference to the means, including the income and expenditure, of the applicant and his or her partner and dependants. There is a provision for discretion by the HSE to grant a card in cases of "undue hardship" where the income guidelines are exceeded.

Arising from the legislation, there is naturally an obligation on the HSE to ensure that it is operating within the legal framework set out by the Oireachtas. Therefore, the HSE must ensure that finite public resources are directed to the people that qualify under the legislation. This necessitates the HSE assessing applicants to see if they qualify for schemes such as the medical card and reviewing their status at regular intervals to ensure that the correct entitlements are in place.

If an individual is not satisfied with a decision made by the HSE concerning an entitlement to a medical card or GP visit card, a person has a right of appeal to the HSE Appeals Officer. An appeal must be lodged by the applicant within twenty-one days of the decision.

An individual's decision to purchase private health insurance is a matter for the individual and has no bearing on eligibility for a medical card.

### **Hospitals Building Programme**

200. **Deputy Tom Fleming** asked the Minister for Health when approval will be given for the development of a 40-bed residential unit in Killarney, County Kerry, to facilitate the overall closure of St. Finan's Hospital; and if he will make a statement on the matter. [11802/12]

**Minister for Health (Deputy James Reilly):** Following the publication of the "Infrastructure and Capital Investment 2012-2016: Medium Term Exchequer Framework", the Health Service Executive commenced drawing up its capital programme for the multi-annual period 2012-2016. The Executive is required to prioritise the capital infrastructure projects within its overall capital funding allocation taking into account the existing capital commitments and costs to completion over the period. A draft capital plan for the period 2012-2016 has been submitted to my Department. My Department is reviewing the proposals and following up with the HSE where further details may be required.

The proposed plan requires my approval with the consent of the Minister for Public Expenditure and Reform. Details of the plan will be published by the Executive following its approval.

### **Health Services**

201. **Deputy Sean Fleming** asked the Minister for Health if he will reconcile the discrepancies between the figures shown in the Health Service Executive annual accounts in both 2009 and 2010 in respect of payments to an organisation (details supplied) in Newbridge, County Kildare to the amount that their accounts indicate as income from the HSE for the same period; if he will ensure that no discrepancies in relation to the figures arise in respect of the 2011 accounts; and if he will make a statement on the matter. [11803/12]

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** As the Deputy's question relates to service matters, I have arranged for the question to be referred to the Health Service Executive for direct reply to the Deputy.

### **Hospital Waiting Lists**

202. **Deputy Thomas P. Broughan** asked the Minister for Health the number of persons on the waiting list to have a transplant at Beaumont Hospital, Dublin 9; if he will confirm that the waiting times for transplants is more than 30 months; the immediate steps being taken to reduce these waiting times; and if he will make a statement on the matter. [11814/12]

**Minister for Health (Deputy James Reilly):** As this is a service matter, it has been referred to the Health Service Executive for direct reply.

203. **Deputy Thomas P. Broughan** asked the Minister for Health the number of persons on the waiting list for each specialist at each of the three children's hospitals; the average waiting times for each specialist; the steps being taken to reduce waiting times; and if he will make a statement on the matter. [11815/12]

**Minister for Health (Deputy James Reilly):** The Paediatric Hospitals work together as a unified network. The Clinical Director, a joint appointment across all three hospitals, works with the hospitals to ensure patients are given the right treatment in the most appropriate location. When bed pressures occur, the Clinical Director clinically reviews patients and, where necessary, redeploys patients across the hospitals.

The three Dublin Paediatric hospitals are working closely together so that children can be admitted quickly where necessary. The Paediatric Hospitals remain cognisant at all times of the challenges facing their young patients and of the need to support families. The hospitals work with the families whenever possible to ensure the least possible disruption to the patient. In 2012 a key performance objective of a waiting time of 20 weeks or less for elective paediatric procedures will be introduced.

I have asked the HSE to supply the Deputy with the detailed information sought.

### **Eating Disorders**

204. **Deputy Thomas P. Broughan** asked the Minister for Health the amount of the €35 million funding that was ring-fenced for mental health services under the Budget Statement 2012 that will be allocated for the provision of services and treatment of eating disorders; and if he will make a statement on the matter. [11818/12]

205. **Deputy Thomas P. Broughan** asked the Minister for Health if there is a timeframe for the implementation of recommendation of 15.4.6 on the development of multi-disciplinary teams providing specialist inpatient, outpatient and outreach services for eating disorders, one per team per Health Service Executive region, which are linked closely to the local adult CMHTs to ensure continuity of care and recommendation 15.4.7 which proposes an eating disorder sub-unit in a regional general hospital mental health unit with six beds each and which would contribute 24 public eating disorder beds; and if he will make a statement on the matter. [11819/12]

206. **Deputy Thomas P. Broughan** asked the Minister for Health the services currently in place in the public health system for the treatment of adolescents between the ages of 16 and 18 years with an eating disorder; and if he will make a statement on the matter. [11820/12]

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** I propose to take Questions Nos. 204 to 206, inclusive, together.

A special allocation of €35m for mental health was provided in Budget 2012 in line with the Programme for Government commitments, part of which will support the treatment of eating disorders. The €35m funding will primarily be used to strengthen Community Mental Health Teams in both Adult and Children's mental health services, by ensuring, at a minimum, that at least one of each mental health professional discipline is represented on every team. Over 400 additional staff will be recruited to support initiatives under the €35m package.

It is intended that the additional resources will be rolled out in conjunction with a scheme of appropriate clinical care programmes which are currently being developed. The clinical care programme plan will construct service models that implement *A Vision for Change*. Core to the overall plan will be the principles of recovery, individualised care delivered in partnership with voluntary agencies and based on early intervention and evidence based practice. Three areas in particular will be prioritised this year, one of which will be around the treatment and

care of patients with eating disorders. The other two priority programmes will be on Early Intervention in Psychosis and Suicide Prevention.

HSE services for people with eating disorders are embedded in the Community Mental Health Service and with Primary Care. Individuals with eating disorders frequently present to the primary care practitioner with complications of their condition and early intervention at this level greatly improves outcomes. The HSE has developed a Mental Health in Primary Care accredited training programme for primary care practitioners with Dublin City University with a view to enhancing the capacity of primary care to recognise, assess and treat a range of mental illnesses, including eating disorders, within the primary care setting.

Community based Adult Mental Health Services receive referrals from Primary Care and provide assessment and treatment to individuals with eating disorders; Child and Adolescent Mental Health Teams provide a similar role for their cohort of referrals. Where the individual's psychiatric or medical needs are more acute, in-patient admission is offered within the local psychiatric services or acute medical care where necessary.

The HSE can and has worked with service providers in the independent sector to provide specialised care, on an in-patient and/or an out-patient basis. In a limited number of cases, referrals to specialised eating disorder services in Dublin or the UK can be clinically recommended and supported in appropriate circumstances, subject to the necessary resources being available.

### **National Lottery Funding**

207. **Deputy Bernard J. Durkan** asked the Minister for Health if and when a decision will be made in respect of an application for funding under the National Lottery grant scheme in the case of an organisation (details supplied) in County Kildare; and if he will make a statement on the matter. [11822/12]

**Minister for Health (Deputy James Reilly):** My Department has received an application for funding from the 2012 National Lottery allocation from the organisation in question. This is one of a large number currently being assessed by my Department, and the Deputy will be informed of the outcome of the application as soon as a decision has been made.

### **Long-Term Illness Scheme**

208. **Deputy Michael Colreavy** asked the Minister for Health if he has plans to extend free general practitioner care to those who qualify under the long-term illness scheme. [11823/12]

**Minister of State at the Department of Health (Deputy Róisín Shortall):** The Programme for Government committed to reforming the current public health system by introducing Universal Health Insurance with equal access to care for all. As part of this reform programme, the Government is committed to introducing Universal Primary Care within its first term of office.

Initially, free GP cover will be extended to persons with defined long-term illnesses in receipt of drugs and medicine under the Long Term Illness Scheme. Primary legislation is required to give effect to this commitment. Once primary legislation has been approved by the Oireachtas, the details of the new arrangements will be announced.

### **Nursing Home Subventions**

209. **Deputy Gerald Nash** asked the Minister for Health if he will establish if any moneys

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are owed by the Health Service Executive to a company which owns a certain nursing home (details supplied); the amount owed; when the payment will be made; and if he will make a statement on the matter. [11845/12]

**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.

### Hospital Services

210. **Deputy Brendan Smith** asked the Minister for Health if he will outline the proposals, if any, he has to restore services to their former level at a hospital (details supplied). [11855/12]

**Minister for Health (Deputy James Reilly):** I want to ensure that as many services as possible can be provided safely in smaller, local hospitals. On this basis, the organisation of hospital services nationally, regionally and locally will be informed by the Clinical Programmes. These Programmes have been developed and implemented by a joint HSE/Departmental group who are currently developing a framework for the future development of smaller hospitals. Consultation with all the stakeholders, including patients and public representatives, will be an integral part of the process. These inter-related programmes aim to improve service quality, effectiveness and patient access and to ensure that patient care is provided in the service setting most appropriate to individuals' needs. The planned introduction of hospital groups will also provide further opportunities for inter-site cooperation.

Monaghan Hospital is an integral part of the Cavan and Monaghan Hospital Group and continues to play an important role in the delivery of clinical services in the Cavan Monaghan area and to other parts of the North East Region. The current level of activity will be maintained at Monaghan Hospital as part of the 2012 Service Plan. In addition, an increase in day services activity is also planned for 2012.

### Proposed Legislation

211. **Deputy Peter Mathews** asked the Minister for Transport, Tourism and Sport his plans regarding the future regulations in the clamping industry (details supplied); and if he will make a statement on the matter. [11669/12]

**Minister for Transport, Tourism and Sport (Deputy Leo Varadkar):** While current legislation permits local authorities to clamp vehicles in public places, either directly or by contract with a clamping company, there is no legislation covering clamping on private property.

In line with the commitment in the Programme for Government to regulate the vehicle clamping industry, I have presented a discussion document to the Joint Oireachtas Committee on the Environment, Transport, Culture and the Gaeltacht, outlining the issues to be addressed in regulating the industry, my proposals on the shape of appropriate legislation and inviting their views.

When the Committee's views have been received, I anticipate that appropriate legislation will be drafted and brought before the Oireachtas.

### Taxi Regulations

212. **Deputy Martin Ferris** asked the Minister for Transport, Tourism and Sport the reason

under section 37 of the Taxi Regulation Act 2003, a person cannot use the Irish version of their name and the English version (details supplied). [11785/12]

**Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly):**

The regulation of the taxi industry, including issues relating to the use of the English or the Irish language for identification purposes with regard to licensing, is a matter in the first instance for the National Transport Authority (NTA) under the Taxi Regulation Act 2003. I have arranged for the Deputy's request for clarification to be sent to the NTA. If you do not get a response within ten working days please advise my private office.

### **Traffic Management**

213. **Deputy Brian Walsh** asked the Minister for Transport, Tourism and Sport if he will provide details of the specific transport projects in Galway that will benefit from the allocation of €25 million through the regional cities programme over the next five years; and if he will make a statement on the matter. [11847/12]

**Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly):**

The Department is funding an ongoing programme of traffic management and public transport improvements in the four regional cities of Cork, Galway, Limerick and Waterford, and this programme is being administered on the Department's behalf by the National Transport Authority (NTA).

In this regard and following consultation with the relevant local authorities, the NTA are finalising their recommendations and proposals for the four cities, including Galway, for 2012. I understand that the local authorities will be advised of their allocations shortly.

It is anticipated that Galway will benefit from between €20-€25 million in transport investment over the next five years. In recognition of this substantial level of funding, the NTA have now asked Galway City Council and the other relevant local authorities, to prepare multi-annual capital programmes to provide the appropriate framework for the delivery of transport investment projects in their cities.

### **Road Network**

214. **Deputy Dara Calleary** asked the Minister for Transport, Tourism and Sport if a request was received by the National Roads Authority from a local authority in relation to a road scheme (details supplied); and if he will make a statement on the matter. [11849/12]

**Minister for Transport, Tourism and Sport (Deputy Leo Varadkar):** The improvement and maintenance of regional and local roads is a statutory function of each road authority within its area, in accordance with the provisions of section 13 of the Roads Act 1993. Works on such roads are a matter for the relevant local authority to be funded from its own resources and may be supplemented by State road grants.

In July last year the National Roads Authority (NRA) invited applications for consideration for funding in 2012 under the Specific Improvement Grants Scheme. Local authorities were reminded that funding requested should not exceed the previous year's allocation. In the case of Mayo County Council, funding was sought for 16 schemes totalling €6,395,000 which was considerably in excess of the allocation the Council received in 2011 — €1,350,000.

While the list of projects submitted to the NRA included a scheme on the R319 at Tonragee, this project was ranked eighth in the council's list of priorities and was not, therefore, submitted

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to my Department for consideration for funding due to the overall allocation limits. Five projects submitted for consideration for funding did receive an allocation totalling €1.56 million.

It is open to Mayo County Council to prioritise this project and to submit it for funding under the 2013 Specific Improvement Grants Scheme when applications are sought later in year. Alternatively, the Council may fund this project through its own resources.