



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

Déardaoin, 5 Iúil 2012.

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DÁIL ÉIREANN

Déardaoin, 5 Iúil 2012.

Thursday, 5 July 2012.

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

Paidir.

Prayer.

Leaders' Questions

Deputy Willie O'Dea: I welcome the fact that Ireland is attempting to re-enter the bond market, albeit in a small way, and I wish the NTMA the very best of success.

Deputy Emmet Stagg: Good man.

Deputy Paul Kehoe: Deputy O'Dea should have spoken to his boss.

Deputy Willie O'Dea: However, back in the real world that we encounter everyday, the problem of unemployment gets steadily worse. In October of last year, the Tánaiste and leader of the Labour Party, Deputy Eamon Gilmore, said "There has been a significant reduction in unemployment. The jobs initiative is working."

Deputy Mattie McGrath: He meant the advisers.

Deputy Willie O'Dea: The latest statistics from the CSO indicate that, at 14.9%, unemployment has reached its highest rate in 18 years. More than one in two of those people has been unemployed for more than a year and one in three has been unemployed for two years or more. We welcome the fact that more people are now on training schemes but that masks the real rate of unemployment. Some 75,000 people per year are leaving the country, which is 200 people per day. There has been a jobs initiative, a jobs budget and an action plan for jobs. In view of the statistics, does the Minister agree with the statement by the Tánaiste that unemployment is reducing and the jobs initiative is working?

Minister for Education and Skills (Deputy Ruairí Quinn): On behalf of the Government, I thank Deputy O'Dea for the observations he made, which we welcome. We will probably have information about the bond auction before the end of business, and if I receive the information, I will convey it to the House. These figures are disappointing. The Government views unemployment as its number one priority and we believe these figures are far too high. We have succeeded in stabilising the live register. This is the 18th successive month of broad stability. The live register for each month has been within 3% of the figure for the same month in the previous year. It is also important to remember that there are always people coming onto and off the live register. For example, 62,000 people left the live register to take up work in the first five months of this year.

[Deputy Ruairí Quinn.]

We all want to get the numbers down and the Government is sparing no effort to do everything it can to achieve this. When we first came into office we successfully negotiated the jobs initiative. We put in place the job strategy and we are ensuring it is being implemented across all Departments and agencies. We designed the budget to be jobs friendly and we included a number of employment promoting measures in it. We published Pathways to Work, a major reform of the education, training and social welfare system to ensure people are assisted in finding employment. We are working to bring forward an investment programme to stimulate activity in the domestic economy.

In addition to those observations, and I can make more, we export 80% of what we produce. All the schemes in the world, while they will assist people to upskill, will not provide them with jobs unless the economy grows. We are the most export dependent economy in the European Union and we export 80% of what we produce. Although last week's announcements have stabilised the market considerably, the continuing uncertainty in the euro means we will depend to a certain extent on factors over which we have no control. These include the buoyancy in the European market. By extension, because of the downturn in the European market, there has been a downturn in China, the United States and elsewhere. We will continue to improve the qualifications of people in the labour market but we depend on economic growth. It is to be hoped, as broadly anticipated, the ECB will announce a reduction in interest rates later today, which will be a further stimulus for broad economic growth.

Deputy Willie O'Dea: I hear what the Minister is saying but when he and his colleagues were on this side of the House, they gave short shrift to that type of defence of the unemployment situation at the time.

Deputy Bernard J. Durkan: We were in a boom at that time.

Deputy Willie O'Dea: On 30 June 2010, the Tánaiste said the biggest crisis facing the country at the time was the level of unemployment, which was then that a lower rate than now. He went on to berate the Government and said it should not spend another week in office because of the level of unemployment. What has changed?

Deputy Bernard J. Durkan: Deputy O'Dea and his colleagues did not leave soon enough.

Deputy Emmet Stagg: Deputy O'Dea caused it. It is his legacy.

Deputy Eric Byrne: Deputy O'Dea should live in the real world.

Deputy Willie O'Dea: The Labour Party is soul searching again.

An Ceann Comhairle: Members should not try to shout down the speaker.

Deputy Timmy Dooley: The Government will have a bigger problem dealing with the legacy of its programme for Government.

Deputy Willie O'Dea: When the previous Government left office in February 2011, 350,000 more people were at work than when it took office. I doubt this Government will ever be able to make that boast. Is the Minister for Education and Skills aware of the statements this morning from across the social spectrum, including the statement from ISME that the Government's job policy is a shambles? ICTU called on the Government to start tackling the jobs problem and the Chambers of Commerce of Ireland has issued a statement saying the unemployment levels in Ireland are at crisis point. That is the reality.

Deputy Patrick O'Donovan: Deputy Mattie McGrath said the previous Government was a disgrace.

Deputy Willie O'Dea: I asked the Minister if he agreed the problem is being effectively tackled.

Deputy Ruairí Quinn: I agree it is being effectively tackled but, sadly, none of us anticipated the scale of the problem left behind by the previous Government.

Deputy Mattie McGrath: The Government knew well.

Deputy Patrick O'Donovan: Fair play to Deputy Mattie McGrath. He will stand by his man.

Deputy Bernard J. Durkan: Why does Deputy O'Dea not stand up and apologise?

An Ceann Comhairle: Members on both sides should allow the speaker the right to speak.

Deputy Ruairí Quinn: There remains a major problem of consumer debt in this economy. That includes personal debt, mortgage debt and the rest of it. It has taken us longer than we would have liked to get to the insolvency legislation that my colleague the Minister for Justice and Equality has launched in the House. The length of time required for Second Stage speeches is an indication of the complexity of the Bill. We hope it will work.

We are quite clear the change in property prices in some parts of the Irish market will give some degree of buoyancy and NAMA will soon make proposals on the construction sector.

If Deputy O'Dea were to ask me honestly as distinct from provocatively if we are satisfied with progress, the answer must be "No". As long as people are without a job, I am not satisfied with the progress we have made. All I can say is that the track record of this Administration the last time we were in government, which was far too long ago, is evidence of the fact we can do the job, unlike Fianna Fáil.

Deputy Mary Lou McDonald: Yesterday Sinn Féin met the troika again.

Deputy Bernard J. Durkan: Has it recovered yet?

Deputy Mary Lou McDonald: Who is to say? We outlined to the troika our view that the Government's austerity policies are not working. Not only are they hurting citizens, they are damaging the domestic economy and keeping hundreds of thousands of people on the dole.

Deputy Eric Byrne: And a "No" vote, as Sinn Féin called for, would not have done that?

Deputy Mary Lou McDonald: They are killing off any prospect of the economic growth the Government claims to want to see.

It was clear from our engagement that on issues such as tax reform, public spending and social welfare payments, the Government has significant scope in the policies it can pursue. Will the Minister tell us today what issues are on the table and what choices he proposes to make? Will cuts to basic rates of social welfare be on the table? Will there be cuts in payments to the most vulnerable families?

Will the Government consider cuts to the extravagant salaries paid to its own special advisers? I have pursued this issue on many occasions with the Minister's colleague, the Minister for Public Expenditure and Reform, to no avail. Indeed, the salary cap for special advisers is more honoured in the breach than in the observance. Will the Government finally show leadership on this issue? The Tánaiste's two special advisers are paid €168,000 and €155,000

[Deputy Mary Lou McDonald.]

respectively. The salaries of the advisers to the Minister for Social Protection and the Minister for Public Expenditure and Reform also breach that cap. Will the Government deal with that matter?

Are tax increases for those earning more than €100,000 on the table or does the Government intend yet again to protect the high rollers and levy all of the pain on those families on low and middle incomes?

Deputy Ruairí Quinn: I am glad the Sinn Féin Party met with the troika. I hope its members continue to meet such people; it might detach them from the voodoo economics they spout in here. The reality is no family, no small business and no country can run a permanent budget deficit. The cycle must be balanced over a period of time. Unfortunately, because the tax base of this country was destroyed when the boom economy went bust, revenues plummeted. As the Deputy knows, the gap between revenue and expenditure is still there and although it is narrowing, we must still reduce expenditure next year, no matter how we do it. The way it is to be done has not yet been engaged upon so I cannot answer hypothetical questions.

This Administration will try to move towards a budget deficit of 3% so we have a platform for a budget surplus. The last surplus was achieved in 1997 by this Administration.

Deputy Michael McGrath: That is complete rubbish.

Deputy Finian McGrath: Self-praise is no praise.

Deputy Ruairí Quinn: It was a planned surplus, which had never happened before, and we will do it again if we get the opportunity. In the meantime we will look at all the issues that are on the table, but this is the second week in July and the budget will be delivered in December.

All of the special adviser salaries are a fraction of what they were, in both amount and numbers, compared to the previous Administration.

Deputy Mary Lou McDonald: Our meeting with the troika was the third such meeting. The Minister's own brand of voodoo economics is catastrophic for families the length and breadth of the State.

We are coming towards the end of this Dáil session and the Minister says the budget will not be ready until December. That is fair enough, but the deliberations and decisions surrounding the budget are well in train and much of the thinking and planning will be done over the summer months. The Minister is out of touch with reality when he sings his own praises, because the ESRI has pointed out in its studies that the budget of December 2011 involved greater proportionate losses for those on low incomes than any of the previous austerity budgets. Is the Minister aware of that?

The Minister spoke about unemployment earlier, which now stands at almost 15%. Citizens are losing their homes because of the mean-spirited changes introduced to rent supplement; there will be a demonstration against those changes outside today.

The cap for advisers' pay was introduced by the Government.

An Ceann Comhairle: The Deputy is over time. This is a supplementary question, so will the Deputy ask the question?

Deputy Mary Lou McDonald: Will the Government finally honour that cap? Will the Minister tell the Dáil today that whatever choices are on the table, the Government will resolve to protect basic rates of social welfare?

Deputy Ruairí Quinn: First of all, I will take no lecture from a party in this House whose military wing visited two and half decades of austerity on this island.

Deputy Dessie Ellis: The Minister should look at some of his own colleagues.

Deputy Mary Lou McDonald: Does the Minister know his colleagues?

Deputy Martin Ferris: Does the Minister know the carpet man? He was a big supporter of the Labour Party.

Deputy Ruairí Quinn: The House may be interested to know the NTMA sold three-month bonds this morning at a 1.8% yield, less than the expected 2% yield.

Deputy Mary Lou McDonald: Those were bills, not bonds.

Deputy Ruairí Quinn: The Deputies cannot even accept good news, God love them. They are really pathetic.

Deputy James Reilly: Bonds or bills or bombs and bullets?

An Ceann Comhairle: I call Deputy Boyd Barrett.

(Interruptions).

An Ceann Comhairle: I did not know there were so many Deputy Boyd Barretts on the Government side of the House.

Deputy Richard Boyd Barrett: I am sure the Minister is familiar with the great Irish playwright Seán O'Casey's depiction of how working class people at the beginning of this century——

Deputy James Reilly: I think the Deputy is a century out.

Deputy Alan Shatter: We are also familiar with Myles na gCopaleen, who would have enjoyed the Deputy's contributions.

(Interruptions).

An Ceann Comhairle: Please allow the Deputy to speak.

Deputy Finian McGrath: That is appalling behaviour from the Government side.

An Ceann Comhairle: I will not ask Deputies a second time. I am getting sick and tired of this. Deputy Boyd Barrett is entitled to say what he has to say and the Minister will reply on behalf of the Government side of the House.

Deputy Tom Hayes: He says the same thing every week.

An Ceann Comhairle: In the meantime, everyone will respect the speaker. I will not ask again. The next time Deputies will be out the door. I am warning them.

Deputy Richard Boyd Barrett: As I was saying, I am sure the Minister is familiar with the plays of Seán O'Casey, in which he depicted the squalid tenements and poverty-ridden conditions of working class people at the beginning of the century. I put it to the Minister that the Government's cuts in rent allowance and the new housing policy threaten a return to those slum tenement conditions we thought we had left behind.

[Deputy Richard Boyd Barrett.]

This week in the Visitors Gallery, I have about 30 families who are threatened with homelessness or who have been made homeless a result of the cuts in the rent allowance cap. It would not be a problem if the Government provided council housing for the 96,000 people on the council housing list. However, in June of last year, without making any public announcement, the Government decided to abandon the direct provision of council housing. As a result, no council housing will be directly provided by local authorities in the future. It is a veritable counter-revolution in social housing policy.

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

Deputy Richard Boyd Barrett: Will the Minister admit that the Government has abandoned the direct provision of council housing? Does he accept that this decision and the cuts in rent allowance caps is a policy that is disastrously failing the 96,000 people on the housing list and represents a massive waste of taxpayers' money? Will the Government abandon the policy and revert to the direct provision of council housing and tell the people in the Gallery and the 96,000 people on the housing list when they will get a secure council house of their own?

Deputy Finian McGrath: Hear, hear.

Deputy Ruairí Quinn: I accept what Deputy Boyd Barrett said about the crisis in housing. It is one of the most extraordinary contradictions of our times that on the one hand we have people who cannot afford to buy a house, who are on rent supplement in privately owned houses, and at the same time we have acres of ghost estates. When the history of this period is written from a distance of objectivity, people will ask how a whole community got it so wrong. I would love to see those houses that are in NAMA converted into social housing, if that is possible, but I must honestly say to Deputy Boyd Barrett that it does not seem to make sense to build new houses at a time when we have an over-run of existing houses, irrespective of the ownership of those houses. The first step would be to look at how one could rationalise the oversupply and use the empty houses that are privately owned or are owned by NAMA and convert them into long-term sustainable social housing so that one does not have the distortions that exist. I will raise the points the Deputy raised with me with my colleague, the Minister of State, Deputy Jan O'Sullivan.

Deputy Richard Boyd Barrett: I appreciate the Minister's response but I wish to put the following points to him. I asked a parliamentary question this week and got a response from the Minister on how many social houses would be provided in the next year. He said it would be approximately 4,500. However, they are not council houses. They are what is now called social housing. In other words, they are either provided by voluntary housing associations or through the rental accommodation scheme, RAS, involving private landlords, all of which represent money going out of the public coffers to non-public bodies. That seems to me a waste of money.

Whether we acquire the NAMA houses or provide them directly through building the houses, the only thing that makes sense is for the State itself to provide council houses so that we save the €500 million a year in rent allowance payments and get an extra €250 million in extra tax revenue. Even the troika could see the sense in that approach. Why has the Government said it will not provide council housing anymore and is outsourcing it to NAMA, RAS and voluntary housing bodies? The condition of some of the accommodation provided by the latter that I have seen in the past week is deplorable, but that is not the case with all of it. Some voluntary housing associations are, in effect, big business and they are putting people into squalid conditions. The State should be responsible for housing people. Will the Govern-

ment tell people on the housing list when they will be housed? Will they have to wait ten or 11 years, which is the current situation, to get a secure council house?

Deputy Ruairí Quinn: It would not make economic or social sense to divert scarce capital resources into a new local authority house building programme. We have a surplus of houses, irrespective of the ownership. We should look at getting effective, efficient use from what is there already.

Deputy John Halligan: We are paying millions to private landlords. How could that be efficient? It is a waste of money.

Deputy Ruairí Quinn: In many respects, that is a matter that must be dealt with, and the Minister of State, Deputy Jan O'Sullivan, will be able to do so in due course. In the next six years 70,000 young people, most of whom are alive today, will come into the education system and we must prioritise capital——

Deputy Mattie McGrath: There will be no schools in rural areas.

Deputy Ruairí Quinn: ——to build the extra capacity——

Deputy Mattie McGrath: All of the schools will be in Dublin.

Deputy Ruairí Quinn: ——in the areas of the country where there are population increases. We have limited capital resources and a surplus of empty houses. Let us sort out the ownership by all means, but in the meantime we must use the scarce capital resources we have to meet a rising demand that nobody denies. We will have a total of 70,000 additional pupils — 45,000 extra pupils in the primary school system that currently has 500,000 and 25,000 coming into the post-primary sector. That is where capital should go and that is where we will get the economic return in terms of taxes.

Deputy Richard Boyd Barrett: When will the people be housed?

Order of Business

Minister for Education and Skills (Deputy Ruairí Quinn): It is proposed to take No. 15, European Arrest Warrant (Application to Third Countries and Amendment) and Extradition (Amendment) Bill 2011 — Order for Report, Report and Final Stages; No. 5, Personal Insolvency Bill 2012 — Order for Second Stage and Second Stage, to adjourn at 2.30 p.m. today, if not previously concluded; No. 16, Dormant Accounts (Amendment) Bill 2011 [*Seanad*] — Order for Report, Report and Final Stages; and No. 17, Qualifications and Quality Assurance (Education and Training) Bill 2011 [*Seanad*] — Order for Report, Report and Final Stages.

It is proposed, notwithstanding anything in Standing Orders, that: (1) the Dáil shall sit later than 5.45 p.m. and shall adjourn on the conclusion of oral questions; (2) Report and Final Stages of No. 16 shall be taken today and the proceedings thereon shall, if not previously concluded, be brought to a conclusion at 4 p.m. by one question which shall be put from the Chair and which shall, in relation to amendments, include only those set down or accepted by the Minister for the Environment, Community and Local Government; (3) Report and Final Stages of No. 17 shall be taken today and the proceedings thereon shall, if not previously concluded, be brought to a conclusion at 5.30 p.m. by one question which shall be put from the Chair and which shall, in relation to amendments, include only those set down or accepted by the Minister for Education and Skills, and the order shall resume thereafter with the Topical Issue debate and oral questions; (4) in relation to the Freedom of Information (Amendment) (No. 2) Bill 2012, the Second Stage of which shall be considered tomorrow, the following

[Deputy Ruairí Quinn.]

arrangements shall apply: (i) the opening speech of the main spokespersons for Fianna Fáil, Sinn Féin, the Technical Group and of a Minister or Minister of State, who shall be called upon in that order and who may share their time, shall not exceed 15 minutes in each case; (ii) the speech of each other Member called upon shall not exceed 15 minutes and such Members may share their time; (iii) a Minister or Minister of State, who may speak twice, shall be called upon not later than 1 p.m. to make a speech which shall not exceed 15 minutes; (iv) the main spokesperson for Fianna Fáil shall be called upon to make a speech in reply which shall not exceed 15 minutes.

An Ceann Comhairle: There are four proposals to be put to the House. Is the proposal that the Dáil shall sit later than 5.45 p.m. agreed to? Agreed. Is the proposal for dealing with No. 16, Report and Final Stages of the Dormant Accounts (Amendment) Bill 2011 agreed to? Agreed. Is the proposal for dealing with No. 17, Report and Final Stages of the Qualifications and Quality Assurance (Education and Training) Bill 2011 agreed to? Agreed. Is the proposal for the sitting and business of the Dáil tomorrow agreed to? Agreed.

Deputy Willie O’Dea: The Minister is aware of the plight of a number of trainee pilots who have been stranded in the United States after their families paid a king’s ransom in fees for their course. Has the Government had any engagement in the situation, in particular the Department of Foreign Affairs and Trade? Will the Government arrange for the consular section of the Department of Foreign Affairs and Trade to get those people together to talk——

An Ceann Comhairle: That is not a matter for the Order of Business and it will be discussed in the Topical Issue debate.

Deputy Willie O’Dea: ——to them and to arrange for them to be brought home? The Minister wishes to comment.

An Ceann Comhairle: No. It is not a matter for the Order of Business. It will be dealt with during the Topical Issue debate.

Deputy Ruairí Quinn: The matter is being dealt with but I cannot discuss the matter on the Order of Business.

An Ceann Comhairle: I must be fair to the Deputy who raised the matter in an orderly fashion and who has been granted permission to raise it during the Topical Issue debate.

Deputy Mary Lou McDonald: I wish to ask the Minister about the Joint Committee on Investigations, Oversight and Petitions. As he is aware, there is a commitment in the programme for Government that this would be a powerful committee to receive petitions in respect of public bodies. Ironically, there has been much foot dragging on this very committee that was flagged by the Government as a landmark innovation. Why are the Chief Whip and others dragging their feet and why has a motion not yet been brought forward to set in place the Standing Orders for this committee to allow its members to get ahead and do the work of a powerful committee, as the Government described it?

11 o'clock

Deputy Emmet Stagg: The Deputy should ask her own Whip to do something about it.

Deputy Ruairí Quinn: I thank Deputy Mary Lou McDonald for her question. I am informed by the Chief Whip that the Committee on Procedure and Privileges will meet next week to deal with the matter. The details of the arrangements made will be conveyed to her.

Deputy Emmet Stagg: I am sure her own Whip will be able to do something.

Deputy Mary Lou McDonald: My Whip cannot move the motion.

Deputy Richard Boyd Barrett: It has been announced that the European Stability Mechanism will recapitalise banks directly. Will this require a change to the ESM treaty and an amendment to the European Stability Mechanism Act 2012? If so, is that amendment likely to be brought before the House soon?

Deputy Ruairí Quinn: I do not have the accurate information sought by the Deputy. I will try to find it and communicate it to him directly.

Deputy Mattie McGrath: A number of gas Bills have been proposed, including the common arrangements for gas Bill. Bord Gáis Éireann is transferring work to a company called Balfour Beatty. Subcontractors and employees have been treated shamefully.

An Ceann Comhairle: No, we will not go into that matter.

Deputy Mattie McGrath: It is happening.

An Ceann Comhairle: We do not deal with the treatment of subcontractors on the Order of Business.

Deputy Mattie McGrath: There has been a breach of faith with good workers.

An Ceann Comhairle: The Deputy should submit a parliamentary question on the matter.

Deputy Ruairí Quinn: I am informed that the Bill will be agreed to later this year, but the heads have not yet been cleared.

Deputy Bernard J. Durkan: Has progress been made in bringing before the House the collective investment schemes (consolidation) Bill, having particular regard to the need to tighten legislation in that area? What about the criminal law (human trafficking) (amendment) Bill which has been promised and seems to have achieved a higher prominence than heretofore?

Deputy Ruairí Quinn: There is no date for introduction of the collective investment schemes legislation. The second Bill will be published later this year.

Deputy Thomas P. Broughan: Is having a minimum price for alcohol Government strategy and does the Government intend to introduce legislation in this regard? Why did the Minister decide not to have a schools summer works programme this year, given that for the past seven or eight years——

An Ceann Comhairle: No, tabling a Topical Issue would be in order.

Deputy Thomas P. Broughan: I asked a question, but I did not received an answer.

An Ceann Comhairle: We will try again.

A Deputy: Raise it at the Parliamentary Labour Party.

Deputy Thomas P. Broughan: I cannot do so, despite my colleague's suggestion.

An Ceann Comhairle: The Deputy cannot raise it on the Order of Business either. He should submit it as a Topical Issue.

Deputy Thomas P. Broughan: Perhaps the Minister might tell us. We were discussing the construction industry and the need for investment. He has a new schools programme, but why is there no summer works scheme?

An Ceann Comhairle: Has legislation been promised on the issue of cheap alcohol?

Deputy Ruairí Quinn: I am not aware of promised legislation, but I will obtain the information for the Deputy. If he wants to submit a question on the other matter, I will happily answer it.

Deputy Martin Ferris: A statutory instrument to amend copyright law was introduced via ministerial order and passed without a vote. Yesterday the European Parliament rejected the anti-counterfeiting trade agreement. All Labour Party MEPs voted against us, while all four Fine Gael MEPs supported us. Was there a Government line on the vote and what is the status of the statutory instrument?

An Ceann Comhairle: The statutory instrument was passed. I call Deputy Joan Collins.

Deputy Paul Kehoe: It is like Sinn Féin voting in favour of cuts in the North but not down here.

Deputy Ciarán Lynch: Is it a cross-Border thing?

Deputy Martin Ferris: Does the Minister of State, Deputy Paul Kehoe, know where the North is?

Deputy Ruairí Quinn: I suggest the Deputy submit a specific question on the matter. He has raised issues about which I do not have information.

Deputy Martin Ferris: What is its status?

Deputy Paul Kehoe: Ask the lads in the North what it is like to vote in favour of cuts.

An Ceann Comhairle: I have called Deputy Joan Collins.

Deputy Martin Ferris: What is the status of the statutory instrument following the vote in the European Parliament yesterday?

Deputy Ruairí Quinn: We will need to wait for information to know the implications. I cannot give an off-the-top-of-my-head answer.

Deputy Joan Collins: I wish to ask about two Bills. First, the working group on the X case was to revert to the Government with recommendations this month. When will the legislation be enacted? Second, the heads of a Bill on transgender rights were due to be laid before the Dáil in June. When will the legislation be brought before the House?

Deputy Ruairí Quinn: I am sorry, but will the Deputy repeat the second part of her question?

Deputy Joan Collins: The heads of a Bill on transgender rights were to be laid before the Dáil in June. When will that be done?

Deputy Ruairí Quinn: I am informed that the Bill is being drafted and will not be published this session. It will be published in the next session.

Deputy Joan Collins: Is that the Bill on the X case?

Deputy Ruairí Quinn: No, on the second issue.

Deputy Joan Collins: What about the Bill on the X case?

Deputy Ruairí Quinn: The Cabinet has not yet received the report on it.

Deputy Joan Collins: When does the Government expect to receive it?

Deputy Ruairí Quinn: I cannot say at this time, but I will find out and let the Deputy know.

Deputy Patrick O'Donovan: When is the data sharing Bill due before the House? Is it expected to apply not only to businesses, but also to public bodies in an effort to clamp down on social welfare fraud?

Deputy Ruairí Quinn: We have no date for publication of that Bill.

Personal Insolvency Bill 2012: Allocation of Time: Motion

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

That, given the importance of the Personal Insolvency Bill 2012 and notwithstanding anything in Standing Orders, the time allowed for contributions by the Minister and spokespersons shall be 45 minutes.

Question put and agreed to.

European Arrest Warrant (Application to Third Countries and Amendment) and Extradition (Amendment) Bill 2011: Order for Report Stage

Minister for Justice and Equality (Deputy Alan Shatter): I move: "That Report Stage be taken now."

Question put and agreed to.

European Arrest Warrant (Application to Third Countries and Amendment) and Extradition (Amendment) Bill 2011: Report and Final Stages

Minister for Justice and Equality (Deputy Alan Shatter): I move amendment No. 1:

In page 18, lines 20 and 21, to delete "if the Court is satisfied that" and substitute the following:

"if the Court is satisfied that no injustice would be caused to the person even if".

This amends section 24 of the Bill which substitutes the text of section 45C of the 2003 Act. Section 45C provides that surrender shall not be refused on the grounds of a technical flaw in an application provided that this would not cause an injustice to the requested person. In an amendment on Committee Stage I further strengthened the protection for the requested person where this provision is applied. The revised text of paragraph (b) now provides that, where there is a variance between any document grounding an application and the evidence adduced on the part of the applicant at the hearing of the application, the court cannot apply the provision unless it is satisfied that such variance is explained by the evidence. However, owing to an unfortunate drafting error, the important limitation that the provision may only be applied if this would not cause an injustice to the requested person was omitted from the amendment. Amendment No. 1 rectifies the position by explicitly providing that the provision may only be applied where the court is satisfied that no injustice would be caused to the

[Deputy Alan Shatter.]

requested person. This is obviously of benefit to the requested person by ensuring an additional protection is present.

Amendment agreed to.

Bill, as amended, received for final consideration.

Question put: "That the Bill do now pass."

The Dáil divided: Tá, 88; Níl, 24.

Tá

Bannon, James.
 Breen, Pat.
 Broughan, Thomas P..
 Bruton, Richard.
 Butler, Ray.
 Buttimer, Jerry.
 Byrne, Catherine.
 Byrne, Eric.
 Calleary, Dara.
 Carey, Joe.
 Coffey, Paudie.
 Conaghan, Michael.
 Conlan, Seán.
 Connaughton, Paul J..
 Conway, Ciara.
 Coonan, Noel.
 Corcoran Kennedy, Marcella.
 Costello, Joe.
 Coveney, Simon.
 Cowen, Barry.
 Creed, Michael.
 Daly, Jim.
 Deasy, John.
 Deenihan, Jimmy.
 Deering, Pat.
 Doherty, Regina.
 Dowds, Robert.
 Doyle, Andrew.
 Durkan, Bernard J..
 English, Damien.
 Farrell, Alan.
 Ferris, Anne.
 Fitzgerald, Frances.
 Flanagan, Charles.
 Flanagan, Terence.
 Griffin, Brendan.
 Hannigan, Dominic.
 Harrington, Noel.
 Harris, Simon.
 Hayes, Tom.
 Heydon, Martin.
 Keating, Derek.
 Keaveney, Colm.
 Kehoe, Paul.

Kenny, Seán.
 Kitt, Michael P..
 Lawlor, Anthony.
 Lynch, Ciarán.
 Lynch, Kathleen.
 Lyons, John.
 McCarthy, Michael.
 McFadden, Nicky.
 McGinley, Dinny.
 McGrath, Mattie.
 McGrath, Michael.
 McHugh, Joe.
 McLoughlin, Tony.
 McNamara, Michael.
 Maloney, Eamonn.
 Mitchell, Olivia.
 Mulherin, Michelle.
 Nash, Gerald.
 Naughten, Denis.
 Neville, Dan.
 Nolan, Derek.
 Ó Cuív, Éamon.
 Ó Fearghail, Seán.
 O'Dea, Willie.
 O'Donovan, Patrick.
 O'Dowd, Fergus.
 O'Mahony, John.
 O'Reilly, Joe.
 Penrose, Willie.
 Perry, John.
 Phelan, John Paul.
 Quinn, Ruairí.
 Reilly, James.
 Ring, Michael.
 Ryan, Brendan.
 Shatter, Alan.
 Shortall, Róisín.
 Smith, Brendan.
 Stagg, Emmet.
 Stanton, David.
 Timmins, Billy.
 Tuffy, Joanna.
 Wall, Jack.
 White, Alex.

Níl

Adams, Gerry.
 Boyd Barrett, Richard.
 Collins, Joan.
 Colreavy, Michael.
 Crowe, Seán.

Daly, Clare.
 Doherty, Pearse.
 Ellis, Dessie.
 Ferris, Martin.
 Halligan, John.

Níl—*continued*

Higgins, Joe.
 Mac Lochlainn, Pádraig.
 McDonald, Mary Lou.
 McGrath, Finian.
 McLellan, Sandra.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.

O'Brien, Jonathan.
 O'Sullivan, Maureen.
 Pringle, Thomas.
 Ross, Shane.
 Stanley, Brian.
 Tóibín, Peadar.
 Wallace, Mick.

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

Question declared carried.

Personal Insolvency Bill 2012: Order for Second Stage

Bill entitled an Act to amend the law relating to insolvency, to amend the Bankruptcy Act 1988, to provide for the establishment and functions of a body to be known as *Seirbhís Dócmhainneachta na hÉireann* or, in the English language, the Insolvency Service of Ireland, and, in particular, in the interests of the common good (including the stability of the financial system in the State) and having regard to the following objectives—

(a) the need to ameliorate the difficulties experienced by debtors in discharging their indebtedness due to insolvency and thereby lessen the adverse consequences for economic activity in the State,

(b) the need to enable creditors to recover debts due to them by insolvent debtors to the extent that the means of those debtors reasonably permits in an orderly and rational manner, and

(c) the need to enable insolvent persons to resolve their indebtedness (including by determining that debts stand discharged in certain circumstances) in an orderly and rational manner without recourse to bankruptcy, and to thereby facilitate the active participation of such persons in economic activity in the State,

to provide for additional mechanisms and arrangements relating to insolvency to facilitate the achievement of those objectives, and to provide for connected matters.

Minister for Justice and Equality (Deputy Alan Shatter): I move: “That Second Stage be taken now.”

Question put and agreed to.

Personal Insolvency Bill 2012: Second Stage

Minister for Justice and Equality (Deputy Alan Shatter): I move: “That the Bill be now read a Second Time.”

I am pleased to present the Personal Insolvency Bill to the House. This is a significant Bill which provides for comprehensive reform of insolvency law and practice. It provides for new, more flexible options to address the circumstances of insolvent debtors. It addresses the obligations of debtors and the rights of creditors in a proportionate and balanced way, having regard to the financial reality of individual circumstances.

[Deputy Alan Shatter.]

The development of modern insolvency law is a key commitment in the programme for Government. It was also required by the terms of the EU-IMF-ECB programme of financial support for Ireland. The reform also has regard to the recommendation made in the inter-departmental working group on mortgage arrears report of October 2011, known as the Keane report. The report states: “The early introduction of new judicial and non-judicial bankruptcy options is vital” and “Without effective bankruptcy legislation the mortgage arrears problem will not be resolved”. It would be remiss of me not to mention the significant contribution made by the Law Reform Commission in its December 2010 report on personal debt management and debt enforcement. This report and earlier work were of considerable assistance in the formulation of the Bill.

The general scheme of the Bill was published for consultation by the Government on 25 January. Several important submissions, in particular the report of the Joint Committee on Justice, Defence and Equality, were received in response and taken into account in the finalisation of the Bill. I thank all those who responded in such a positive way. While the primary architecture remains the same, considerable development of the individual provisions in terms of legal and technical detail has taken place to provide for a more coherent approach in the Bill.

Essentially, the Bill provides for the reform of personal insolvency law and will introduce three new non-judicial debt resolution processes, the first of which is the debt relief notice which will allow for the write-off of qualifying unsecured debt up to €20,000, subject to a three year supervision period. Second, the Bill provides for a debt settlement arrangement for the agreed settlement of unsecured debt over five years. Third, the personal insolvency arrangement will enable the agreed settlement of secured debt up to €3 million, although this cap can be increased with the consent of all secured creditors, and unsecured debt over six years.

To protect the constitutional rights of all concerned and prevent potential actions for judicial review, the Bill makes provision for enhanced oversight by the Circuit Court, or the High Court where the debts concerned are in excess of €2.5 million, of the three new debt resolution procedures. In response to some misguided comments it will be useful to set out in some more detail the process involved. I expect to see an enhanced role for County Registrars. The Circuit Court will receive the debtors case file from the insolvency service with an application for a debt relief notice or a protective certificate in respect of a debt settlement arrangement or personal insolvency arrangement. The court’s consideration or hearing will take place on an *ex parte* basis, neither debtor nor creditor will be required to be present and thus no time delays or costs are incurred. This efficient procedural approach is repeated at the conclusion of the three year supervision period for the debt relief notice or on the conclusion by the parties concerned of a successful debt settlement arrangement or personal insolvency arrangement proposal prior to its formal registration. I hope this proposed scenario will help to calm the fears of Members who have expressed concern that persons would become tied up in expensive and time consuming court hearings. That will not be so. A court hearing will only be necessary subsequently where a creditor objects on one of the grounds specified in the legislation. This is consistent with the approach recommended by the Law Reform Commission.

This enhancement of court involvement has the significant benefit to the debtor of providing protection from enforcement actions by creditors, either during the negotiation period or during the lifetime of the arrangement. It is likely that debtors would be the subject of judgments obtained by creditors. Such protection from enforcement action could not be provided by a non-judicial agency. I am surprised that this point seems to have been overlooked. In addition, the involvement of the court also ensures our new processes will be capable of meeting the criteria in regard to the European Union insolvency regulations and will recognise cross-border insolvency procedures. This is a matter of particular importance.

The Bill will continue the reform of the Bankruptcy Act 1988 which I began in the Civil Law (Miscellaneous Provisions) Act 2011. The critical new provision is the introduction of automatic discharge from bankruptcy, subject to certain conditions, after three years in place of the current 12 year arrangement.

The Insolvency Service of Ireland will be established to operate the new insolvency processes and provide a focal point for development of insolvency policy. I am advancing the organisational planning for the new service and the director designate will likely be appointed during the summer. However, as the new service will administer a completely new approach to insolvency in the State, with new and complex legal provisions, it will require time to become operation ready. It is my expectation that the service will be in a position to commence operation in January 2013, or very shortly thereafter. We cannot rush the proper and necessary preparation; there is too much at stake for too many people to get it wrong. While I recognise the concerns of those who want an immediate introduction, I will not sacrifice getting the service right for an undue haste. We are all aware of the consequences when technology fails in a financial management context, as in the past few weeks.

As to the number of persons who may seek to avail of the new or reformed insolvency processes, it is difficult to be precise. It will very much depend on individual circumstances and the nature and extent of the debts involved. However, for broad planning purposes, there is a tentative estimate, based on a rough extrapolation from the comparable UK and Northern Ireland circumstances, of the following applications for the first full year of operation of the new law and systems: 15,000 applications for non-judicial debt resolution — debt settlement arrangement and personal insolvency arrangement; 3,000 to 4,000 applications for debt relief notices; and 3,000-plus bankruptcy applications. There were about 30 bankruptcy adjudications in 2011. This number gives an insight into the contrasting increase in work that will arise on the implementation of this Bill.

These estimates are tentative. Not all insolvencies will require to be dealt with under the new statutory debt resolution processes or bankruptcy. I would expect that the certainty brought to the future legal landscape by this Bill will encourage debtors and creditors to agree bilaterally on alternative solutions, including in respect of mortgage debt under the mortgage arrears resolution process operated by mortgage lenders under the supervision of the Central Bank.

The provisions of this Bill will require careful consideration by all potentially concerned therewith. However, individual circumstances vary and the solutions found within the context of the debt settlement arrangement and personal insolvency arrangement processes will also vary. I must continue to emphasise that the Bill makes it clear that those persons experiencing difficulties in regard to debt should, primarily, engage with their lenders so as to negotiate an appropriate settlement.

Lenders should also engage properly with customers. Now that the architecture of our new insolvency legislation is clear, it is my hope that financial institutions that have not to date engaged constructively or realistically with borrowers who are overwhelmed by unsustainable debt and unable to discharge their monthly outgoings will now do so with greater flexibility and insight and apply a broader range of common-sense options based on financial reality.

There is no question of the Government forcing settlements on either debtors or creditors. Such an approach would invariably run into legal and constitutional difficulties. It would also not be an optimal way to decide the performance of a contract by one or other of the parties bound by it. The new debt settlement arrangement and personal insolvency arrangement processes described in this Bill facilitate a voluntary deal between a debtor and a specified majority of his or her creditors.

[Deputy Alan Shatter.]

We should not forget that there are many different creditors who may be potentially involved in the new processes. Many persons or companies may be both debtors and creditors. While I can understand the somewhat visceral feelings towards financial institutions and their contribution to our current economic difficulties, we must not lose sight of our objective, which is to introduce reformed, workable and balanced insolvency legislation. Such legislation is a required feature of any properly functioning economy. It will assist not only debtors and financial institutions, but also corner shops, tradespersons, local co-operatives, etc. All debtors and creditors are concerned by this reform. For their sake and the sake of the wider economy, all must be treated fairly. Many individuals are currently in personal financial difficulty because of the failure of other individuals to pay for work properly completed or goods or services supplied to them.

This approach, which seeks balance and fairness, has been criticised by some commentators as suggesting that creditors, particularly mortgage creditors, will exercise a veto. Such a contention is based on an odd view of how normal commercial contractual issues may be resolved. Where one borrows, one must repay where one can. If, for example, an individual paints one's home or retail outlet or does essential electrical repairs, that individual is entitled to be paid. If the debtor is genuinely unable to pay, negotiation with creditors may resolve the difficulty, and this Bill provides the new framework for sensible negotiation.

The underlying philosophy of the debt settlement arrangement and personal insolvency arrangement is that the insolvent debtor will, with the assistance of a personal insolvency practitioner, put forward what the debtor considers to be a realistic offer to his creditors, one that will restore the debtor to solvency within a reasonable period while at the same time giving creditors a better financial outcome than the alternatives of debt enforcement or bankruptcy. The creditors will need to consider carefully the debtor's offer, conscious that if they refuse, the debtor has another option — the standard debt discharge procedure available under the reformed bankruptcy laws. That is the ultimate appeal mechanism of the debtor. However, in that eventuality, which is best avoided, control is effectively lost by both sides. It would make sense for the debtor and creditor, especially where there is only one main creditor, to seek to conclude a bilateral agreement. The reform I am introducing will, in addition to providing new legal remedies, provide a significant incentive for financial institutions to develop and implement realistic agreements to resolve debt issues with their customers.

I was surprised to read articles by Members of this House whom one imagined had a modicum of financial knowledge calling for some form of enforced arbitration by a third party. How this would be imposed, we were not told. Having regard to the legal and constitutional rights involved, a common-sense rather than a coercive approach is taken, as expressed in the creditor voting process provided for in the Bill. The approval process for the debt settlement arrangement and personal insolvency arrangement is consistent with practices in comparable jurisdictions. Under the individual voluntary arrangement procedure in England, Wales and Northern Ireland, the approval of over 75%, in value terms, of creditors voting at the creditors' meeting is required. Similarly, in Australia and Canada, there are debt settlement processes that involve majority approval by creditors.

The provisions relating to a debt settlement arrangement or a personal insolvency arrangement are specifically designed, as far as is practicable, to facilitate a debtor's continued ownership and occupation of his or her principal private residence unless the debtor does not wish to do so, or the costs of the debtor continuing to reside in it are disproportionately large.

The Bill provides that an application for a debt settlement arrangement or personal insolvency arrangement must be made by a debtor through a personal insolvency practitioner, PIP.

The debtor is entitled to appoint any authorised PIP of his or her choosing. The time available to finalise the text of the Bill for publication has not permitted the development of a definite approach for the regulation of persons to act as PIPs in the debt settlement arrangement and personal insolvency arrangement processes. Thus, the Bill essentially provides for an enabling section in regard to the regulation of PIPs. I will continue to examine all of the relevant issues in order to bring forward proposals on Committee Stage. I expect that those persons who come forward to seek regulation as insolvency practitioners will likely be drawn from the legal and accountancy professions. However, other suitably qualified persons who are not members of those professions may also be interested. This has proved to be the case in other jurisdictions.

The Bill requires that the terms of the arrangement proposal make provision for the fees and outlays of the PIP and specify the manner in which they will be paid. Those terms are subject to the approval of both the debtor and the requisite majority of creditors. Generally speaking, the costs of personal insolvency practitioners involved in the management of any form of insolvency are met by the product of that insolvency. There are no provisions under the Bill for the State to pay the fees of personal insolvency practitioners.

The provision in regard to PIPs has attracted considerable attention from potential applicants. I am thus conscious of the need to develop swiftly the requisite legislative provisions. However, my Department is not maintaining a register of persons interested in becoming personal insolvency practitioners. Neither will my Department or the proposed insolvency service of Ireland be involved in the recruiting of PIPs.

In regard to dealing with insolvency, the role of the Money Advice and Budgeting Service, MABS, has been raised. MABS will continue in its valuable role of assisting and advising people with debt problems. MABS has agreed to operate as an approved intermediary in regard to processing applications for debt relief notices where it is likely to be the main such intermediary. Other organisations have also indicated an interest in becoming involved in the processing of debt relief notice applications. These would most likely be non-profit organisations rather than personal insolvency practitioners.

Determination of appropriate guidelines with regard to the reasonable expenses that may be allowed to or negotiated by debtors in an insolvency process will require further consideration. There are no such guidelines readily available or agreed at this point. Different organisations, both public and private, will have their own views and proposals in this regard. This is an area of work with which MABS is particularly familiar in the context of its current operations.

The issue of reasonable living expenses is of particular importance in the application process for the debt relief notices. Where the applicant has a disposable income of less than €60 per month after allowing for reasonable living expenses and assets and savings of less than €400, with exemptions for essential household or work items and a vehicle worth up to €1,200, he or she will be entitled to a presumption of qualifying for the debt relief notice by the insolvency service in making its determination.

The completion of the prescribed financial statement in the case of each debt relief notice, debt settlement arrangement and personal insolvency arrangement will assess in detail lifestyle expenditures. The approved intermediary or the personal insolvency practitioner, as the case may be, will take account of the obvious basic necessities of living, for example, food, heat and light, etc. However, he or she will question the continuation by the debtor of certain other lifestyle expenditures. Persons who are insolvent cannot realistically expect either creditors or the taxpayer to fund a lifestyle that has been based on credit. This approach is not intended to be ungenerous, but we must be realistic to prevent possible misuse.

It is my hope the provisions contained in the Bill will act as a catalyst for honest, open and constructive engagement between both unsecured and secured creditors and those in genuine

[Deputy Alan Shatter.]

substantial financial difficulty. The Bill provides concrete options for those genuinely unable to discharge their financial obligations as opposed to those who can but will not do so.

I was somewhat disappointed with the negative reaction of the financial institutions to publication of the Bill. I can understand their desire to have a much greater deciding role in the new arrangements. However, they will ultimately acknowledge the need for the correct balance and the maximum flexibility and to come to terms with the concerns of debtors. I recognise that they are seized of the importance of addressing the problem of accumulated debt. Our shared objective must be to assist the greatest possible number of borrowers who are experiencing genuine mortgage arrears problems to be restored to sustainability. For this to occur, the financial institutions will have to provide a larger and more imaginative range of financial debt resolution options to address individual customers' financial reality and acquire staff with the expertise to properly engage with customers labouring under the weight of unsustainable debt. Existing staff will also have to be properly trained in that regard. If the financial institutions fail to do so, they will unnecessarily drive indebted customers into bankruptcy to the detriment of the financial institutions which may ultimately recover less of the debt owed than could be recovered under a personal insolvency arrangement.

While my focus today must be on outlining to the House the provisions contained in the Bill, it is important to reiterate what is not in it. The Bill does not provide for the automatic writing-off of debt, either secured or unsecured, in the debt settlement arrangement or personal insolvency arrangement processes. An agreement that is reasonable and workable for all parties must be concluded on a case by case basis. Where a debtor is not insolvent and can meet obligations to service his or her mortgage or other debt obligations, he or she must continue to do so. The Bill does not provide for any process, whereby negative equity can be written-off for solvent debtors able to meet their repayment obligations. Such a phenomenon is a reflection of the current market value of the asset concerned. It does not exclusively relate to residential property. It could, for example, concern shares or art. Negative equity is not an issue of insolvency for the purposes of the Bill; it is a consideration of whether the debtor can pay his or her bills as they fall due. Of course, where an individual's debts are unsustainable, negative equity may form part of his or her overall financial burden. It is important to emphasise the Bill does not relieve solvent debtors of their responsibility to meet their contractual obligations.

I now turn to the detail of the main provisions of the Bill. Part 2, containing sections 7 to 21, inclusive, provides for the establishment of a new Insolvency Service of Ireland to operate the new non-judicial debt resolution processes. It sets out the functions and powers of the new service and its governance arrangements. The Insolvency Service of Ireland will have the structures, functions and powers consistent with an effective, independent body.

The new service will have a role in certifying applications for a debt relief notice or a debt settlement arrangement and a personal insolvency arrangement and, thereafter, referring the relevant documentation to the Circuit Court or the High Court in the context of arrangements relating to assets which exceed a value of €2.5 million. The Insolvency Service of Ireland has no role in the negotiation and agreement of the terms of either a debt settlement arrangement or a personal insolvency arrangement.

The central core of the Bill is Part 3 which provides in its six chapters for the three new non-judicial debt resolution processes, the appointment of personal insolvency practitioners, offences and some miscellaneous provisions. Chapter 1 provides for the issue of a debt relief notice. This will permit the write-off of qualifying debts totalling not more than €20,000 for persons with no income and no assets, who are insolvent and have no realistic prospect of being able to pay their debts within the next five years. The intention is to create an efficient

non-judicial process for allowing such persons to solve unmanageable debt problems. The process is akin to bankruptcy in its broad approach, including a three year supervision period, but provides for a low cost insolvency option, having regard to the quantum of debt involved.

Section 23 provides that an application for a debt relief notice will be subject to certain eligibility criteria. First, the debtor must have qualifying debts of €20,000 or less. Debts qualifying for inclusion in a debt relief notice are most likely to be unsecured debts such as credit card, personal loans or catalogue payments. A debtor will not be eligible to apply for a debt relief notice where 25% or more of the qualifying debts were incurred in the six months preceding the application. Among the debts that will be excluded from a debt relief notice are taxes, court fines, family maintenance payments and service charges arrears. A debtor will only be eligible for a debt relief notice if he or she has a net monthly disposable income of €60 or less after making provision for reasonable living expenses and payments in respect of excluded debts.

The value of any assets held by the debtor, whether individually or jointly with another person, must be €400 or less. There will be an exemption for essential household appliances, tools or equipment required for employment or business and one motor vehicle up to value of €1,200. There has been some comment that personal items of jewellery should also be exempt from the asset test for the debt relief notice. I am mindful of the sentimental, as much as actual, value of items such as engagement rings, etc. However, given the potential for misuse of such a possible exemption, I would need to hear very convincing arguments as to why a person applying for a full debt write-off of up to €20,000 from his or her creditors should be allowed to retain expensive items of jewellery which might be sold to repay some of the debt incurred. Only one debt relief notice per lifetime will be permitted and it cannot be applied for within five years of completion of a debt settlement arrangement or a personal insolvency arrangement.

Section 24 sets out how the debt relief notice process is initiated by the debtor. An application for a debt relief notice must be submitted on behalf of the debtor by an approved intermediary, for example, the Money Advice and Budgeting Service. The approved intermediary will advise the debtor on his or her options and the qualifying requirements. The intermediary will assist the debtor in preparing the necessary prescribed financial statement which must be verified by means of a statutory declaration and any other required documentation. A debtor who participates in the debt relief notice process is at all times under an obligation to act in good faith and co-operate fully in the process. If the qualifying criteria for the debt relief notice are met, the authorised intermediary will transmit the debtor's application, under section 25, to the Insolvency Service of Ireland.

Section 26 provides that on receipt of a completed application for a debt relief notice, the Insolvency Service of Ireland must consider it and make such inquiries as it considers appropriate to verify the information, including inquiries with the Department of Social Protection, the Revenue Commissioners and local authorities. The service will be entitled to presume that the eligibility criteria for the debt relief notice have been met if it has no reason to believe the information is incomplete or inaccurate.

Section 27 provides that if the Insolvency Service of Ireland is satisfied that the application is in order, it shall issue a certificate to that effect and furnish the certificate and supporting documentation to the appropriate court. The court will consider the application and, if satisfied, issue the debt relief notice and notify the service.

Section 29 requires the Insolvency Service of Ireland to notify the approved intermediary and the creditors of the issue of the debt relief notice and register it in the Register of Debt Relief Notices. Under section 30, the effect of the issue of a debt relief notice is that the debtor is subject to a supervision period of three years from the date of issue, unless the court has

[Deputy Alan Shatter.]

ordered it to be terminated before then. During that period section 31 provides that creditors may not initiate or prosecute legal proceedings or seek to recover payment for a debt or recover goods or contact the debtor.

Section 32 requires the debtor to inform the authorised intermediary and the insolvency service of any material change in financial circumstances. So as not to reduce the incentive to seek and obtain employment following approval of a debt relief notice, there is provision for debtors to repay a portion of the debts in circumstances where their financial position improves. These circumstances include receipt of gifts or windfalls of more than €500 or where the debtor's income has increased by more than €250 per month. There is a restriction on the debtor applying for credit of more than €650 during the debt relief notice supervision period without informing the person of his or her status.

Section 33 provides that should a debtor make repayments totalling 50% of the original debt, the debtor will be deemed to have satisfied the debts in full. In such a case, the debt relief notice will cease to have effect, the debtor will be removed from the register and all of the debts concerned will be discharged.

Under section 34, funds transmitted by the debtor to the insolvency service are to be paid on a *pari passu* or proportionate basis to the listed creditors. After the three year supervision period has come to an end, section 42 provides that the qualifying debts will be discharged and the debtor will be removed from the register of debt relief notices.

Chapter 2 of Part 3 makes provision for the appointment of personal insolvency practitioners for the purposes of applying for a debt settlement arrangement or personal insolvency arrangement. Sections 44 to 49, inclusive, provide for a range of practical matters in regard to the appointment of a personal insolvency practitioner, the duties and obligations on such a practitioner and the documents to be prepared for an application for a debt settlement arrangement or personal insolvency arrangement.

A key requirement, provided for in section 46, is the completion of the prescribed financial statement by the debtor with the assistance of the personal insolvency practitioner. The prescribed financial statement, which must be verified by means of a statutory declaration, is the critical element in an application for a debt resolution process. The details required to be included in the prescribed financial statement may be prescribed by ministerial regulation under section 130.

Chapter 3 of Part 3 provides for a system of debt settlement arrangements between a debtor and one or more creditors to repay an amount of unsecured debt over a period of up to five years, with a possible agreed extension to six years. The debt settlement arrangement would assist persons who have such income and assets and debts that they would fall outside the eligibility criteria for a debt relief notice. Sections 50 to 83, inclusive, provide for all aspects of the eligibility, application, determination, duties and obligations arising, court approval, objection by creditors and discharge from qualifying debts under the debt settlement arrangement process.

Section 50 provides that the application for a debt settlement arrangement must be made through a personal insolvency practitioner appointed by the debtor. The personal insolvency practitioner must advise the debtor as to their options in regard to insolvency processes. The practitioner will assist the debtor in the preparation of the necessary prescribed financial statement, which must be verified by means of a statutory declaration, and any other required documentation. A joint application by two or more debtors is permitted where the particular circumstances may warrant such approach.

Section 51 provides that only one application for a debt settlement arrangement in a lifetime is permitted. Section 52 sets out the eligibility criteria for a debt settlement arrangement. The debtor must normally be resident in the State or have a close connection. Section 53 provides that if the debtor satisfies the eligibility criteria, the personal insolvency practitioner will apply to the insolvency service for a protective certificate in respect of the preparation of a debt settlement arrangement.

Under section 55, if the insolvency service is satisfied that an application for a debt settlement arrangement is in order, it must issue a certificate to that effect and furnish the certificate and supporting documentation to the appropriate court. The court will consider the application and, subject to the creditor's right to appeal, if satisfied, issue the protective certificate and notify the insolvency service. In considering the application, the court will be entitled to treat the insolvency service certificate as evidence of the matters certified in relation to the application. The insolvency service will register the protective certificate in the register of protective certificates. The personal insolvency practitioner will inform the creditors of the issue of the protective certificate. When the protective certificate is issued, a "standstill" period of 70 days will apply to permit the personal insolvency practitioner to propose a debt settlement arrangement to the listed creditors. That period, on application to the court, may be extended for not more than 40 days.

Section 56 provides that the effect of the issue of the protective certificate is that creditors may not initiate or prosecute legal proceedings or seek to recover payment for a debt or recover goods or contact the debtor. The rights of secured creditors are unaffected.

Section 59 provides that certain debts are excluded from a debt settlement arrangement, including court fines in respect of criminal offences. In addition, certain other debts are also excluded, such as family maintenance payments, taxes, local authority charges and service charges.

While there is provision for a wide range of repayment options, the default position under section 60, unless otherwise agreed, is that creditors be paid on a *pari passu* or proportionate basis. Under section 61, any debt that would have a preferential status in bankruptcy will also have a preferential status in a debt settlement arrangement. Under section 63, a debt settlement arrangement proposal will generally not require the debtor to dispose of or cease to occupy his or her principal private residence unless the debtor does not wish to continue to occupy it or the costs of the debtor continuing to reside in it are disproportionately large.

Section 67 provides that if the debt settlement arrangement proposal is accepted by 65% in value of the creditors present and voting at the creditors' meeting, it will be binding on all creditors. Under section 69, the personal insolvency practitioner must inform the insolvency service of the approval of a proposed debt settlement arrangement. The insolvency service will then transmit the arrangement in accordance with section 70 to the appropriate court for approval.

Section 72 provides that if the court is satisfied with the proposed arrangement and if no objection is received by it within ten days, the court shall approve the debt settlement arrangement and notify the insolvency service. The arrangement will come into effect when it is registered by the insolvency service in the register of debt settlement arrangements. The personal insolvency practitioner will then administer the debt settlement arrangement for its duration. For section 72 to be consistent with section 69, it should refer to a period of 21 days rather than ten days. This drafting error will be corrected on Committee Stage.

There is provision for an annual review of the financial circumstances of the debtor under section 74. Section 75 sets out the conditions that attach to the conduct of the debtor during the debt settlement arrangement. The arrangement can, if necessary, be varied under section 76

[Deputy Alan Shatter.]

or terminated under sections 77, 78 or 79. On the termination or failure of the debt settlement arrangement, section 81 provides that a debtor could risk an application for adjudication in bankruptcy. Section 82 provides that at the satisfactory conclusion of the debt settlement arrangement, all debts covered by it are discharged.

Chapter 4 of Part 3 provides for a system of personal insolvency arrangements between a debtor and one or more creditors to repay an amount of both secured and unsecured debt over a period of six years, with a possible agreed extension to seven years.

The personal insolvency arrangement will assist those persons who have difficulty in the repayment of both secured debt, such as mortgage arrears and unsecured debt. Sections 84 to 119, inclusive, provide for all aspects of the eligibility, application, determination, duties and obligations arising, court approval, objection by creditors and discharge from qualifying debts under the personal insolvency arrangement process.

Section 85 provides that the application for a personal insolvency arrangement must be made through a personal insolvency practitioner or PIP appointed by the debtor. The personal insolvency practitioner must advise the debtor as to his or her options in regard to insolvency processes. A joint application by two or more debtors or an interlocking personal insolvency arrangement is permitted where the particular circumstances might warrant such approach. Section 86 provides that only one application for a personal insolvency arrangement in a lifetime will be permitted.

Under section 87, a debtor may propose a personal insolvency arrangement only if he or she is cashflow insolvent, meaning that the debtor is unable to pay his or her debts in full as they fall due, and there is no likelihood within a period of five years that the debtor will become solvent. The personal insolvency practitioner will assist the debtor in the preparation of the necessary prescribed financial statement, which must be verified by means of a statutory declaration, and any other required documentation.

The eligibility criteria for a personal insolvency arrangement under section 87 include co-operation with the secured creditor in respect of the debtor's principal private residence under a mortgage arrears process approved or required by the Central Bank. The debtor must be normally resident in the State or have a close connection. If the debtor satisfies the eligibility criteria, the personal insolvency practitioner may apply to the insolvency service under section 88 for a protective certificate in respect of the preparation of a personal insolvency arrangement.

Section 90 provides that if the insolvency service is satisfied as to the application, it must issue a certificate to that effect and furnish the certificate and supporting documentation to the appropriate court. The court will consider the application and, subject to the creditor's right to appeal, if satisfied, issue the protective certificate and notify the insolvency service. The insolvency service will register the protective certificate in the register of protective certificates. When the protective certificate is issued a "stand-still" period of 70 days will apply to permit the personal insolvency practitioner to propose a personal insolvency arrangement to the listed creditors. That period, on application to the court, may be extended for not more than 40 days. The personal insolvency practitioner will inform the creditors of the issue of the protective certificate.

Under section 91, the effect of the issue of the certificate is that the creditors may not initiate or prosecute legal proceedings or seek to recover payment for a debt or recover goods, enforce security or contact the debtor. Section 94 provides that certain debts are excluded from the personal insolvency arrangement, including court fines in respect of criminal offences. In addition, certain other debts are excluded, such as family maintenance payments, taxes, local

authority charges and service charges, unless the relevant creditor agrees otherwise. Under section 96, any debt that would have a preferential status in bankruptcy also will have a preferential status in a personal insolvency arrangement.

There are certain specific protections for secured creditors under sections 97 and 98, including a claw-back in the event of a subsequent sale of a mortgaged property where the mortgage has been written down. Under section 99, a personal insolvency arrangement proposal will in general not require the debtor to dispose of or cease to occupy his or her principal private residence unless the debtor does not wish to continue to occupy it or the costs of the debtor continuing to reside therein are disproportionately large. This provision is of particular importance to assist those with unsustainable debt in concluding realistic and common sense arrangements that facilitate the debtor continuing to reside in his or her family home.

Under section 105, a personal insolvency arrangement must be supported in the first instance by a majority of creditors representing at least 65% in value of the total of both secured and unsecured debt due to the creditors voting at the meeting and second, more than 50% of secured creditors voting, based on the lesser of value of the security underpinning the secured debt or the amount of that debt and third, by 50% of unsecured creditors based on the amount of the debt. If the personal insolvency arrangement proposal is accepted at the creditors' meeting and approved by the court, it is binding on all creditors.

Under section 107, the personal insolvency practitioner must inform the insolvency service of the approval of the proposed arrangement by the creditors' meeting. The service will then transmit the arrangement in accordance with section 108 to the appropriate court for approval. Section 110 provides that if the court is satisfied with the proposed arrangement and if no objection is received by it within ten days, the court shall approve the personal insolvency arrangement and notify the insolvency service. The arrangement will come into effect when it is registered by the service in the register of personal insolvency arrangements. The personal insolvency practitioner will then administer the personal insolvency arrangement for its duration. Again, I note that section 110, to be consistent with section 107, should in fact refer to 21 days and not ten days and this drafting error will be corrected on Committee Stage.

There is provision for an annual review of the financial circumstances of the debtor under section 112. Section 113 sets out the conditions that attach to the conduct of the debtor during the personal insolvency arrangement. The arrangement can, if necessary, be varied under section 114 or terminated under sections 116 or 117. Section 119 provides that at the satisfactory conclusion of the personal insolvency arrangement, all unsecured debts covered by it are discharged. Secured debts are only discharged at the conclusion of the personal insolvency arrangement if, and to the extent, specified in the arrangement.

Chapter 5 of Part 3 provides for offences relating to all of the non-judicial debt resolution processes. Sections 120 to 125, inclusive, provide for offences including false representations, falsification of documents and fraudulent disposal of property. The offences may be prosecuted either summarily or on indictment. Section 126 provides for penalties, following conviction on indictment, of fines of up to €100,000 or imprisonment for up to five years or both. Chapter 6 of Part 3 contains provisions that apply generally to Part 3. Among other things, it provides in section 127 for the creation and maintenance by the insolvency service of the insolvency registers to record details of persons concerned with the various debt resolution processes. The registers will be in electronic form and members of the public may inspect a register and may take copies of or extracts from entries in a register.

Part 4 of the Bill provides for a number of amendments to the Bankruptcy Act 1988 to provide for a more enlightened and modern approach to bankruptcy. These amendments will

[Deputy Alan Shatter.]

continue the reform of bankruptcy law begun in the Civil Law (Miscellaneous Provisions) Act 2011.

I will now outline the main new provisions. Section 132 provides that the minimum amount for a petition for bankruptcy by a creditor or combined non-partner creditors will be increased to €20,000. The current limits are €1,900 for a creditor and €1,300 for combined non-partner creditors. In addition, there will be a new requirement for 14 days' notice of the petition to be provided. This is to ensure that a bankruptcy summons is not brought prematurely by a creditor, so as to allow the debtor to consider other options such as a debt settlement arrangement or a personal insolvency arrangement. Section 133 provides that in presenting a petition for bankruptcy, the creditor will be required to prove for a debt of more than €20,000, a significant increase from the current limit of €1,900. Where a debtor presents a petition for bankruptcy, he or she must swear an affidavit that he or she has made reasonable efforts to make use of alternatives to bankruptcy, such as a debt settlement arrangement or personal insolvency arrangement. The debtor must also present a statement of affairs, which must disclose that his or her debts exceed his or her assets by more than €20,000.

Section 134 will require the court, when considering a petition from a creditor, to have regard to whether that creditor may have unreasonably refused a proposal for a debt settlement arrangement or personal insolvency arrangement. In adjudication of a creditor's petition for bankruptcy, under section 135 the court will be required to consider the assets and liabilities of the debtor and assess whether it should adjourn proceedings to allow the debtor to attempt to enter into a debt settlement arrangement or personal insolvency arrangement. A bankrupt is permitted to retain certain excepted articles, such as household furniture or tools or equipment required for a trade or occupation. Section 138 will increase the maximum value of those excepted articles from the current level of €3,100 to €6,000. As regards avoidance of fraudulent preferences and certain transactions made before adjudication in bankruptcy, the current applicable time periods of one year will be extended to three years by sections 139 and 140. The time periods in regard to the avoidance of certain voluntary settlements of property made before adjudication in bankruptcy will be extended from two years to three years by section 141.

Section 143 contains extensive new provisions regarding discharge from bankruptcy. First, provision is made for the automatic discharge from bankruptcy after three years from the date of adjudication, which is reduced from the current 12 years. Second, bankruptcies existing for three years or more at the time of commencement of the Act will be automatically discharged after a further six months have elapsed. This latter time is to allow for any possible creditor objection. Third, the bankrupt's unrealised property will remain vested in the official assignee in bankruptcy after discharge from bankruptcy. The discharged bankrupt will be under a duty to co-operate with the official assignee in the realisation and distribution of such of his or her property as is vested in the official assignee. Fourth, the official assignee or a creditor will be permitted to apply to the court to object to the discharge of a person from bankruptcy. The grounds for such an objection are that the debtor has failed to co-operate with the official assignee or has hidden or failed to disclose income or assets. The court may suspend the discharge pending further investigation or extend the period before discharge of the bankrupt to a date not later than the eighth anniversary of the making of the adjudication order. Finally, the court may order a bankrupt to make payments from his or her income or other assets to the official assignee or the trustee in bankruptcy for the benefit of his or her creditors. In making such an order, the court must have regard to the reasonable living expenses of the bankrupt and his or her family. The court may vary a bankruptcy payment order where there has been a material change in the circumstances of the discharged bankrupt. Such an order

must be applied for before the discharge from bankruptcy and may operate for no more than five years.

Part 5 of the Bill contains an enabling provision in regard to the regulation of personal insolvency practitioners. However, a definitive approach to the regulation of personal insolvency practitioners awaits final decision and will be the subject of a legislative proposal at a later stage. I am conscious that further development of the text of the Bill is necessary in regard to a number of issues. This work will continue and it is my intention to bring forward further relevant proposals and amendments during the progress of the Bill through the Oireachtas in the autumn.

No one should underestimate the complex legal issues involved in this very large-scale reform of Ireland's personal insolvency law and practice. The consequences and implications of new debt resolution processes must be very carefully assessed. There is a delicate balance to be struck between the various legal rights and obligations of the parties involved. The outcome must be both fair and workable for creditors and debtors alike. Not to do so would make worse a situation that already is difficult for the parties concerned. The development of any new laws, particularly those which are without legal precedent in any other jurisdiction, namely, the personal insolvency arrangement element of the Bill, which provides for the settlement of secured debt as such, required very careful legal drafting. My Department has worked closely with the Office of the Attorney General and Parliamentary Counsel, as well as the Department of Finance to develop the Bill. It is a significant part of the Government's reform agenda. It will create a modern and fairer approach to dealing with unsustainable debt, which is in the best interests of the debtor and the wider society and economy and in is line with international best practice.

It will change the relationship between insolvent borrowers and their lenders. It will give a greater balance to the rights of the borrower and the lender and incentivise both parties to come to an agreed solution. The new legislation will carefully distinguish between individuals who cannot pay as opposed to those who will not pay, so as to ensure there is no suggestion that borrowers can easily leave outstanding debts behind them. This will be achieved through the necessity of the borrowers declaring honestly and openly their financial affairs, the strict eligibility criteria and the anti-abuse provisions resulting in criminal prosecution.

For individuals who are insolvent without any reasonable prospect of being able to repay their debts, the new legislation will allow them to rehabilitate their unsustainable financial situation over a defined period. The introduction of the legislation should serve to support greater stability in the financial sector, as the introduction of the Personal Insolvency Bill 2012 will incentivise banks to reach an agreed solution with individual borrowers in resolving mortgage arrears cases. These non-judicial mechanisms are premised on both debtors and creditors obtaining a better outcome than under the reformed bankruptcy regime.

I hope the provisions of this Bill will receive careful consideration by all potentially affected by it. However, I stress that individual circumstances vary and that the solutions found within the context of the debt settlement arrangement and personal insolvency arrangement processes will also vary, depending on individual circumstances and the nature of indebtedness that exists. The Bill is a major milestone on the road to the development of a modern insolvency process in Ireland. It is a long over-due step. Much remains to be done, but the journey to real reform, of benefit to our citizens, has begun and will be completed by the end of the year. I commend the Bill to the House and I hope it has the general support of all Members.

Deputy Dara Calleary: I thank the Minister for his very detailed speech and I compliment him and his officials on the huge amount of work that has gone into the preparation of this incredibly detailed legislation. We agree with the broad thrust of the Bill and we will be sup-

[Deputy Dara Calleary.]

porting it on Second Stage, but we will table quite a number of amendments on Committee Stage. I welcome the fact that the Minister is committed to getting this through the legislative process by the end of the year. We will endeavour to facilitate him in that as far as we can, while hoping to work with him in improving the provisions of the Bill. I also wish to acknowledge the role of the Law Reform Commission and the many organisations that have worked on this issue for so many years. I acknowledge the presence in the Chamber of Deputy Stanton who, as Chairman of the Joint Committee on Justice, Defence and Equality, was manager of many hearings earlier this year. The provision of the heads of the Bill at an early stage has enhanced the debate and enhanced our ability to take part in that debate. I recommend that any Deputy proposing to speak on this over the next few weeks would take a look at the report prepared by the all-party committee and the submissions made that will guide them through the many intricacies in this area.

The fact that there will be 21,000 applications under the different streams outlined in the Minister's speech highlights the gravity of the problem we are addressing. It shows how real this is. We often discuss legislation in this House and one wonders what impact or relevance it has on people's lives. This will clearly impact directly on many lives. Those looking in on this debate and looking for a solution need to engage in this process early. The Minister gave a health warning towards the end of his speech on people's individual circumstances, and that is incredibly important. I am concerned about the management of the process and the issue of personal insolvency practitioners, but I will come back to that later.

While the focus in the committee hearings was often understandably on mortgage debt as a result of the property crash, the extent of general personal debt is not fully understood in this country. The challenge people face on personal loans, credit card debt and other loans is an area that really has not had full and proper debate, especially in the restructuring of the banking sector. If this process allows us to highlight that, then it will be of further benefit to the various people involved.

The Minister referred to an ultimate appeals mechanism whereby if people do not use common sense and do not agree, then the various bankruptcy provisions kick in at that stage, and that this will be there as an incentive to encourage debtors and creditors to come to some sort of sustainable arrangement. While he is introducing welcome fundamental reforms to the bankruptcy area that come on top of the legislation introduced this time last year, the reality is that there will still be a huge cost attached to going into bankruptcy. It is not something that will be entered into lightly. People with a fear of going into bankruptcy are still concerned that the threshold in terms of creditors is still incredibly high. I know the Minister has said that it is the international norm, but if somebody is dissatisfied with the negotiation process, there is no appeals mechanism and that was a consistent theme of many of the groups that attended the committee. We need some sort of appeals mechanism. If there is dissatisfaction with the service provided by the personal insolvency practitioners, will the insolvency service have some role in that?

The key weakness in the Bill is the lack of some kind of third party arbitration process. We will be tabling a number of solutions to this on Committee Stage. We have brought forward legislation on the establishment of a debt settlement agency and this was accepted on Second Stage in advance of this Bill. We are looking for some kind of MABS agency that will arbitrate on the issues. Our legislation provides for an independent arbitration role to allow people access another channel if their interaction with this service was unhelpful.

The Minister indicated in his remarks that it was his intention that it would be the legal and accountancy services which would take up the area of personal insolvency practice. That is welcome, but it needs to be backed up early on with some element of regulation. I am con-

cerned that some of the people who, under different guises, guided many people into the arrangements for which we are now legislating will reinvent themselves as personal insolvency practitioners. Those involved in financial services and property over the years suddenly see a niche in the market where they can, like Superman, step into a telephone box and come out as the champion of those in difficulty. The danger in this area is very clear unless we have very strict regulations. These people will be dealing with very confidential information pertaining to other people's money, so there is an intention in the legislation of putting some bonding arrangement in place. There needs to be some sort of role for people who have a difficulty with their personal insolvency practitioner. There needs to be a mechanism where such a practitioner can be controlled and cautioned. Then there is the question of the fees and the management of the process. Potentially somebody could be involved as a personal insolvency practitioner for between five and eight years. What will such a practitioner's fee be? What guidelines will be available to those thinking of going into this process? People enter into this process under a huge burden of debt. They are looking for some sort of solution and this process is being held up as a potential solution, so it is important that those who guide them through that solution do not add to that ongoing debt issue and are properly qualified and regulated.

The other difficulty is that while much of this legislation is very strong, it is inconsistent with what is going on in other parts of Government and other Departments. The Minister said he sees MABS as having a key role, which we all accept. As every Deputy and Senator is aware, however, while MABS is doing a fantastic job at present, it is completely under-resourced. I accept that is not Deputy Shatter's Department but the Minister, Deputy Burton, needs to get her act together in regard to MABS. If there are potentially to be 400 applicants a week, MABS will become one of the first points of contact, as it already is for many who will enter into one of these processes. In order to manage that system and the extra work associated with it, MABS will have to leave aside other people who need its assistance. A specific effort needs to be made, particularly as we move towards budget time, to get the agency up and running by January in order to align resources for MABS in this context.

There is an inconsistency between the Bill and some other Government decisions. For example, the Bill requires six months co-operation, similar to the Central Bank code of conduct in regard to mortgage arrears. That is welcome because one of the big issues and challenges in dealing with this issue is the "can't pay, won't pay" debate. I have to say the Minister has gone a long way in this Bill to addressing that issue. This is not an easy process for anybody. When people see the options laid out in colourful graphs in newspapers, they should not be in any doubt of the demands that will be placed on those getting involved in any of these processes. However, in the changes to mortgage interest supplement introduced by the Minister, Deputy Burton, there is a requirement for a 12-month agreement between those looking for mortgage interest supplement, which many will seek under this legislation, and their banks. The Minister, Deputy Burton, needs to get with the programme to a certain extent and bring her Department into line with the thinking of this legislation and that of many of the groups which are involved at the coalface.

There is also the issue of the demands on the Free Legal Advice Centres, FLAC, and on free legal advice generally at present given the demand that will arise from people looking for advice about their options from that service. They too need to be resourced.

An issue I have often raised is that of an information campaign around this legislation. When we have the Bill passed, the agency should have a budget of some type in order to inform people of what is available, what are their rights and, equally, what are their responsibilities. It is enormously complex. There are so many people who are dependent and so many looking for some sort of solution to very serious problems. They may think such a solution is contained

[Deputy Dara Calleary.]

in this Bill, which it undoubtedly is. One of the good things the Minister did last week was to publish various case studies, although, to come back to the Minister's remarks, every individual's circumstances are different. We need a very detailed information campaign to educate and inform people of what is available in this regard.

The Minister outlined figures suggesting there may be 400 applications per week under this process. I welcome the clarification he gave in regard to the Circuit Court and the involvement of the county registrars. However, if we consider the volume of people who will get involved in this process, there will be a huge extra burden on county registrars, who have a relatively quiet existence at present. Will they be resourced and what role will they have in dealing with this in terms of their day-to-day interaction with the new insolvency agency? If somebody has a difficulty with the process, will there be some sort of area to deal with this?

One of the most important points the Minister made was that he intends to recruit a director general designate of the new service. It would be good to think we have somebody in place in a designate role before we come to Report Stage so they could be involved in looking at what is coming through, because this is the person to whom we are going to entrust the running of this agency. That person will obviously bring experience in this field to the job from either within the island or internationally. That experience and background will assist us if the person is in place before we finalise the legislation.

To have the service up and running by 1 January is ambitious although, legislatively, we will do everything that needs to be done. Nonetheless, on the practicalities, I am assuming the Minister has all of this cleared with the Minister, Deputy Howlin, in terms of sanction for the appointments in order that the Minister, Deputy Shatter, can go ahead in a kind of twin-track process and have that team in place. The Minister, Deputy Shatter, knows there is such pent-up demand for solutions that, as soon as that agency goes live, a considerable volume of people will seek its assistance. The worst thing we can do, having offered people innovative solutions, is then to have the delivery mechanism let them down. The Minister referred in his speech to IT failures. If we have a systems failure at the start of what is a whole new era for our management of debt, this will damage people's faith in what is an incredibly important new organisation.

I referred to the various restrictions in place about the "can't pay, won't pay" issue. It is important these are in place to discourage those who would seek to use this to avoid their responsibilities. Most people will not, it is fair to say, but there will be a coterie who will see this as an easy way out of their responsibilities. The danger of this, as we have noted in other debates in the justice field, is that when people go around flashing their wealth and material possessions after having been in one of these processes, it will undermine the entire system and will undermine society's faith in the system being fair.

This again comes back to the role of the insolvency practitioner and the agency. There are criminal sanctions for those who give false information and those sanctions need to be used early on. The message needs to go out early that this is not a solution for those who won't pay. This is not a golden card for those who want to avoid responsibility. It is a solution for those who, for whatever reason, are in a position they currently cannot get out of. The fresh, new start this offers will give them a chance.

The discussion has understandably focused on mortgage debt but the Bill also provides a new platform for enterprise. The change in the bankruptcy culture and the insolvency culture will make it a little easier for those with an idea they think is worth pursuing actually to go down that road. What we need in terms of a change in legislation is a change in culture in this country. If people, for whatever reason, through no fault of their own, end up in this process,

that is the way it is. They tried their best not to do so, and people need to respect that and allow people to move on with their lives. The encouragement this will give to the enterprise side and those seeking to promote employment is particularly welcome.

The committee hearings produced many different views on the threshold. I welcome the fact the Minister has reduced it from what was outlined in the heads of the Bill to the 65% mark, although that is still very high. For many people, this will be the owner of their mortgage or credit card, namely, the bank. People need to know beforehand that when they invest or engage in this process, there will be some sort of fairness. This is why we need to flesh out the whole area of independent arbitration. It is the one major weakness in the legislation that there is no independent arbitration. While the Minister has pointed to constitutional and legal issues, surely in the context of what is game-changing legislation, we can look at this and give people the final element of security in terms of having them engage with the system by knowing they will get fair play and a fair hearing. If they do not, there is then a final court of appeal to exhaust.

This is hugely important and hugely detailed legislation and I commend everybody involved in it. As I said, we will not oppose its passage on Second Stage. I hope the Whips will ensure it passes Second Stage ahead of the summer recess and that we can enter into Committee Stage early in September and get that side of it done. Again, I reiterate my suggestion that it would be beneficial for the legislation and, ultimately, for the insolvency service if the agency's recruitment process could be finalised before we finish the legislation so those to whom we will pass the responsibility on 1 January next year will be involved at some stage towards the end of the legislation's passage and may bring additions to it. I look forward to the debate. For those participating in it, it would do them no harm to read the report from the joint committee to see how serious the problem of personal insolvency and debt is and to go through the provisions outlined in the Minister's speech.

Deputy Jonathan O'Brien: I welcome the publication of the Personal Insolvency Bill 2012. It has been long awaited, considering the heads of the Bill were published last January. It was important it was at least published before the summer recess. Hopefully, we can get Second Stage done and dusted before the recess because the sooner we take Committee Stage, the better.

Sinn Féin gives the Bill a cautious welcome. It has to be seen as part of a process. While the Bill itself will not solve the issue of debt in society, it certainly has the potential to help it. There has been much discussion around elements of the Bill and how it will impact. My reading of it is that it is not sufficient enough to do what many people, particularly those in mortgage distress, were hoping it could do. This is a matter that needs to be examined. I have no doubt many families followed the debate about this legislation over the past several months and were hoping for something that would give them a little more hope than what is proposed in the legislation. There will be a certain level of disappointment with the Bill as drafted.

Since the heads of the Bill were published, there has been much discussion at the joint committee with a number of submissions from a broad range of groups and advocates including New Beginnings, MABS, FLAC, the bankers and small businesses. There were detailed discussions at the justice committee but many of the issues pointed out during that process have, unfortunately, not been taken on board with the final draft. This has been a very frustrating part of the process. We pretty much have the same as what was published in the heads, give or take one or two minor additions. This was a missed opportunity to take on board all of these concerns and produce legislation that could really transform how we tackle insolvency and debt in society.

[Deputy Jonathan O'Brien.]

The Bill proposes the establishment of an insolvency service which will provide licensing for and approval of the intermediaries and personal insolvency practitioners. The proposal is that these intermediaries will play a key role in advising debtors, negotiating debt settlements and administering the terms of such settlements. The Bill proposes three arrangements in dealing with insolvency. The first is debt relief notices which are aimed at debtors who possess almost no income or assets. This will be administered by approved intermediaries at no cost to the debtors. The second is debt settlement arrangements which are aimed at those who do not fall within the very strict criteria of debt relief notices. The third is the personal insolvency arrangements which will operate in a similar fashion to the debt settlement arrangements but will allow for the inclusion of secure debt. The Bill will reform existing bankruptcy rules by reducing the period for bankruptcy from 12 years to three years. This is to be welcomed but on Committee Stage we can discuss why we settled on a three-year term and how it will impact on its implementation. In other jurisdictions, the term is less and I would have preferred to see a two-year term.

The functions of the insolvency service will go a long way in determining how effective this legislation will actually be. There is no doubt the Bill, published only last Friday, is complex and lengthy legislation. It would be impossible to touch on all aspects of it today in the time allocated. That is why Sinn Féin will also not be opposing it on Second Stage. The quicker Committee Stage is taken, the quicker we can examine the Bill's detailed aspects and proposed amendments.

The eligibility criteria for debt relief notices are too restrictive. For instance, in addition to being insolvent with no realistic chance of becoming solvent, the specific eligibility criteria includes a debtor having a net disposal income of less than €60 per month after certain expenses are deducted and assets or savings worth €400 or less. What constitutes an asset? Essential household appliances, for instance, would not be taken into account when assessing a person's assets. What is an essential household asset? Is a dishwasher an essential household asset? Will a television, a PC, personal jewellery, a wedding ring or an engagement ring be taken into account when assessing someone's assets? This is an area that will have to be examined in more detail on Committee Stage as I believe the figure in question is too low and restrictive.

The personal insolvency practitioners will propose the DSAs, debt settlement arrangements, and broker their terms. The Bill suggests several ways how they may deal with debt including a lump sum payment to creditors, payment arrangements, transfers of properties and the sale of specific assets for the benefit of creditors. It also outlines creditors of the same class will be paid in proportion to the size of the debt owed, unless otherwise agreed. Certain debts will be considered preferred debt. This is another area which will have to be examined in great detail on Committee Stage.

The personal insolvency arrangements have received the most media attention. We know they will operate in a similar manner to their debt settlement arrangements but it will also allow for the inclusion of secure debt. The whole area around the voting rules which are needed to reach an agreement are difficult to agree with. There is no doubt the criteria need to be reconsidered. The Bill states that a debtor must owe a debt to at least one secured creditor holding security over an asset or property situated within the State and that said debtor must make a statutory declaration to the effect that he or she has co-operated with his or her creditors for at least six months in the context of dealing with any mortgage arrears on his or her principal private residence. In other words, he or she will have had to have engaged with a mortgage arrears resolution process.

My main issue with the Bill relates to the voting rules. There is no getting away from the fact that banks will retain a veto in respect of this matter, that there will be no legal obligation on them to accept what could turn out to be very reasonable applications from customers who are in arrears and that there will be no right of appeal in respect of decisions the banks make. The latter has the potential to leave debtors with no option other than to declare bankruptcy. I have heard quite a number of comments, particularly from Government backbenchers, to the effect that this Bill is radical in nature. If one considers the current framework relating to personal insolvency, then any legislation brought forward would obviously appear radical.

I have no doubt the Bill is going to have an effect. To be honest, however, we do not know how many people it is going to assist. While a great deal of the focus during the discussions on the heads of the Bill concentrated on the technical details, namely, the rights of debtors versus those of creditors, voting rights and the type of debts involved, very little emphasis was placed on the impact to which the Bill might actually give rise. When the Bill was published last week, the Department provided some examples with regard to how it might help certain individuals. However, no real substantive work has been done in respect of the broader implications of the legislation. For example, a regulatory impact analysis has yet to be carried out. In addition, we do not know what will be the Bill's impact on the wider economy. We know how it is going to impact on individuals because the Department provided examples in this regard but there is no indication on how will affect the wider economy. In that context, we do not know how much debt could potentially be written off. Neither do we know how the Bill is going to affect credit institutions, the behaviour of debtors and creditors etc. All of this remains to be seen.

The real test with regard to whether the legislation is going to be effective will come when we are in a position to evaluate if it is going to prove to be of assistance to the hundreds of thousands of people who are struggling with debt. How many of these individuals are going to be able to avail of the provisions contained in the Bill? There is no question that it is going to help a certain number of people. I was not present for the Minister's contribution but I listened to it on the monitor in my office and I am aware that he provided some projections in respect of the number of people who might avail of the Bill's provisions. We must ask whether this is really going to deal with this matter in an adequate fashion.

Account must be taken of the fact that some people's circumstances are becoming worse all the time. Other policy initiatives and additional legislation must be introduced by the Government in order to try to ensure that people will not get into situations where they will be obliged to avail of what is being proposed in the Bill. If we do not scrutinise the Bill very closely on both Committee Stage and Report Stage, we will fail to grasp the nettle fully in respect of this matter. Potentially, we could lose out on an opportunity to deal comprehensively with the issue of personal debt once and for all.

As already stated, Sinn Féin will support the Bill on Second Stage. We are eager for it to be referred to the select committee in order that we might draft amendments and have them discussed as soon as possible. On Second Stage, Deputies tend to have their say in respect of legislation but they do not really discuss it in detail. The sooner we begin to tease out the relevant issues the better it will be for everyone.

Deputy Catherine Murphy: I wish to share time with Deputies Joan Collins and Mattie McGrath.

An Leas-Cheann Comhairle: That is fine.

Deputy Catherine Murphy: The most welcome aspect in respect of the Bill is that it has been published and is being debated. It is clear there are issues with it, including some to which the Minister referred, which can be dealt with on Committee Stage. While it is intended to try to

[Deputy Catherine Murphy.]

conclude the Second Stage debate on the Bill prior to the summer recess, it is going to be extremely important that adequate time should be allocated in respect of Committee Stage. In that context, use of the guillotine should be avoided on Committee Stage which is going to be the most important part of the process relating to this legislation. I am somewhat disappointed that the regulatory impact assessment was not produced in parallel with the Bill. Such assessments are always of assistance to us in our deliberations. As a result of the fact that the Bill was only published on Friday last, we have not really had time to give it the kind of attention it requires in the interim.

We have been waiting a long time for this very complex Bill. Everyone accepts that a great deal of work has been done in the context of its drafting and in terms of considering the various pros and cons relating to including certain provisions. People understand that there is a need for a debt-resolution process. For that reason, I certainly will not be opposing the Bill on Second Stage. I want to see how it will evolve, particularly as there are certain aspects with which I have a difficulty.

The process outlined in the Bill is not going to be an easy one to navigate for those who enter into it. I cannot see people wanting to end up on a register because this will have serious implications for them in the context of how they live their lives, how their credit ratings will be affected etc. This is not going to be an easy process. We must, therefore, consider a range of other options which can be made available to people in order that they will not be obliged to enter into it. One such option relates to accelerating our efforts in respect of job creation. I commissioned a document from TASC, the independent think-tank, on how a stimulus package, if provided, could be job-rich rather than growth-rich in nature. Creating jobs and creating growth do not always involve the same things.

The second option would involve examining the position with regard to things that are linked. I refer here, for example, to mortgage interest supplement. I regret the way in which this matter has been dealt with in social welfare legislation. Under the relevant provisions, a person must be engaged with his or her lender for a period of 12 months before the supplement can be paid. There are people who could manage their debts during specific periods during the year if they were given support in the critical 12-month period to which I refer. The instrument being used in respect of mortgage interest supplement is extremely blunt. I understand from where the Minister is coming in the context of encouraging the banks to engage in respect of mortgage interest supplement, particularly because it is they who ultimately receive it. However, the provision that has been made in terms of the first year is inadequate.

We cannot look at the Bill in isolation. I see the sum of €3 billion as large-scale debt. Much of it will relate to family homes, in respect of which there is a huge issue with negative equity in terms of the ability to sell the house and realise the amount required to pay off debts, while having an alternative means of finding accommodation. According to Central Bank figures, 764,138 private residential mortgages in Ireland are worth €112.7 billion, of which some 77,000 are in arrears for 90 days and 53,000 for more than 180 days, amounting to a figure of 6.9%. Total arrears amount to €1.2 billion, which is substantial. Some 79,712 mortgages are subject to restructuring plans, while 961 homes were in the process of repossession in the first quarter of this year.

We must consider whether the Bill will seek to keep people in the family home, if at all possible. If it is not possible to do this, I am concerned about the policies that will be applied to those who find themselves out of the family home. People must be out of the family home in order to qualify for placement on the housing waiting list. This involves a transition period. The local authority has up to three months to decide whether they will be placed on a waiting list and they must be on the waiting list before they qualify to apply for rent assistance, on

which it can take up to three months for a decision to be made. These are the practical realities. There is a poverty trap built in because if people are working and trying to pay off their debts, they do not receive rent assistance. People on low incomes will lose their jobs. We must think about these matters because the practical issues will be important in making the resolution system work, even if it is just to put pressure on people to come to a resolution. The nuts and bolts must be cross-governmental and cannot relate to just one item of legislation.

The Insolvency Service of Ireland is to be established, but I would like to see much more information on what is envisaged. I do not know whether this information will be included in the regulatory impact analysis. It would be useful if the Minister addressed the issue in detail. I refer to capacity, funding and fees. We need to receive some indication of the details on these aspects.

Those with a disposable income of less than €60 per month after allowing for living expenses can avail of the first tier of the debt resolution process where the debt does not exceed €20,000. I am thinking about the practical application of this measure. What constitutes living expenses and how is the matter to be decided? The detail in this regard will be important. There could be different interpretations and the measure needs to be evenly applied. It is harsh, but it would be worse if the application was uneven. The MABS does a fantastic job with limited resources and will be asked to take on a heavier workload. If the Bill had been introduced during the good years, when a small number of people were coming through the system, it would have been easier to manage. Potentially, there are many people in the queue and they will all demand a service at the same time. Therefore, there may be a need for front-loading. This should be considered if the measure is to work in a fluid way for those with no option but to take this route.

Many of those involved are in a particular age cohort. They tend to be persons with young families as they have large debts at the beginning of their career paths. One of the two jobs that helped to sustain the mortgage may have been lost.

What constitutes living expenses in the case of key events which are often religious events which put pressure on people? People will be forbidden from accessing particular credit lines and it worries me that illegal moneylending may take place under the table.

Other Members have referred to practitioners. We need to see details of practitioners' fees and consider who has the capacity to deal with this issue. People need to have a good understanding of financial and legal matters. Even if there is not heavy regulation, there must be strong oversight if we are not to have rogue elements operating in this area. The measure is open to being used by such elements and this issue needs consideration on Committee Stage.

Regarding the disposal of the family home in a case of mortgage debt, creditors must agree and are in a strong position to veto the proposed debt settlement. In the case of mortgages, the co-operation of lenders is required. An article this morning in *The Irish Examiner* suggests that, according to an internal memo, AIB will not offer a write-down of mortgage debt. New Beginnings has stated there is no such thing as a debt write-off, only debt transfer. That is an accurate statement, but there was a large debt transfer from the banks to the taxpayer, to which there were strings attached and now we own AIB. I wonder how appropriate it is for AIB to issue internal memos on what it will do to subvert a means of resolving the cases of individuals who were sold mortgages by the bank. The mortgages were barely sustainable in the good times and are certainly not sustainable now.

The banks are not thrilled about this and the Minister may have to call them in. A debtor must show he has tried to co-operate but there must be a change in culture from the banks so that co-operation is a two-way process.

[Deputy Catherine Murphy.]

We must get hope back or there will never be confidence. The debt resolution system is part of that. It will be difficult for anyone who finds himself involved in it but it is how it is applied across Departments that will show whether it works.

Deputy Joan Collins: The ULA will be supporting this Bill on Second Stage, although with severe reservations. We all know mortgage resolution is a key area for people and the economy. The real issue, however, is not resolved in this Bill — the 90,000 people who find themselves in arrears and in danger of losing the family home. As with the Keane report, their fate is being left in the hands of the banks and mortgage providers. The creditors have a veto and can refuse to acknowledge a debt settlement.

The idea that this can be resolved case by case, with options under Central Bank guidelines such as interest only, lower payments or deferral of payments for a period will not solve the problem. Is it inevitable that repossession, whether agreed mutually by the bank and the mortgagor or by the courts, along with the humiliation of eviction by the sheriff and bailiffs, is to be the fate of tens of thousands of families in the 21st century, a repeat of the 1900s? Do we face that scenario? The only benefit this Bill has at this stage is that people will be able to declare themselves insolvent after three years and the negative equity left over after repossession and disposal of the home will no longer hang over them.

It is time to face reality. I am talking about debts on the average family home. I am not talking about trophy homes or the Quinn family scenario. These people did not behave irresponsibly, they did not go mad, and I would like Enda Kenny to hear that reference. These are people who, to provide a home for themselves and their families, were forced to borrow to buy homes in a market where prices were deliberately inflated as a result of the policies pursued by Government, developers and the bankers. We all remember the advertisements on television appealing to parents to remortgage their homes to get their children on the property ladder. It was madness. The newspapers made huge amounts from their property supplements. Those people did not cause the banking crisis or the collapse in house prices but they now find themselves having lost their incomes through unemployment or a decline of self-employment income and unable to service their mortgage debt. These people are not welchers who are deliberately choosing not to pay; they cannot pay the full monthly payments. There is reality here also for the banks and mortgage providers. If people cannot pay, the debt will not be paid, it is that simple. Repossessing a home now only equates in general to 50% of the loan, meaning banks and mortgage providers will take a loss. There is no way around that.

The banks recapitalisation at the expense of citizens took account of that fact, as Deputy Murphy pointed out. This reality must be made clear to banks and mortgage providers. A high percentage of mortgages that are in arrears are not going to be paid off. We must accept this reality and devise a system that allows people to pay what they can and stay in their homes. It is not difficult and has been done in a number of countries, especially in Northern Europe. I would point to the benefits for both owners and creditors, and to the State, of the approach taken in Norway when it faced a similar crisis in 1990. The Norwegian insolvency legislation specifically dealt with these problems. It established a system of independent insolvency offices — a key point. A person in difficulty can apply to the office for assistance in the formulation of a voluntary agreement with his or her creditors. Where a loan is secured on the family home, the family has a right to stay in it. In the cases where people cannot afford to stay in their home, if their property is sold, they must have enough money from the sale of the house to be able to buy a property that meets their needs in the same area. The mortgage is revalued on the basis of the present value of the security. If a house has a mortgage of €300,000 and is worth €150,000, only the €150,000 portion of the mortgage is secured against the home. The

balance, the negative equity, becomes an unsecured debt and is treated like other unsecured debt. The debtor then pays what he can reasonably afford on the reduced mortgage. If he does this for five years, the unsecured debt, including negative equity, is written off. If a voluntary agreement is not reached, the case goes to court for a compulsory arrangement. All of the safeguards to stop abuse can be written into the legislation. Debtors who do not co-operate in providing information on their full financial situation cannot avail of the scheme while false declarations and hiding of assets is a criminal offence.

The United Left Alliance has been working on a Bill along these lines. We will move these ideas as amendments and if they are not accepted, we will introduce a Bill on this topic in the autumn. Our Bill will not be a full solution to the crisis. It will deal with those paying their mortgages but trapped in unsuitable accommodation by negative equity.

There is a crisis that has not been addressed and I would like the Minister to share his ideas on it. Shared ownership schemes, run by local authorities, require a separate solution. These people are in dire circumstances and local authorities have been seeking advice on how to deal with these mortgage debts. Up to 70% of shared ownership properties are in crisis. There is a scandalous shortage of social housing, which was raised this morning by Deputy Richard Boyd Barrett. That is linked to the fact that when people lose their homes, they must go on the local authority list and then are put into private rented accommodation, where we again line the pockets of private interests.

All of these issues must be addressed, along with the mortgage interest supplement issue. The Minister for Social Protection should never have introduced the changes in this area.

I have been trying to represent people who have contacted me from all over the country about their situation with banks. In my experience there are differences between how many of these creditors operate in terms of the spirit and the letter of the guidelines. The key problem is the huge range of families and the distress, ill health and strain on relationships this is causing. There is a real social cost arising from the situation and it is incumbent on us to deal with it and to provide a debt resolution system that people can use in the confidence that they will not be evicted from the family home and will not find themselves paying off unsustainable debts for the next 30 years.

Deputy Mattie McGrath: I am also glad to the chance to speak on this Bill. I compliment the Minister, something I do not often do, on bringing it forward, however belatedly.

It is incumbent on all elected public representatives in this House and the Seanad to tease this out and pass it as soon as possible. We are being watched and people are waiting with bated breath to see what we do. They are anxious for this to happen. They want to know how it will improve their lives. There is no doubt that personal indebtedness and mortgage arrears are having a devastating impact on people's lives, family relationships, children and extended families. In some cases parents and grandparents, for reasons of good intent and in an effort to help their children or grandchildren, put their shoulder to the wheel and were ready, willing and able to share the equity they had. All they were doing was helping their family to better themselves. In many cases in rural areas they bought sites, sought planning permission, paid the fees, paid the architects and got the best advice available to build a home for themselves. What more noble objective for any person than to house themselves? We have a proud record in that area in this country. One must bear in mind the Famine and the people who were bullied out of their homes and whose homes were raided. Evictions are an emotive issue given what went on in those penal times. Little did we know since we got independence that we would be back in that situation again. Tragically for many people, we are.

[Deputy Mattie McGrath.]

While the Bill has shortcomings, it is, however belatedly, an effort to resolve matters. Many people are affected by stress and trauma. Family life is under extreme pressure. People are being harassed by banks, lending agencies and moneylenders — the scum of the earth, as far as I am concerned, who take advantage of people in trouble and offer them quick money for family events and other needs. Little do people know what to expect when they are driven into the hands of those vultures. That is all one could call them.

I have come from a briefing about the impact of the Coroner's Court on families and the devastating circumstances following death by suicide. The consequences thereafter are tragic. People have to relive the event in the Coroner's Court, and the media are present there also. Sensitivity is required to deal with the issue because of the trauma involved and the danger of copycat deaths.

The debts of the average family are phenomenal. They are overpowering. As a result, people are worn down. I met the troika as a member of the Technical Group, and we tried to get the message across to the people we met. The Government's projected growth rates will not be met. They cannot be met while people are in a state of insolvency, have huge mortgage debts and many other types of debt. People do not have jobs or spending power. Self-employed people do not have proper supports. Many self-employed people had good businesses and built homes for themselves. I do not refer to the people who built mansions. I speak about decent, reasonable homes. Those people had reasonable expectations but their businesses failed. They have a two-pronged problem because they also have business debt which they incurred in good faith.

We had a briefing this morning from FLAC. I was alarmed to discover that people in hire purchase agreements have no recourse to any justice. I have entered into many such agreements myself in the past and I was not aware of that. However, it is a bad day that one does not learn something. We again see the vultures — the banks that we bailed out — advertising on a daily basis hire purchase agreements for cars and other items. It is the one area in which they can do so under the radar, put people under huge pressure and still have all the cards on their side of the table. One of my criticisms of the Bill is that the banks are not being addressed. I question whatever power they had over the previous Government, of which I was a member, and have over this Government, official Ireland and the troika. The banks are playing funny money games with everyone. They are not stepping up to the plate and lending the money they were supposed to lend.

In the context of today's debate, from which I do not wish to stray, banks are not being sensitive in their dealings with ordinary people. Many staff members in banks do a tremendous job — I refer to people who work on the front line or are local managers — but, unfortunately, they have no say anymore. They are not being listened to and they were not listened to either when the money was being fired out. Many of them were conscientious and had an understanding of families and what money could be repaid but nobody listened to them. It was all about shovelling money out as fast as they could to make commission for the whizz kids who were going up the ladder fast. In many cases, reasonable managers who are still in place were thrown to one side because they were out of fashion. They were considered to be old fogeys who did not know what they were talking about and they were told to move aside. It was said that time moves on and that we were in modern-day Ireland. People were offered car loans or holiday loans with the mortgage. Many of those working in the banks have now moved on to debt collection — a horrible practice, with repossessions and intimidation. It is as if they did not get enough of it the first time around. They are getting huge remuneration in that area as well. People are being pressurised and intimidated. They are subjected to late-night telephone calls, dawn raids and calls to the house. In many cases, the same people who made money by lending

money on a commission basis have become nothing short of terrorists. They are terrorising the lifeblood out of ordinary people. In many cases the result is that, tragically, people take their own lives and leave their families and loved ones to deal with the trauma.

The debt of the average family is unbelievable. I invited the troika yesterday to come to this country or send an independent agent to walk through any rural town or any city, including this one. They will see there is footfall but people are not spending money because they do not have it. One cannot spend what one does not have and credit has dried up. Shopkeepers and small businesses cannot get credit so they cannot give credit. We are in an awful situation.

I lived through the previous economic crisis in this country and, in the main, the only people who had huge borrowings with excessive interest were the farmers. They suffered but they are resilient and they came through it. They had an asset which has varied in value since then. Currently, almost everyone has large borrowings. In fairness to young people, those under 30 saw no other example than to spend, spend, spend. Money came out of the hole in the wall as if it was a type of factory. People did not understand the value of a pound or a shilling. Then there was all the pressure, with advisers and advertisements setting out what one could have. There were no limits to what one could have. One could ask where those advisers are now. Organisations such as FLAC and other support groups are trying to help people. They are standing by those unfortunate people who did their damndest in a noble effort to house themselves and who are being punished for it. They are being thrown to the wolves. It is time that stopped. That is why the Bill must deal with the issue.

The parents, and in some cases grandparents, who secured the mortgages have lost everything as well. Having worked their way up since the inception of the State, housed themselves, reared and educated their families with dignity and pride, and given them a hand-out to provide them with security, they cannot sleep in their beds because they are faced with threats from the sheriff and the bailiff. I appeal to the Minister to reform the legislation on sheriffs. It is an outdated bastion of the British Empire. We must get rid of the office because sheriffs are insensitive. The tactics they employ involve bullying. We thought we had got rid of all of those people when we got our freedom and independence but we had not. They call to the homes of people who do not have enough food on the table demanding money for cars or other things. In some cases they call to small business people who have equipment, most of which they have paid for, with only small bills involved. Every time a sheriff calls or writes a letter, there is a fee. One can deal with Revenue — I have dealt with it as an elected Deputy and I compliment it, as it has realised that people do not have money and is doing deals with them — but one cannot deal with the sheriffs. They will not even talk to a person. If one rings, the sheriff will accuse one of making threats or upsetting staff. Sheriffs are like paper shredders. The minute they get a beck from Revenue, they are off. Every time a sheriff makes a call, writes a letter or sends an agent, it is more money.

Intimidating tactics are being used against households in which children do not have enough to eat. Sheriffs have a job to do, but even if they are not coming to a person's door relentlessly, the threat of them doing so makes people wait for them day in, day out. Someone will be killed. It will be another tragedy. People are distraught. They have told me that, if a sheriff comes again, they will not be able to control themselves. I have tried to talk them out of it. The dignity of the home and family must be respected. One's home is one's castle, but these vultures are knocking on doors, threatening people, waiting for them to bring their kids home from school and taking their cars away. Unfortunately, sheriffs have the power to enter a house to remove personal belongings.

This system needs to be reformed because it is outdated. I will not support anyone who does not pay or try to pay his or her way, but some people are in serious situations. If a person still

[Deputy Mattie McGrath.]

has a television or has paid the licence fee, he or she can watch the night's news about bankers, advisers and former politicians and public servants on pensions of €140,000 or €150,000. I found out from an answer to a question submitted by Deputy Tom Fleming that some of those people have been re-hired. It is not as widespread a practice as I had expected, but it is still disheartening. That they took early retirements, are in receipt of pensions and have been re-hired is despicable. It beggars belief that we as politicians allow the institutions of the State to do this.

People are being arrested. On Sunday evening, a man showed me the mark on his finger left by his wedding ring, which he had pawned the day before to pay for his child to go on a school trip. The sheriff is following him around. Bankers have gone to football matches in Poland and so on and are being called to present at Bray Garda station by appointment. In the case of a former Deputy, a misappropriation of funds amounting to €1,400 or €1,800 has been alleged. His house was visited by three car-loads of detectives, who raided and plundered before taking him away like a common criminal. He is innocent until proven guilty, which is a matter for the courts, but the media was tipped off first. That is the most despicable part of it. Will the Minister check on who told the media? Doing that to anyone, a politician or otherwise, is disgraceful. What of the bankers, the gangsters and the chancers? Senior advisers bought the voting machines. The former Minister made the decision, but what of the smart people who knew all about them, went on junkets to see them, claimed they were fit for purpose and bought a pig in a poke? I would not know the inside of a computer from the outside, but these experts and so-called advisers were well paid. Now we have a mess. The Minister received €70,000 for the whole lot. People in mortgage arrears are living in fear and cannot endure any more of this. It is past time that we made an effort to deal with it.

According to the Minister's documentation, the Bill's principles are an insolvency service, insolvency professionals, voluntary debt settlement and bankruptcy. It is a strange description, but we all know that there has been bankruptcy tourism in recent years, with people going abroad to be declared bankrupt. This morning, we received a presentation from road hauliers. Unfortunately, people are being forced to buy laundered diesel to try to keep their businesses alive. Where will Ireland be without a road haulage service? Where will it be without the people who are ready, willing and able to work towards rebuilding it if they are downtrodden and kept on social welfare and have their dignity taken away?

I welcome the proposed reduction in the bankruptcy period from 12 years to three years, but I am concerned about some aspects of the change. For example, one could be bankrupt for eight years. Personal debt is a major problem for the economy. A recent IMF study found that household debt restructuring programmes help economic recovery. I told the troika as much yesterday. If people have money, they will spend it. We must make cuts, but many of them have been made in the wrong places. We need to allow people enough money to live. We cannot have a situation in which they are hungry, desperate and driven to moneylenders. If they do not have money, the cutbacks and austerity will not work. It is time that our so-called friends understood this and examined what is happening. They should not believe everything they are told by Ministers or special advisers. Many of the latter group advised the previous Government and were present on the night of the bank guarantee. When it was put to us, we had no option but to vote for it, yet they are still in their jobs. A minority has retired and been re-hired. Many of the advisers do not seem to know, understand or, even worse, care. This situation cannot continue. We need to deal with the issues and root out the permanent government. Regardless of what happens, the people involved cannot be reprimanded, let alone dismissed. With the Government of the day, they got us into this mess, but they are not taking any flak for it. I do not want recriminations, but changes and new ideas. We should involve

people with business brains who can understand how to deal with bank debts and what can and cannot be repaid.

I compliment my local authority in North and South Tipperary, which will be combined, and its housing officials, for example, Mr. Aidan Fennessey, Councillor Seanie Lonergan and Ms Catherine Meade. Day in, day out, they must listen to the tragic stories, occasionally in my company, of people in shared ownership arrangements or who are renting local authority housing. I took a female applicant who I did not know to the housing officer. Little did I know that she had gone into business. When the housing officer asked her about her debt, she said €10 million. The officer and I nearly fell off our chairs, but we needed to deal with her. She got involved in a situation and borrowed money she should never have been loaned. I am not laughing at the idea. The extent of it was funny, although it was no laughing matter. The ordinary people who I like to represent only borrow enough to house and work for themselves.

The rent allowance has been cut back. I have been a critic of the system. For years, I have called for local councils to deal with it, as they understand the matter. When a budget froze rent allowance, rents went up on the same night, which should not have been allowed. The onus is being put on people to negotiate with their landlords. In many cases they cannot, as their landlords are not compassionate, are only interested in money and will not reduce rents despite the Department telling them to do so.

We must examine how other countries dealt with questions of insolvency and bank debts. The system must be independent. The banks and lending agencies cannot have a veto. As we know from business and elsewhere, banks and the like have no interest other than recovering money for their books. It would be fine if they admitted that they did not have money to lend. The so-called pillar banks in which the public owns a large stake submitted a lending plan to the late Brian Lenihan in which each would lend €3 billion. He sent it back to them. The plan was cobbled together and the banks sent back a more detailed one. They did not measure up to the task and they are not doing it for this Government, in spite of what is being said. I am tired of saying how people in business are being called in to have their overdrafts withdrawn. These business people go to banks and come out with a term loan instead of an overdraft. They cannot run a business without an overdraft. That is forced lending and it is being included as bank lending, which is a big con job. This is happening on a significant scale.

We must have an independent arbitrator and the Bill will not be worth the paper it is written on if there is not to be an independent and well-resourced body to take on these mobsters, gangsters and chancers. We cannot let them out from the wing again, court them or be nice to them. I do not know why there is an obsession to save these bankers. We got rid of the kings and queens in this country but the bankers have replaced them.

Deputy Michael Creed: The Deputy was in Cashel to welcome the British queen.

Deputy Kieran O'Donnell: They have a high king.

Deputy Mattie McGrath: Of course I was. We have moved on. She would be welcome again. She visited Coolmore to see our bloodstock industry. I heard the Deputy visited recently as well. I hope he had a good trip to the sunny south east and the Golden Vale.

This House should not be beholden to these desperadoes in the banks, the vast majority of whom are only interested in filling their boots. The whizz kids are only interested in getting their jobs back but are currently happy to be employed as terrorists in making repossessions and making a commission on that basis. It is blood money. Although this Bill does not go far enough, I will support it.

Deputy Michael Creed: I wish to share time with Deputy Kieran O'Donnell.

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

Deputy Michael Creed: I welcome the publication of the Personal Insolvency Bill. Rarely has legislation been so eagerly awaited not just by the political class but by the ordinary man on the street, if I can use the term, particularly those people struggling under a mountain of debt. It is understandable, given that it was promised in the programme for Government, that it has taken so long because it is extremely complex legislation, running to more than 120 pages, with 144 sections and a 27 page memorandum. It cross-references hundreds of pieces of legislation and it is unsurprising it has taken as long as it has to get to Second Stage.

I welcome the fact the Government saw fit to publish the heads of the Bill in draft format and the justice committee, of which I am a member, had an opportunity under the chairmanship of Deputy Stanton to engage in a constructive fashion with interest groups. They included representatives from the banks, which will be a major player in any debt resolution process, the legal profession, the free legal aid centres, the money advice and budgeting service and the Department of Social Protection. This cross-section of people have expertise that will need to be brought to bear in achieving an effective resolution to a complex and difficult problem faced by people.

In its report, the committee highlighted a number of areas of concern, with some taken on board. I am sure the Minister is open to reasonable and constructive proposals for amendment but it is interesting to see that from the speakers I have heard to date, across all shades of political opinion, there is a broad welcome for the Bill on Second Stage. The sooner we get to Committee Stage to examine the nuts and bolts of putting together effective legislation, the better. We should make haste slowly and effectively in that direction.

There is a critical point that must be made as everybody speaks about the thousands of mortgage holders — it may be 10% of them or more — who are in some form of difficulty with repayments. A very significant number of mortgage holders are struggling, with enormous personal and family sacrifice, to continue to pay their monthly mortgage. It is critical the banks do not seek to screw those compliant mortgage holders in an effort to balance what they will forgo as this legislation will inevitably lead to individual cases of debt write-down. It is interesting and we should be cognisant of that problem.

On the front page of a newspaper today there is a story concerning an internal memo from the AIB which indicated that debt write-down would not be countenanced at this stage in the mortgage resolution process. That flies in the face of the spirit of this legislation. There is no blanket proposal to write down mortgage debt but there is a process. In certain circumstances, where individuals are incapable of meeting mortgage repayments, there is a provision for write-down. There is the question of whether the banks have a veto on this personal insolvency arrangement as it applies to secured debt and, primarily, mortgages. Will they come to the table with clean hands and examine each individual case?

There will be a variety of different arrangements for different levels of debt as they relate to mortgages but it is inevitable there will be debt write-down in certain cases. The emergence of the internal memo from AIB today clearly demonstrates the battle which lies ahead, and the Minister will have to consider seriously whether the banks in which the State is a substantial shareholder — we essentially own AIB — will come to the table with clean hands. As I noted earlier, there is also the issue of the mortgage holders who are meeting repayments and whether they will be screwed to make up what the banks might lose on the other side with the provisions of this Bill. It would not be an acceptable outcome. The idea of “can’t pay, won’t pay” has been aired repeatedly, and a position might be engineered where people will ask why they should continue to struggle to make the monthly repayments if they are being screwed by the banks.

One of the other welcome aspects of the Bill as published is its holistic approach to debt. This is not just legislation for people with mortgage debt; it is much more comprehensive than that. That point came across repeatedly in the meetings held by the justice committee. There was no point in examining mortgage arrears in isolation and we had to consider all household debt, including credit union loans, credit card debt, car loans, hire-purchase agreements and loans for holidays or house building. The approach in the legislation for debt relief notices, debt settlement and personal insolvency arrangements is a good start, and although much detail has yet to be considered, there is a broad outline for how to proceed. It is a welcome roadmap.

I have concerns about the insolvency arrangements in our nearest neighbour and comparison with our proposals. It is a significant improvement on the existing arrangements requiring 12 years to discharge a person from bankruptcy, and we are proposing a three-year regime. We have seen high and low profile cases of bankruptcy tourism, with people leaving the country and travelling to the UK or Northern Ireland to have their bankruptcy and insolvency arrangements adjudicated in those courts, with the proceedings recognised here. There is a question of what consultation, if any, has taken place with the United Kingdom authorities about putting in place throughout the European Union a single arrangement for insolvency timeframes. That way either the rest of the European Union, including Ireland, could move to the UK model of 12 months or the United Kingdom could move to a three year model. Still, people will face a choice that could undermine the provisions of the Bill if they can discharge themselves from bankruptcy in the UK sooner. I am keen to hear the Minister tease out that issue in greater detail and outline any consultation he has had with the UK authorities. There have been cases in the United Kingdom in which the original bankruptcy arrangements, when contested, have been overturned because of a lack of appropriate information. We need to examine that issue.

The legislation should be as user-friendly as possible when it comes to court jurisdiction. As we go up the ladder of court arrangements from the District Court to the Circuit Court, to the High Court and to the Supreme Court, the complexity and costs involved accrue significantly. I am not interested in solicitor, barrister or accountant bashing, but we should make this as user-friendly as possible for the person in financial difficulty. This means using the lowest possible level of court jurisdiction. We should examine the arrangements for debt relief notices in the Circuit Court and other arrangements in the Bill to determine whether they are the most appropriate levels at which to address the problems.

We should consider the position of agents who will act on behalf of people also. The Money Advice and Budgeting Service has a significant reach in communities and those working for it have significant experience in handling issues and negotiating on behalf of clients in financial difficulties. I am not arguing for exclusivity, but it is important that the MABS is enabled to continue to act on behalf of persons with debt problems.

This is complex legislation and I welcome its publication. There is much work to do, but this is a welcome start. There is a broad welcome for the Bill and I look forward to working with the Minister and my colleagues to fine-tune the legislation which aims to serve the public.

Deputy Kieran O'Donnell: I compliment the Minister on this substantial body of legislation which runs to almost 120 pages. It is comprehensive in nature, but it comes from a simple, threefold premise: first, bankruptcy is a measure of last resort; second, it relates to people who are unable to pay as distinct from those who will not pay; and, third, every effort should be made to ensure people remain in their homes.

The legislation on debt settlement arrangements has three tools: first, a debt relief notice for unsecured debt of less than €20,000; second, a debt settlement arrangement for unsecured debt greater than €20,000; and, third, personal insolvency arrangements for an agreed settlement of secured debt up to €3 million and for unsecured debt. There are bankruptcy arrangements also,

[Deputy Kieran O'Donnell.]

but they are seen as a measure of last resort. There will be considerable reform of the bankruptcy laws. Up until now, the period has been for 12 years, but it will be reduced to three. I welcome this change. The Bill strikes the right balance. It deals with the issue of personal debt but in a way that is fair and structured.

It is welcome that the Minister will set up the Insolvency Service of Ireland which will be an over-arching body to deal with debt relief notices, debt settlement arrangements and personal insolvency arrangements. Members will be aware from meeting people when out and about and in their constituency clinics — certainly it is the case in Limerick — that ordinary people are under considerable pressure with unsecured debt, including credit card debt and small loans, and secured debt, including mortgages. There is a need to put in place an arrangement, whereby people will be able to access the service. An advisory service will be set up also. This will serve to take away the taboo of tackling debt. People will have to be able to access the service in a relatively straightforward fashion and there should not be a perception that this measure is only for the elite; the ordinary person on the street should be able to access the service.

It is welcome that the MABS will be involved in dealing with debt relief notices, as it carries out admirable work. We all deal with it on a daily basis. It has a good approach to dealing with people. The process will involve it dealing with debt relief notices for unsecured debt of less than €20,000. Personal insolvency practitioners will be appointed for debt settlement arrangements which relate to unsecured debt of greater than €20,000 and for personal insolvency arrangements for secured debt of up to €3 million and other unsecured debt. It is important that the personal insolvency practitioner will be appointed by the borrower. The practitioner will be able to apply to get up to 70 days protection, similar to the examinership arrangements in place, and pursue arrangements involving the agreement of both parties on behalf of the borrower.

The Bill provides for a protection period and arrangements to be put in place to bring people back to solvency and deal with their affairs. When the Bill reaches Committee Stage, it will be important to consider the matter of how insolvency practitioners are paid. It is important that this process be transparent and that there be a flat rate fee for work done, like any other work. I have no wish to see payment as a percentage of the amount of money involved. We must get something that will work and these arrangements will work.

As issues arise, they will be discussed on Committee Stage. The process should be seen to be transparent and, above all, fair. The key point of the legislation is to strike the fine balance between the requirements of the borrower and the lender. Whether it is the reality, there is at least a perception among borrowers that, to a certain extent, the power lies with the financial institutions. This legislation goes a long way to redress that imbalance. I am keen to see this operating in practice in such a way that the institutions realise that they must work with people to try to restructure loans. If institutions are unwilling to do so, people have recourse elsewhere. Many people on low incomes or with limited means will have debts of less than €20,000. They should be able to apply for a debt relief notice and the legislation should ensure the financial institutions will deal with them in a constructive way. Following a three year period they will be discharged from their debts.

The debt settlement arrangement entails a five-year period. It is more structured and is for loans greater than €20,000. The position of director of the insolvency service has already been advertised, which I welcome because it shows intent on the part of the Government.

As a politician who deals with people on the ground, and having been a chartered accountant for many years and having dealt with people with debt problems, I discovered it is important

that people realise the extent of their debts and that there is a way out. This legislation provides a road map. Ultimately, if one must opt for a measure of last resort, one will, within a three-year period, be out of the bankruptcy process. One must realise there is a way out.

The banks must realise they ought to play their part. Some €64 billion in taxpayers' money has gone into the banks through no fault of the ordinary taxpayer. The banks must realise that what is good for the borrowers is good for the banks. The banks must not operate in a silo and solely look after their own interests. I hope that when the new service is up and running, ordinary people, when sitting at home at night, will be able to turn to each other and say there is a way out of their debt problem such that they can return to solvency and resume their normal lives.

I very much welcome this legislation. It is a credit to the Minister and his staff. I look forward to Committee Stage because I have no doubt there will be much discussion thereon. This is a proactive, strong and welcome measure that deals with the issues of ordinary people. It will allow them to tackle their debts so they can resume their normal lives and return to solvency.

Deputy Seamus Kirk: I wish to share my time with Deputy Sean Fleming.

I am thankful for the opportunity to contribute on this important Bill, one of the most important to have come before this House for some time. It aims to amend Ireland's antiquated bankruptcy laws. That we are using the phrase "antiquated bankruptcy laws" while welcoming the Bill is telling. Perhaps the devil in the detail will be teased out when we reach Committee Stage. None the less, the Bill serves as recognition of the serious difficulties many individuals and businesses face at present.

That we are using the phrase "antiquated bankruptcy laws" indicates this is a legislative area that did not have to be addressed previously. When we entered the euro area in 2002, the regulatory framework that should have been an essential ingredient was not in place. Consequently, we face our current dilemma, with relatively cheap credit being available both here and in other member states.

Let us compare our regulatory framework with that in the United States. In the dollar area, where the Federal Reserve effectively controls matters, there is also a very significant sovereign debt issue. It has been suggested recently that the *per capita* sovereign debt level in the United States may be higher than that in the eurozone. The absence of a regulatory framework led to lending delinquency on the part of financial institutions, particularly in Ireland. This has caused the problems we face today.

There are European jurisdictions outside the euro area that experienced property bubbles and financial difficulties. It is important to remember that they dealt with them over time such that they experienced economic recovery, albeit slow. Clearly, therefore, there are grounds for optimism and hope. If this Bill works for those who are directly affected by it, it will help to establish the foundations of the economic recovery we all wish to see. I sincerely hope it will be successful because many people are affected by mortgage, business and personal debt. Members have outlined the exact problems being experienced by their constituents.

Fianna Fáil introduced a number of Private Members' Bills recently. It may be useful for the House and people in general to consider these proposals. There was family home legislation, regulation of debt management advisers legislation and the debt settlement and mortgage resolution office legislation. It is a great pity the Government did not examine more closely the proposed concept of the debt settlement and mortgage resolution office and its basic structures. It offered genuine prospects of tackling the problem.

A process of arbitration is needed. Personal insolvency practitioners will be between the individual borrower and the financial institution. We need to have a non-statutory arbitration

[Deputy Seamus Kirk.]

arrangement. Our proposal on the debt settlement and mortgage resolution office met this requirement adequately. It is a pity the Government has not embraced it and incorporated it into the legislation.

Let us consider some of the proposals Fianna Fáil made: interest-only payments for up to four years; extending the period of the mortgage by up to 20 years; a repayment holiday for up to 12 months; an adjustment to the interest rate to bring it in line with market rates; a debt-for-equity swap; participation in the deferred interest scheme; in the event of voluntary surrender, that the financial institution lease the family home to the borrower at a market rent in particular circumstances; and the establishment of a debt enforcement office to oversee the implementation of debt enforcement procedures nationally.

The reality is that personal debt is a major challenge economically. Unless we can address this satisfactorily and adequately, it will remain an albatross around the neck of the national economy and slow the process of economic recovery. In every community, people know individuals who have mortgage debt and personal debt. While sympathy on its own is fine, many individuals need assistance as they are financially stressed dealing with their mortgage repayment challenges and problems.

The old meitheal principle stood people in very good stead in rural areas. An amendment to the taxation system should be considered to allow family members to help one another out, if only temporarily, in order to get through a difficult period with mortgage or debt repayments. This should be reflected in their tax allowances. Apparently there is a difficulty with this, which is a great pity because, ultimately, we must think about community and family. Family members may be in a position to help out.

In parallel, economists state there is a significant savings level. There is an inevitability about that. People are concerned that the rain day is just around the corner for themselves and feel the need to squirrel away all spare resources that previously were spent in the local economy. We lament now that the consequent impact of the stimulation, development and contraction has been a considerable loss of employment. The jobs are not being created because on one level there may be too much saving being done whereas on another level there is a significant problem with personal, mortgage and business debt.

All in all, we as a party welcome the Bill even though it contains significant inadequacies. I do not know how disposed the Minister will be to accept amendments from this side of the House when we get to Committee Stage but I sincerely hope he will be willing to do so. Of any legislation that has come before the House, there is a consensus on and good will towards the Bill and a realisation it is urgently needed and that we need to be responsible about it. We need to get it on the Statute Book so that it may be implemented as quickly as possible.

The Bill provides for personal insolvency practitioners and I am sure there will be significant interest in these appointments. It is important that dependable trustworthy individuals get those appointments, licence arrangement or whatever it might be. There may well have been persons who were involved in decisions on indiscriminate lending to those who now find themselves in trouble. It would be important we draw a distinction in order that those who receive these appointments will reflect common sense, understand the needs of the distressed borrower and also understand the needs of the credit institutions.

At a time when the taxpayer has put a great deal of money into the banks, it is important the banks realise they have a responsibility in all of this. There may well be the seriously distressed circumstances where individual borrowings are at such a level that recovery, as we all would like to see, where persons can return to their position prior to our financial difficulties,

is not possible. Like every other problem, there will be degrees of distress and I hope this legislation will be able to take account of those degrees of distress.

At the end of the day, everybody who has borrowings, severe or otherwise, are members of the community in Ireland. We must have sympathetic consideration of their individual circumstances because their lives must continue and their support for their families needs to continue. We, as a community and as a country, must have that degree of compassion that will ensure we provide a supportive hand to them in their hour of need.

I wish the legislation well. Despite my party's misgivings, it is important at this time that it will provide the framework to resolve what are serious difficulties. I am sure that those who framed the legislation looked at what happened in other jurisdictions where there was excessive borrowing, property bubbles and ensuing insolvency difficulties and that all the best practice achieved through the test of experience in those jurisdictions is reflected in the legislation.

Deputy Sean Fleming: I welcome the opportunity of contributing to this debate on the Personal Insolvency Bill 2012. People generally will welcome that the Bill has been published and we have something concrete to work on.

Generally, the shape of the Bill is quite good but there are a number of issues that will have to be dealt with and teased out on Committee Stage. I am sure that will be a theme from both sides of the House, from Government backbenchers and members of the Opposition, on Second Stage. Like all major legislation, it needs improvement and refining as it goes through the House. I hope there will be a considerable amount of time available for Second Stage, Committee Stage and Report and Final Stages in terms of detailed amendments because it is major legislation which one would expect will be with us for many years to come.

The key headline issue of concern is the issue of a veto which could be used by the banks. The banks and some pragmatists have a different view on that. Definitely, there is an issue that the banks must give their consent. The other side of the coin is that the borrower must give his consent. Therefore, the borrower has a veto as well. We must look at it equally from both sides but we need to refine that particular issue in the wording.

The question of regulation of the practitioners is an important area. We do not want a situation whereby those who were formerly working either in or closely with the financial services sector end up earning in this area, given that they would have advised the other side of the house in previous years and helped to contribute to the problem. That said, it is important that the practitioners have knowledge of the area and are able to stand up and mediate between a person and the bank.

At present, the problem is that the banks have a strong hand. Most customers are afraid to go into their banks. They are in debt and are receiving these letters. They are in difficulty where one or other of the household has lost their job, and they are afraid. They are crying, they are on Valium, and they are not sleeping. The prospect of going in to the bank manager is akin to that of a child being brought to the dentist; they would do anything to avoid it. In saying so, I mean no disrespect.

It goes back to the basic problem. Those young couples who took out the loans relied on the banks. The banks, who were established in the country for 100 years or more, should have had the expertise and people relied on them. We now know they should not have relied on them but people cannot be blamed for relying on institutions that were operating here for many years. It is important that there be a fair balance between the borrower and the lender in these situations because that balance has not existed up to now.

I want to refer to a few aspects of the Bill. The Minister will have done that to an extent but it is important we outline the factual position of what is in the Bill because we all get caught

[Deputy Sean Fleming.]

up in the nitty-gritty of particular aspects, and when one asks somebody at the end of the debate what the Bill is all about, nobody has a proper objective view of the overall scheme.

The Oireachtas Library and Research Service was helpful in providing an information note on this. The three schemes involved in the Bill are voluntary, both for the lender and the bank. Both must agree to this. There is the debt settlement notice, the debt settlement arrangement and personal insolvency arrangement.

The major issue is that the law on the judicial process of bankruptcy is also being changed. The key reform is to reduce the period of bankruptcy from 12 to three years and to increase the minimum level of debt required to €20,000 before a person can go that way. That is an important issue because across the water, in England, the period is one year. Many are already saying it should be down to one year. Being declared a bankrupt is not an issue for some, but many have a bit of their own pride and do not want to be adjudicated a bankrupt. The issue of it being three years versus one year is an issue that will come up time and time again, and there will be amendments on that on Committee Stage.

I have come from the Committee of Public Accounts where we were dealing with NAMA. I asked whether this legislation will affect that agency's ability to collect debt because some of the debtors might opt for this three year bankruptcy arrangement as compared with the 12 year arrangement now applying. NAMA took a pragmatic view. I think the chief executive was more optimistic than pragmatic. He stated he did not think it would affect NAMA. However, he made it clear that there is a misconception here that one can be declared a bankrupt in England for a year and it is all over. It is not. There is a period of probation after the year of bankruptcy in England — I am not sure whether he said it is three or six years. He made clear, first, that if there is not full and honest disclosure in that hearing, there is a 12 year sentence of imprisonment in England. What is more, in managing one's way out of that process, one is under the watchful eye of the service concerned. I would say there are a number of years where such a person would be on probation after coming out of the process and it is not over, done and dusted, in one year. It is important that one would fully understand that. The proposed insolvency service will be a new State body. The Government informs us daily it will reduce the number of quangos but then decides to establish a new one every other day. It may be that a new insolvency service is necessary. Alternatively, its functions could be incorporated into the Office of the Financial Ombudsman. The Government says one thing about quangos but does the opposite, as in this case. I ask the Minister to address this issue. While I do not object to the provision of an insolvency service, it will become another self-perpetuating agency.

The need for an insolvency service may decline in the decades ahead. Representatives of Allied Irish Banks, in which the State has a 99% stake, provided briefings to the political parties recently. They informed the members of my party of the bank's view that the mortgage market is changing utterly. The AIB spokesman argued that Ireland will become like continental countries, with most people renting and fewer people purchasing homes. He pointed out that young people have observed the damage done to their parents by purchasing a home with a large mortgage. A 20 year old who sees such damage will not wish to take the mortgage route in future. According to AIB, the property crash, insolvency, mortgage debt and negative equity will fundamentally change the approach to purchasing property and homes. I am not saying the spokesman was right or wrong but it is the business of banks to find out how their customers are behaving.

At the same meeting, the AIB spokesperson indicated that while the bank is advancing mortgages — not enough of them in our view — its mortgage book has declined because the value of repayments exceeds the value of new mortgages. This decline in the mortgage business

will continue, he said. His comments, whether they prove to be right or wrong, are certainly noteworthy. I hope the generation of people who have been caught up in the current problems will be able to see light at the end of the tunnel. It is to be hoped the legislation, with some improvements, will help in this regard.

The fact that the arrangements provided for in the Bill must be entered into voluntarily by both sides has been missed by some people. The debt relief notice is a straightforward mechanism which may be used for amounts of less than €20,000. The approval of the insolvency service and Circuit Court will be required for a debt relief notice to proceed. We can make a great deal or very little out of the involvement of the Circuit Court. Some people have argued that personal insolvency arrangements should be dealt with in a non-judicial fashion. I hope no one will go before the court without first having secured an agreement. If there is mutual agreement between the parties, the Circuit Court's role will be essentially to rubber-stamp the debt relief notices.

Agreements should not be revisited or disentangled subsequently in the courts. If it transpires that judges open up cases or allow people to revise agreements at the last moment, thus making the procedures of the court an issue, the role of the courts will have to be reassessed. While no one likes going before the courts, court approval for an agreement will provide a degree of certainty and official recognition. While I accept that the Circuit Court is the appropriate court for dealing with debt relief notices given the sums involved, it should be noted that some Circuit Courts only sit every three or four months. I hope a mechanism will be found to enable people to go before the Circuit Court without incurring the costs normally associated with court appearances, for example, barristers' fees. If the Minister sees the legal profession coming, my party will support any steps he may take to change the legislation. We do not want any savings made through write-offs and so forth to go into the pockets of the legal profession.

The debt settlement agreement is provided for larger amounts in excess of €20,000. The approval of the Circuit Court will also be required for such an agreement and a five year moratorium will apply.

I am pleased the legislation has come before the House. My party will table a number of amendments on Committee and Report Stages and I hope the Minister will be amenable to accepting them.

Deputy Bernard J. Durkan: If there is one issue with which every Member of the House should be familiar, it is mortgage arrears and insolvency. Every Deputy has had occasion, especially in the past four or five years, to advise people with mortgage debt who are unable to make repayments. In some cases, the advice we gave was not heeded by the lending institutions or members of the borrowing public.

Some years ago, a report was published which was heavily in favour of promoting the concept of renting and leasing as opposed to the purchase of property. This was the beginning of the end because the emphasis subsequently shifted to property speculation and investment in properties by speculators. The result was significant price inflation in the property market at a time when interest rates had never been lower. Personal indebtedness increased considerably and given that the problem will not go away of its own accord, we must face up to it in one way or another.

In recent weeks, some Deputies have argued for debt to be written off or written down. While I do not know how such an approach would work, what can and would work and should be an essential prerequisite to any debate or discussion is a review of the penalties applied to debts, namely, interest and compound interest. Where such penalties are applied, as they have been by certain institutions, the borrower can never get out of debt and the institution in

[Deputy Bernard J. Durkan.]

question can never have its borrowings repaid. In such cases, the debt may double in value every three years. It is common nowadays to meet householders who are in arrears of up to €150,000, depending on the value of their property loan. Many of them will have borrowed the amounts in question on the basis of advice received from financial advisers. These experts, who set up shop in towns and villages throughout the country and gave people the wrong advice, are now re-establishing themselves as debt advisers as they set out to advise people on how to get out of debts they incurred as a result of bad advice they may have received from the same adviser in a different guise.

While the Bill provides a means of addressing a number of issues, we cannot allow further problems to befall unfortunate borrowers. If we do so, we will try for the next 100 years to repay debt we do not understand. I ask the Minister, in any discussions that may take place, to take account of the requirement that lenders recognise that their customers will not survive if penalties and compound interest are imposed on the principal.

The three relevant areas are private mortgages, the business sector and the speculative sector, the latter being the cause of most of our problems. Simplification is required. The Bill is extremely complicated as it sets out to dot every “i” and cross every “t”. While I understand what it sets out to achieve, that does not necessarily mean it will meet its objectives. Simplicity is vital for this reason. Certain parameters need to be agreed and set down before experts or practitioners become involved in the process. Borrowers will seek to ascertain how the legislation will affect them and the lending institution will do the same, albeit from a different perspective. If we want to avoid moral hazard, we must be seen to be balanced. We must be able to assist those who are overstretched and unable to meet repayments while recognising the position of those who are able to continue to meet their debts and borrowings. It is only right, proper and fitting that they should not be penalised for what has happened to others, regardless of the circumstances. No one can object to a write-down or removal of penalties or compound interest because it affects no one who has not fallen into that position. Consequently, it is of fundamental importance that this be recognised and examined.

I have dealt with many lending institutions over the past four or five years and they all recognise a problem exists in this regard. Many of them are willing to help and to try new methods. Incidentally, some of them are not, but in general they are. Those institutions that are willing to help are looking forward to this legislation but the system should not be of a nature that is complicated or inaccessible such as, for instance, the legal aid system, which has ground to a halt. A public representative elected by the people who wishes to inquire about when a person might have his or her case taken is told that the public representative cannot get involved and the staff cannot talk to him or her. I sincerely hope the same will not apply in respect of debt resolution. I would find it extremely inhibiting and restrictive were I to contact a financial practitioner or arbitrator only to find out that such individuals could not talk to me because debt resolution was beyond me or above politics or similar kinds of nonsense. Members have heard enough of that in recent years and the country has found itself in an extremely difficult financial position on foot of similar secrecy. Moreover, I defer to no one on this issue. In common with the Acting Chairman, the Minister and many other Members, I have dealt on a one-to-one basis with those who are directly affected and I intend to continue so doing for as long as I am in this House, while being in a position to know the regulations put in place and the agreements entered into are being fairly and honestly applied at all times.

Special mention must be made of those lending institutions that have withdrawn from the Irish market. A number of banking interests that set up shop in this country eight, nine or ten years ago were extremely predatory, did a great deal of damage to this economy and contributed hugely to debt. However, they then withdrew from the marketplace to safe havens off-

shore. They accept very little responsibility, have entertained very little by way of submissions and do not wish to listen to any option other than to cut their losses and leave. Those entities were given licences to operate here and my point is applicable to anyone who was given such a licence to operate in the banking sector in Ireland under whatever circumstances and regardless of whether the rules were applied, which is a job for the institutions. The point is the public of this country should not be penalised forever because of their activities or because of the lack of action by regulators or people in authority at the time. This should be borne in mind, particularly in the context of the legislation under discussion.

In addition, I wish to make the point that the family home is sacrosanct as far as mortgage debt is concerned. It is of critical importance that there be put in place a clear and unequivocal statement to the effect that everything that can be done will be done to ensure the borrower is able to hold onto his or her household. It is not that such people wish to circumvent the system or to gain or profit by it, which they cannot do in any event, but that they entered into their debts in good faith at a time when they were advised by many financial advisers to take that route. Although some of us were advising something completely different, that is the way it was. Consequently, it is of huge importance to be able to explain to members of the public who find themselves in this position that they were not responsible for all the problems and, in many cases, they were not responsible for any of them.

It should be borne in mind among the lending institutions, advisory services and those involved in encouraging people to go into debt that now is the time from which the burden must be shared equally. I make this point in the knowledge that whenever I have suggested to banks or lending institutions that they might write off compound interest or penalties, they have been prepared to listen. However, they also have been quick to respond that their bondholders might not agree or would have difficulty. My response to that is quite simple: the bondholders, the lending institutions and the public, unfortunately, are in this together. Each of the aforementioned component bodies must carry some share of responsibility and no one can walk away from it. Borrowers cannot walk away having decided they cannot afford to or do not wish to pay and therefore will not pay, because on what basis was the loan then extended in the first place?

By the same token, it is not acceptable for a lending institution to tell borrowers that in order to satisfy the institution, they must pay, penalties will be imposed and the debt will be extracted over a longer period with greater penalties and more interest piled on of a compound nature. It will not be acceptable; one must ask under what circumstances do such lending institutions expect the rules were made for them and them alone. It does not work that way. Business, enterprise and marketplaces do not work that way. Moreover, it should never have been thought that it would work in that fashion, any more than the concept of upward-only rental leases, to which Members have referred previously. I do not know from where the latter idea emerged and, as I have stated previously, I cannot understand how it has come to be accepted as being within the realms of the Constitution. It was and is a major contributory factor to undermining the entire sovereignty of the State.

I wish to make another point with regard to insolvency, and I acknowledge this Bill breaks new ground in this respect. The activities of some banks are forcing small businesses in particular into insolvency and ultimately into bankruptcy by virtue of the slow withdrawal of working capital. This has been done by imposing various penalties, replacing overdrafts with term loans and gradually tightening the noose on the business sector. This is not creating an improvement but is exacerbating what is already a serious problem, and it neither will nor can work. While I particularly wish to mention the issue of offences, I wish to refer to the person appointed as an authorised intermediary or personal insolvency practitioner. Deputy Kirk mentioned this issue a few minutes ago and other Members have great concerns in this regard. I

[Deputy Bernard J. Durkan.]

also have concerns because of the cost to the borrower. In the case of a borrower who already is in financial difficulty, I fail to discern the benefit of the exercise if it requires further debt to extricate that borrower from such a position. We are in a particularly serious position and in such circumstances, borrowers may find themselves between a rock and a hard place. In other words, they may be obliged to incur further debt to pay the practitioner, whoever that may be, only to end up being obliged to have debt resolution applied to the costs and fees arising from that visit to the practitioner. Consequently, this issue must be examined carefully and some upper limits must be placed on the possible cost involved. One should avoid a scenario in the near future in which the public respond to this legislation by saying it was a good idea but its costs were excessive.

Debate adjourned.

Message from Select Committee

Acting Chairman (Deputy Joanna Tuffy): The Select Committee on Jobs, Enterprise and Innovation has completed its consideration of the Microenterprise Loan Fund Bill 2012, and has made no amendments thereto.

Topical Issue Matters

Acting Chairman (Deputy Joanna Tuffy): 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) Deputies Sandra McLellan and Noel Harrington — ambulance services in west Cork; (2) Deputy Joe McHugh — cross-Border cardiac services in the north west; (3) Deputy Niall Collins — waste management costs for households in the Dublin area; (4) Deputy Colm Keaveney — proposed anti-homosexual laws in the Ukraine; (5) Deputy Joan Collins — a separate cystic fibrosis hospital building on the grounds of St. Vincent's Hospital, Dublin; (6) Deputy Timmy Dooley — the problems being experienced by Irish trainee pilots in Florida; (7) Deputy Regina Doherty — the sale of cheap alcohol; (8) Deputy Patrick Nulty — the ESRI report on the financial transactions tax; (9) Deputy James Bannon — the need to provide adequate funding to St Christopher's Services, Longford; (10) Deputy Dessie Ellis — the impact on those employed in the photo ID business of introducing driver's licences in credit card format; (11) Deputy Michelle Mulherin — the need to make provision for two intermediate care teams in north and south Mayo to allow for better use of acute hospital resources; (12) Deputy Patrick O'Donovan — the need to establish a national strategy for the development of the horticulture industry; (13) Deputy Martin Ferris — the labour dispute in County Tipperary involving Balfour Beatty; (14) Deputy Mattie McGrath — the transfer of Bord Gáis operations to Balfour Beatty CLG and the security of employment following the transfer; (15) Deputy Michael McGrath — the future of the 4th Infantry Battalion in Collins Barracks, Cork; and (16) Deputy Michael Conaghan — the growing problem of street crime in Dublin city centre.

The matters raised by Deputies Conaghan, Dooley, McHugh and McLellan have been selected for discussion.

Dormant Accounts (Amendment) Bill 2011 [Seanad]: Report and Final Stages

Acting Chairman (Deputy Joanna Tuffy): Amendments Nos. 1 to 16 are related and may be discussed together.

Deputy Brian Stanley: I move amendment No.1:

In page 4, line 35, before “, relating” to insert “in consultation with the Board”.

I am very happy with how the Minister of State is proposing to deal with this Bill. The amendments we have tabled are based on our core opposition to the dissolution of the Dormant Accounts Board. We see it as an attempt by the Government potentially to attack the independence of the community sector. The board was non-governmental in structure and it gave a fair hearing to all applicants. As envisaged in this Bill, the board will be abolished and the money will be administered by Ministers. This is unacceptable to us. There is a possibility of this becoming a slush fund for pet projects, and Sinn Féin strongly believes an independent board is essential to ensure transparency and fairness when allocating moneys from the dormant accounts. The board was never a huge financial burden on the structures that predate this Bill. The majority of the costs were not incurred by the board. The total cost for the services was €1.7 million, but our information is that the board cost €200,000 over a ten year period, or €20,000 per annum.

All our amendments flow from this basic position and so they are organically linked. The first amendment proposes that any scheme for the disbursement of the funds be done in consultation with the retained board, rather than simply leaving it to the Minister, as outlined in the Bill. We believe the independent board should be one of the stakeholders to be consulted. The Bill simply reduces the consultation process to a group of Ministers, so our second amendment tries to change that. The third amendment calls for the Minister to have regard to the views of the board when drawing up the scheme of disbursement. The fourth amendment states that the Minister must consult the board while preparing an action plan. If the Bill remains unamended, it will simply be left to Ministers to draw up an action plan for the purposes of the distribution of funds in the dormant accounts without any transparency or without any of the expertise that has been built up by the independent board. The fifth amendment ensures the Minister consults the board at each stage of awarding the funds from the dormant accounts, even at the early stage of drafting the criteria to be applied and seeking the application of interest in the funds. The sixth amendment ensures the board is fully consulted when the Minister or an appointee of the Minister is preparing a report on the applications for funding. This amendment will ensure the experience and expertise of the independent board is brought to bear on this important part of the process when many applications will be new and many more may well have received funds in the past. The board will be aware of the challenges that lie ahead in funding many of the applications.

The remaining group of amendments are all linked as they deal with the dissolution of the board. Each amendment opposes a specific part of the Bill that will lead to the collapse of the independent board, which we feel has done a good job in providing independent advice and acting as a critical appraiser on the Government's decision on the dormant accounts funds. The Dormant Accounts (Amendment) Act 2005 provided for a chairperson and ten ordinary members, all of whom were appointed by the then Minister for Community, Rural and Gaeltacht Affairs. All those appointed had, in the Minister's opinion, a knowledge and expertise relating to the matters that appear to the Minister to be relevant to the board's functions. This will be lost if that last group of amendments is not accepted. As the amendments are linked, I propose to put forward the argument that all the amendments should be accepted to preserve the independence, experience and expertise of the board, which its members have gathered over the years both as board members and in their own fields of work. We believe they have done a good job and that they should be retained. I ask the House to support all of those remaining amendments.

Each of the remaining sections of the Bill deals with the logistical dismantling of the board. This includes the transfer of property rights and liabilities of the board, pending legal pro-

[Deputy Brian Stanley.]

ceedings, the preservation of certain contracts and the production of the final accounts and a final report. While we do not want object in any way to the board producing accounts or reports, we hope this would be done on an ongoing basis rather than in one final set of accounts or in one final report.

The money in the dormant accounts fund is in excess of €100 million. It has come from private dormant accounts in building societies and banks. We support how it is being used, as it has been used very well in the past. However, it is going into the system and it will be allocated to projects. There could be a gang of four Ministers having total power and that could be abused by this Government or by future Governments. There is a potential that it could be allocated to favoured projects and we believe that is not a very good way to do our business.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O'Sullivan): I agree with Deputy Stanley that it is appropriate to take all of these amendments together because, essentially, they deal with the same issue. The legislation proposes specifically to dissolve the Dormant Accounts Board and transfer the statutory functions of the board to the Minister for the Environment, Community and Local Government. The Bill is being put through the House to give effect to these decisions by the Government. If I understand it correctly, the thinking behind the amendment to section 3 of the Bill is to continue the Dormant Accounts Board — Deputy Stanley has just made that case — as well as to give additional roles and functions to the board in respect of future disbursement plans. I am advised these are roles and functions that the board does not have under existing dormant account legislation so, in effect, the Deputy wants to give further functions to the board. Sections 5 to 14 provide specifically for the dissolution of the board and the transfer of its functions to the Department and includes sections on what one might call housekeeping matters, such as the transfer of property rights, liabilities, legal proceedings and the preservation of contracts, records and so on. They also include provision to continue with current schemes and programmes pending the completion of new disbursement schemes and action plans under the legislation. In the circumstances, I do not see any reason to accept the amendments.

I point out that this was recommended in the McCarthy report and I believe everybody in the House agrees that we need to reduce the number of such organisations. The Bill provides specifically for the Government and, in particular, the Oireachtas to have more oversight than they currently have in regard to the fund.

On the Deputy's last point that there is a significant amount of money in the fund, the way in which the money must be accounted for is up-front in the departmental Vote — in other words, it has to be found within the departmental Vote initially. In the current economic situation, it is unlikely that significant amounts of money will be spent out of this fund. As the Deputy said, this money belongs to other people; it does not belong to the State. For all of these reasons, maintaining a board does not in our view appear to be a good thing in so far as it is obviously a cost to the State. I do not propose to accept the amendments.

Deputy Brian Stanley: The main point the Minister of State made is in regard to the cost of the board. While everyone wants to cut waste, and Sinn Féin certainly does not want to see public money wasted, the cost of the board, according to our information, is €20,000 per annum and €200,000 over the period of its existence. A figure of €1.7 million has been mentioned but our information is that €1.5 million of that was not incurred by the board itself.

The key point is that there should be accountability. Ministers should be open to seeking advice. This board is one body that has worked well. Obviously, one can find fault with certain

decisions or aspects but, in general, it has worked very well. If something has worked well, we should not scrap it completely. We should be looking to improve it.

Deputy Aengus Ó Snodaigh: I apologise for not being in the House earlier in the debate. The Dormant Accounts Fund has been very successful in getting money to communities over the years. This is why we have argued not to end the system as it is — if it ain't broke, don't fix it. That said, this does not prevent us from cutting back and reducing costs. I have argued in the House before that we should at this stage be trying to find people who are willing to sit on boards with no costs or relatively few costs being incurred. In the case of the Dormant Accounts Board in particular, given the benefit some communities have gained from disbursement of these moneys, we will be able to find people willing to serve and to reflect the needs of communities and educational facilities which have benefited from dormant accounts. That is one of the reasons we have argued this point.

We have also argued it is dangerous and bad practice that such a fund would fall to a Minister to disburse, because this raises the possibility that it becomes the largesse of the Minister, to be disbursed on his or her pet projects or constituency over and above others. We have had allegations against Ministers in the past that, where they have had control of grants and the like, they have not been fair across the board. That has never been said of the Dormant Accounts Board, which has been fair in terms of grants and disbursement of funds over the years. As I said, it is not broken, so do not fix it.

Deputy Jan O'Sullivan: I again make the point that the role of the board is sometimes believed to be larger than it is. Following the Dormant Accounts (Amendment) Act 2005, there has in fact been very little involvement of the board in the approval process. Its main role is to do with drawing up the three-year plan and preparing an annual report. In terms of the actual disbursement, the board has had a very small role since 2005.

The Bill actually strengthens the Government's and the Oireachtas's oversight of the area. Under the proposed new arrangements, disbursement schemes and action plans must be prepared in consultation with relevant Government colleagues and must be laid before the Houses of the Oireachtas for a period of 21 days, which will allow for debate and discussion. Before the legislation was amended in 2005, when more money was available, the role of the board was probably more hands-on but it had a small role in terms of disbursement. I reiterate that there is now a role for the Oireachtas in examining the proposals in the plan and discussing it. As Members know, the Minister can be called before Oireachtas committees to account for this as well as for other functions he holds.

Amendment put and declared lost.

Deputy Brian Stanley: I move amendment No. 2:

In page 4, between lines 39 and 40, to insert the following:

“(a) the Board,”.

Amendment put and declared lost.

Deputy Brian Stanley: I move amendment No. 3:

In page 5, between lines 2 and 3, to insert the following:

“(a) to the views of the Board,”.

Amendment put and declared lost.

Deputy Brian Stanley: I move amendment No. 4:

In page 6, between lines 13 and 14, to insert the following:

“(a) the Board,”.

Amendment put and declared lost.

Deputy Brian Stanley: I move amendment No. 5:

In page 7, line 32, after “with” to insert “the Board,”.

Amendment put and declared lost.

Deputy Brian Stanley: I move amendment No. 6:

In page 8, line 18, after “report” to insert “in consultation with the Board”.

Amendment put and declared lost.

Deputy Brian Stanley: I move amendment No. 7:

In page 10, to delete lines 40 to 46 and in page 11, to delete lines 1 to 7.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 8:

In page 11, to delete lines 8 to 33.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 9:

In page 11, to delete lines 34 to 38.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 10:

In page 11, to delete lines 39 to 46 and in page 12, to delete line 1.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 11:

In page 12, to delete lines 2 to 16.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 12:

In page 12, to delete lines 17 to 31.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 13:

In page 12, to delete lines 32 to 35.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 14:

In page 12, to delete lines 36 to 46 and in page 13, to delete lines 1 to 31.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 15:

In page 13, to delete lines 32 to 45 and in page 14, to delete lines 1 to 14.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Deputy Brian Stanley: I move amendment No. 16:

In page 14, to delete lines 15 and 16.

Question, “That the words proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Bill received for final consideration.

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

The Dáil divided: Tá, 82; Níl, 17.

Tá

Breen, Pat.
Broughan, Thomas P.
Buttimer, Jerry.
Byrne, Catherine.
Byrne, Eric.
Calleary, Dara.

Carey, Joe.
Coffey, Paudie.
Collins, Niall.
Conaghan, Michael.
Conlan, Seán.
Connaughton, Paul J.

Tá—continued

Conway, Ciara.
Coonan, Noel.
Corcoran Kennedy, Marcella.
Costello, Joe.
Cowen, Barry.
Creed, Michael.
Daly, Jim.
Deasy, John.
Deering, Pat.
Doherty, Regina.
Donohoe, Paschal.
Dooley, Timmy.
Dowds, Robert.
Doyle, Andrew.
Durkan, Bernard J.
Farrell, Alan.
Ferris, Anne.
Flanagan, Charles.
Flanagan, Terence.
Griffin, Brendan.
Hannigan, Dominic.
Harrington, Noel.
Harris, Simon.
Hayes, Brian.
Hayes, Tom.
Heydon, Martin.
Howlin, Brendan.
Keating, Derek.
Keaveney, Colm.
Kehoe, Paul.
Kenny, Seán.
Kitt, Michael P.
Lawlor, Anthony.
Lynch, Ciarán.
Lyons, John.

McCarthy, Michael.
McConalogue, Charlie.
McEntee, Shane.
McGrath, Michael.
McGuinness, John.
McHugh, Joe.
McLoughlin, Tony.
McNamara, Michael.
Maloney, Eamonn.
Mathews, Peter.
Mitchell, Olivia.
Mitchell O'Connor, Mary.
Mulherin, Michelle.
Nash, Gerald.
Neville, Dan.
Nolan, Derek.
Nulty, Patrick.
Ó Fearghaíl, Seán.
O'Donnell, Kieran.
O'Donovan, Patrick.
Phelan, John Paul.
Quinn, Ruairí.
Reilly, James.
Ring, Michael.
Ross, Shane.
Ryan, Brendan.
Shortall, Róisín.
Smith, Brendan.
Stagg, Emmet.
Stanton, David.
Timmins, Billy.
Troy, Robert.
Tuffy, Joanna.
Wall, Jack.
White, Alex.

Níl

Collins, Joan.
Crowe, Seán.
Doherty, Pearse.
Ellis, Dessie.
Ferris, Martin.
Flanagan, Luke 'Ming'.
Mac Lochlainn, Pádraig.
McGrath, Finian.
McLellan, Sandra.

Murphy, Catherine.
Ó Snodaigh, Aengus.
O'Brien, Jonathan.
O'Sullivan, Maureen.
Pringle, Thomas.
Stanley, Brian.
Tóibín, Peadar.
Wallace, Mick.

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

Question declared carried.

Qualifications and Quality Assurance (Education and Training) Bill 2011 [Seanad]: Report and Final Stages

Deputy Seán Crowe: I move amendment No. 1:

In page 18, to delete lines 43 to 45 and substitute the following:

“(3) For the removal of doubt, the rights and entitlements in respect of tenure, remuneration and superannuation enjoyed on commencement by persons who are employees of the amalgamating bodies shall not, by virtue of the operation of this Act, be any less beneficial than those rights and entitlements enjoyed by those persons as employees, or former employees of HETAC, FETAC and NQAI, immediately before such commencement.”.

I tabled this amendment on Committee Stage, at which point I expressed my concerns about the fact that with the amalgamation of the Higher Education and Training Awards Council, HETAC, the Further Education and Training Awards Council, FETAC, and the National Qualifications Authority of Ireland, NQAI, the working conditions of staff might be downgraded or changed to some extent. The Minister indicated that there could be minor changes and stated the best way to deal with the matter would be through a process involving the unions and management. He also indicated that he understood from where I was coming on this issue but said there was no need to set anything in stone in respect of it. He then stated he would consider the matter further but that he was strongly of the view that there was no need to change the legislation.

I am supportive of any arrangement that will harmonise relations with management and improve the efficiency of existing work practices. However, this must be done in a way which does not undermine or diminish the protections for and conditions of workers in the context of salary and pension rights and other related matters. I am not in a position to provide examples, but as I informed the Minister on Committee Stage, a number of people have expressed their concerns about it to me. Any change, such as amalgamation or changes to job specification, means people are concerned about how it will have an impact on their livelihood. There will be changes to the management structures and how people operate. That is where the concern of the staff comes from. I note the Minister's comments about the intent of the Bill. Has the Minister examined this matter again? The Minister gave assurances that he did not think it was useful to include this provision in the Bill. Perhaps the Minister can put on record his view on the changes.

Deputy Brendan Smith: My recollection of this amendment is that the Minister gave us a good assurance on Committee Stage that the rights of all employees were protected and that there would be no defects in respect of the conditions of employment of the personnel in existing bodies who will be employees of the new body. The Minister's comments caused me no concern as he is genuinely committed to ensuring no rights are breached. Perhaps, as Deputy Crowe said, putting that on record would be no harm.

Minister for Education and Skills (Deputy Ruairí Quinn): I am happy to accede to the request from the Deputies. These issues are covered by sections 21 and 22 of the Bill. There are four subsections under section 21 and ten subsections under section 22, all of which take on board the statutory entitlements and pension entitlements with regard to superannuation, which are quite complex. We do not need a belt, braces and bicycle clips approach. Three organisations are being brought into one. As is inevitable, even in sister organisations, there are different day-to-day work practices and arrangements for annual leave and for Christmas, Easter and summer. Management must be given the autonomy and authority to synchronise. We cannot

[Deputy Ruairí Quinn.]

have management constrained by primary legislation in terms of its day-to-day operation. It does not make sense in this day and age. The rights of workers and pension entitlements are protected but how workers behave subject to management cannot be protected in primary legislation. It must be the best practice, not the lowest common denominator practice, within the three organisations as determined by the manager. Our responsibility as legislators is to set the framework for these people to pursue the task in question. In this case, it involves certification and satisfaction that we are reaching the quality standards set out in our qualifications.

Regarding the manner in which people do this in law, we must allow autonomy for the management of a semi-State, non-commercial organisation. That is why we have them outside the Department of Education and Skills. If we had them in the Department, I would be festooned with parliamentary questions and they would never get a day's work done. The management would be unable to manage because they would be looking over their shoulders every time the Dáil sits and parliamentary questions are tabled. That is why we have the separation of an executive agency from a Department that is accountable to Members. As a national assembly, we decide collectively to set up an organisation and we give it the constraints under which it must function, but those constraints must be matched by a degree of freedom in operation and management discretion. The balance is right here.

Deputy Seán Crowe: There will be difficulties for some staff, and unions will be involved in discussions. I take on board the Minister's point. Large organisations are coming together and we all agree with the spirit of the Bill. It makes sense in respect of the changes to qualifications. On the basis of the Minister's reassurance, I withdraw the amendment.

Amendment, by leave, withdrawn.

Acting Chairman (Deputy Seán Kenny): Amendments Nos. 2 and 3 are related and will be discussed together.

Deputy Ruairí Quinn: I move amendment No. 2:

In page 31, line 44, to delete "*subsection (6)*" and substitute "*subsection (5)*".

As a result of the proofing of the Bill on Committee Stage, a number of minor technical issues have come to light that require amendment. I informed the House on Committee Stage that a number of amendments of this nature would be required. In total, eight amendments fall into this category. Amendments Nos. 2 and 3 are purely technical in nature. Section 40 deals with reviews by the authority of the review procedures of the NUI. As currently drafted, section 40(6) incorrectly refers to itself, whereas the reference should be to the previous subsection. It is therefore proposed to make an amendment so that the reference is to section 40(5). This is the purpose of amendment No. 2.

Section 62 provides for the annual charge for use by providers of the international education mark. As currently drafted, section 62(5) refers to "the annual charge prescribed under *subsection (2)*". However, the charge is actually prescribed under subsection (3) so it is now proposed to amend this reference to reflect the fact. This is the intention of amendment No. 3. These amendments do not involve any change to the substance of the relevant sections and subsections.

Amendment agreed to.

Deputy Ruairí Quinn: I move amendment No. 3:

In page 50, lines 22 and 23, to delete “*subsection (2)*” and substitute “*subsection (3)*”.

Amendment agreed to.

Acting Chairman (Deputy Seán Kenny): Amendments Nos. 4 to 6, inclusive, are related and may be discussed together.

Deputy Ruairí Quinn: I move amendment No. 4:

In page 50, line 40, to delete “*subsection (1) or (2)*” and substitute “*subsection (1)*”.

Section 63 deals with reviews by the authority of a provider’s compliance with the code of practice and the use of the international education mark. As currently drafted, sections 63(3), 63(4) and 63(8) refer to such reviews being conducted by the authority under sections 63(1) and 63(2) of that section. However, these reviews are actually provided for in section 63(1). These technical amendments delete the three unnecessary references to section 63(2).

Amendment agreed to.

Deputy Ruairí Quinn: I move amendment No. 5:

In page 51, line 1, to delete “*subsection (1) or (2)*” and substitute “*subsection (1)*”.

Amendment agreed to.

Deputy Ruairí Quinn: I move amendment No. 6:

In page 51, line 24, to delete “*subsection (1) or (2)*” and substitute “*subsection (1)*”.

Amendment agreed to.

Deputy Ruairí Quinn: I move amendment No. 7:

In page 55, line 38, to delete “An Appeals Panel” and substitute “The Appeals Panel”.

This technical amendment is intended to correct a grammatical error in section 68. This section provides for the establishment of an appeals panel to determine appeals received against decisions made by the authority. This amendment proposes to change the reference to “An Appeals Panel” in section 68(3) to the more appropriate form of “The Appeals Panel”.

Amendment agreed to.

Deputy Ruairí Quinn: I move amendment No. 8:

In page 63, lines 4 and 5, to delete “the review under *subsection (6)*” and substitute “the amendment under *subsection (8)*”.

This is the last of the technical amendments. Section 80 deals with the determination of fees by the authority. As currently drafted, section 80(9)(b) refers to a review conducted by the authority under subsection (6) when the reference should actually be to subsection (8). This amendment seeks to address the error. There is no change to the substance of this section as a result of this amendment.

Amendment agreed to.

Acting Chairman (Deputy Seán Kenny): Amendments Nos. 9 to 11, inclusive, are related and will be discussed together.

Bill recommitted in respect of amendments Nos. 9 to 11, inclusive.

Deputy Ruairí Quinn: I move amendment No. 9:

In page 69, line 19, to delete “8 members” and substitute “10 members”.

I move to recommit in respect of amendment No. 9 as the proposal to increase the size of the board of the authority involves a marginal increase in the charge on the Exchequer.

I indicated on Committee Stage that it was my intention to accept the proposal by Deputy Smith to make provision in the Bill for the Union of Students of Ireland to make a nomination to the board of the new authority. Amendment No. 10 proposes that the right of the USI to nominate a board member is specifically provided for in the Bill.

I also indicated on Committee Stage that I am very conscious of the fact that the authority will be dealing with a very diverse set of learners, particularly in the adult and further education sector. To reflect this, I am also proposing through this amendment to allow for two learner representatives to sit on the board, one of whom will be nominated by the USI. This leaves scope for the second learner representative to be representative of the further and adult education sector.

The inclusion of two learner representatives on the board of the authority is evidence of my firm commitment to strong learner involvement at all levels of the quality assurance process. Student involvement is critical to the successful operation of quality assurance processes within institutions and within the authority. The inclusion of a strong student voice at board level complements the other provisions in the Bill that specifically provide that institutional quality assurance procedures should include evaluation by learners of the education and training provided to them. I made the wording of this amendment available to Deputies Smith and Crowe in advance of it being finalised and I thank them for their cooperation on this issue.

I also expressed the view on Committee Stage that an eight member board may be too small to be effective if five positions are already reserved for the chair, the CEO, an international expert and two student learner representatives respectively. I am therefore proposing through amendment No. 9 to provide for an increase in the size of the board from eight to ten members. This will ensure a more balanced membership while simultaneously affording a strong voice for learner representatives at board level.

Schedule 1 to the Bill currently provides that the quorum required for a meeting of the authority, unless the Minister directs otherwise, shall be four members of the board. This was appropriate when the board consisted of eight members. As it is now proposed to increase the size of the board to ten members, it is considered appropriate that the quorum requirement should also be increased to five members. This is the intention behind amendment No. 11.

Deputy Brendan Smith: I thank the Minister for his cooperation and assent to the proposal we put forward. It is a progressive move and I thank the Minister and his officials for consulting us in advance of the amendments being tabled in the House. On Second Stage, I said that my Seanad colleague, Senator Power, had suggested two student representatives and to be honest I thought that was ambitious. I am glad the Minister has acceded to that request and that the Union of Students in Ireland has been designated as a nominating body. The Union of Students in Ireland in recent years, particularly under the leadership of Gary Redmond, who vacated the office last week, has displayed great maturity in the campaigns and issues it has brought to our attention. I thank the Minister and welcome these amendments.

Deputy Seán Crowe: I support the Minister's amendments. The board is being expanded from eight to ten, with a member from USI and from the adult education sector. Would this be a student or an adult education tutor?

Deputy Ruairí Quinn: The website of the Department had a section that was open to people who wished to put forward their names to be considered for this. I could not, however, see a professional teacher filling that position, although there will be a need for such expertise on the board. The people filling the two slots created by these amendments will come from a USI nomination and for the other slot, because there is no formal representative organisation for learners, I will consult. Typically I would like to get someone who left school at 14 and re-entered the system after quite a period of time and who, as an adult, experienced what it was like to come from level four, five or six possibly all the way to level ten. There is a hell of a difference between teaching someone who is 36 as against 16. I want that voice to be heard, but I have no one in mind and it will not necessarily be someone who is politically on my side. I am looking for the experience. If life long learning is to be a genuine process, the secondary teaching profession will have to come to terms with teaching people who are older and in many cases, more experienced and smarter.

Amendment agreed to.

Deputy Ruairí Quinn: I move amendment No. 10:

In page 69, to delete line 29 and substitute the following:

“(b) at least 2 people who are representatives of learners, one of whom shall be a person nominated by the body known as the Union of Students in Ireland.”.

Amendment agreed to.

Deputy Ruairí Quinn: I move amendment No. 11:

In page 71, line 16, to delete “be 4” and substitute “be 5”.

Amendment agreed to.

Bill reported with amendments.

Bill, as amended, received for final consideration.

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

Minister for Education and Skills (Deputy Ruairí Quinn): I thank my colleagues and, on behalf the entire House, I thank my two officials, Mr. Phil O’Flaherty and Mr. Tony Gaynor, without whose help this work would not have made such good progress.

Deputy Brendan Smith: I also thank the Minister and his officials for their cooperation. This was an important Bill that was in gestation for some time and I welcome its passage through the Dáil.

Deputy Seán Crowe: I concur with the Minister and thank the officials involved in working on this Bill. As I said on Second Stage, this is a detailed Bill but it is a positive step and will bring these groups together.

Question put and agreed to.

Acting Chairman (Deputy Seán Kenny): A message shall be sent to the Seanad acquainting it accordingly.

Sitting suspended at 3.25 p.m. and resumed at 3.40 p.m.

Topical Issue Debate

Crime Levels

Deputy Michael Conaghan: I thank the Acting Chairman for the opportunity to raise the issue of crime in Dublin city centre. Dublin has a reputation as a safe, friendly and welcoming city for visitors, and the city centre has always been a vibrant social hub for residents of suburban Dublin and outlying areas. Unfortunately, Dublin's reputation as a safe city is coming under threat. The threat comes in the form of serious anti-social, criminal behaviour on the streets, and the failure to tackle those issues properly.

The "Your City, Your Voice" survey, carried out by Dublin City Council in 2011, shows that the residents of Dublin are very well disposed to the city, and have a genuine affection for their city. A total of 88% of respondents said that Dublin is a great place to live. However, the survey also revealed some far more worrying statistics. Only 31% said they feel safe in the city centre at night. When asked "What is the worst thing about Dublin?", the single biggest concern, raised by 36% of respondents, was anti-social behaviour, including drink, drugs and crime. There is a genuine concern, which I share, that this is having a serious impact on the image of the city centre. The matter requires urgent attention.

The nature and extent of crime and anti-social behaviour on the streets of the city centre is a major concern. There is a perception that adequate action is not being taken to tackle it. Of particular concern in the city centre is the dealing and use of drugs, which far too often is carried out in the open and without fear of consequences. Along with that we are seeing increased incidents of robberies, violence and unprovoked attacks. Just two weeks ago a man was tragically murdered in an unprovoked attack on Camden Street, and there have been further newspaper reports since of vicious, unprovoked attacks. We have reached a point where the *Evening Herald*, Dublin's newspaper, can describe the city centre as "Our Streets of Shame". The newspaper's recent study of an afternoon in the life of O'Connell Street paints a bleak picture of violence, drugs, binge drinking and begging. What was outlined is a growing problem, which if not tackled will seriously damage the reputation of our city at home and abroad. It will have a negative impact on the city as a social focus and it will change people's disposition to go into the city centre. Furthermore, it will impact on the economy and on the business life of the city.

It appears as though the dynamic and pattern of anti-social and criminal behaviour in Dublin city centre has changed and intensified recently. It is essential that provision is made for a special period of intense Garda presence and monitoring on the streets of the city centre. Such a period, of perhaps five or six weeks, should be used to categorise and identify the nature and full extent of the problems, including the underlying dynamic, to identify flash-points, and to assess the impact on the city centre overall.

Following on from this period of monitoring, it is essential that we develop a detailed plan of action, which builds on joint policing. The essence of the 2005 Act that established joint policing committees is that tackling anti-social behaviour and crime is not the sole preserve of the Garda and the justice system, rather, it is an issue best tackled in partnership between the Garda, local businesses, publicans, chambers of commerce, taxi drivers and citizens. Everyone who benefits from the economy of the city centre must be accountable and play their part in tackling the problem. They must give some energy towards solving a problem that affects all

of us. Joint policing has regrettably not been properly nurtured in this country. Unfortunately, it has withered on the vine, as it were, in Dublin.

Acting Chairman (Deputy Seán Kenny): I remind the Deputy that he is over his time.

Deputy Michael Conaghan: I am sorry. The Garda can take the lead, but it cannot be held solely responsible. In other countries, the model of joint policing has been developed in such a way that there are different categories of public order personnel who play their part in ensuring public safety. We need to develop joint policing along those lines for Dublin to tackle this problem. I call on the Minister to ensure that this partnership is formed and fostered. The Garda, the city council and other State agencies must engage with businesses to ensure that a full and detailed strategy can be developed to tackle this ever-growing and worrying problem.

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I thank the Deputy for raising this matter which is, no doubt, of great concern to him and to all in this House. I am responding on behalf of the Minister for Justice and Equality, Deputy Shatter, who regrets that he is unable to be present due to other business.

The Minister shares the shock and revulsion of all law abiding people at the recent reports of senseless acts of violence on Dublin streets. As well as the deep distress caused by such incidents, the Minister is also very conscious of the harm caused by what is sometimes termed as street crime generally and anti-social behaviour as well as the knock-on effect this has on the overall perception of public safety. Despite the understandable public concern over recent incidents, it is important that the good work carried out by An Garda Síochána is recognised. That is reflected in the latest crime figures published by the CSO which show that in the year to 31 March 2012 there was a reduction of more than 8% in assault and related cases and more than 14% in public order offences. Most categories of recorded crime fell in the period.

An Garda Síochána is using the strong legal powers available under the Public Order Acts and the Intoxicating Liquor Acts to keep our streets as safe as possible, including prosecutions where appropriate. The legal provisions deal with street violence and anti-social conduct attributable to excessive drinking and Garda powers include the seizure of alcohol to prevent under age drinking in public places and to forestall public disorder or damage to property. Gardaí may also issue fixed charge notices for the offences of intoxication in a public place and disorderly conduct in a public place. These are a more efficient use of Garda resources and avoid court proceedings when an offender pays the penalty.

While no area of public expenditure can be immune from our economic difficulties, a significant amount of resources are devoted to policing. Deployment of these resources is a matter for the Garda Commissioner based on where experience and analysis show they are most needed. New Garda rostering arrangements have been introduced in recent weeks. As a result, gardaí can be on duty at the times of the day when they are most needed. This is particularly important in dealing with public order issues, as it is generally certain nights of the week and between certain hours that have the greatest need for Garda patrols.

In Dublin and throughout the country, the Garda works closely with communities, local representatives, businesses and other stakeholders to identify and address problems of street crime and anti-social behaviour. The joint policing committees and local policing fora are important mechanisms for this partnership working, but there are many other avenues for this engagement. Under the Garda policing plan for 2012, liaising with those involved in running licensed premises and other parts of the night-time economy is a particular priority for Garda management.

However, dealing with anti-social behaviour is not simply about policing. Much of the violence is fuelled by young people drinking to excess and taking illegal drugs. This problem is not simply a matter of law and order. Rather, it requires action by parents, educators and those

[Deputy Paul Kehoe.]

who sell alcohol, not only in public houses, but right across the retail sector. The Minister has indicated that, in the coming months, he intends to put in place new regulations to prohibit the below cost selling of alcohol and also alcohol promotions that encourage excessive drinking. He is in regular contact with the Garda authorities about this matter. These contacts will continue. The Minister welcomes the support from all sides of the House for An Garda Síochána's efforts to keep the streets of Dublin and all towns and cities safe.

Deputy Michael Conaghan: I thank the Minister of State for his response. It is important to reiterate that the stakes for Dublin city are high. An unsafe environment is bad for its economy and businesses. Shops, restaurants, pubs and other businesses will suffer if the population does not feel safe on our streets. It will cost jobs. A city with a reputation for crime and anti-social behaviour will turn tourists away. Some 59% of all overseas tourists to Ireland visit Dublin and it is their positive experiences that will encourage the next wave of tourists. This scenario must be maintained.

The recent report by the Lord Mayor of Dublin, Councillor Andrew Montague, on anti-social behaviour reads: "The long term vibrancy of Dublin city is thus of critical importance for the Irish economy." Protecting this will require initiative, resources, research and concerted action taken in partnership between all stakeholders. In this regard, joint policing has not been properly developed in Dublin or the country. It is a pale imitation of what obtains in other cities. We need to examine how the strategy has evolved. For example, there are up to 25 full-time staff working in the field of joint policing in city hall in Belfast. Dublin city is so much the poorer because there is nothing similar here. I urge the Minister for Justice and Equality to rekindle the concept of joint policing. I would like to see a ministerial report on that work being submitted to the House shortly.

Deputy Paul Kehoe: I thank the Deputy. The Minister understands the general public's concerns about violent street crime. He wishes to underline the Government's unwavering commitment to tackling all forms of criminal behaviour on our streets. I understand the Deputy's concern about street crime giving the city or certain parts of it a bad name. Like any town or city, Dublin depends a great deal on tourism. We do not want a view of it as having high levels of crime rippling through the tourism sector, as it would cause the economic difficulties outlined by the Deputy. I assure him that I will raise his concerns with the Minister and that the Garda is aware of criminal activity in Dublin. There is no easy solution.

I will also raise the Deputy's point about joint policing not working like it does in other cities. He compared Dublin with Belfast, where several people are employed by the council to work on joint policing committees with councillors, communities and the police force. The Minister is keeping a close watch on what is occurring in the city, as is the Garda. The Minister receives regular briefings on the city's crime levels.

Piloting Training

Deputy Timmy Dooley: I thank the Ceann Comhairle and the Acting Chairman for selecting this important issue. I wish to raise the plight of the Irish trainee pilots in Florida who are experiencing a great deal of uncertainty about their futures, the qualifications they hoped to gain, the training they paid considerable amounts of money for and whether they will be able to remain in the US for a further few weeks to try to resolve the issue. There is a question of whether their visas will expire. It is expected that some of them will be put out of their accommodation, as its providers have not been paid.

This is a serious matter, but not just for the pilots in Florida. A number of pilots in Ireland who completed their training in Florida might not receive accreditation. It is incumbent on the Minister concerned to answer a number of important questions. What role does the Depart-

ment of Transport, Tourism and Sport play in respect of the Piloting Training College of Ireland, which is based in Waterford? When did the Department become aware that issues existed? They have come to light in the past day or so. How many trainee pilots are in Florida? How many trainee pilots' accreditation will be affected by this situation? Will the Government intervene directly and ensure the people concerned will receive the training for which they have paid? I am not suggesting that a universal scheme be opened, but a limited number of people have paid what is, given the economic crisis, a great deal of money. It is within the Government's capacity to make good on that investment. If necessary, the Government should introduce emergency legislation to deal with this crisis and to ensure the pilots will not be required to pay even more money to complete the course, given that they have already paid for it.

Will the Minister of State tell us if there are any other accredited pilot training centres or schools in Ireland, and if there are, what action the Department is taking to ensure nothing like this happens again?

I accept and understand that there is not, as such, bonding or insurance in place to protect the fees of the students, but has the Government given any consideration to introducing emergency legislation to require a bonding or insurance scheme to be put in place in order that this issue cannot arise again? The problems have been euphemistically described as "trading difficulties" but they are anything but that for the families and students who have scrimped and scraped to try to put together the €85,000 required to complete one of these courses. Many of the people involved have loans at high interest or have borrowed from within and outside their families to take on this course, and they now find themselves with the potential to lose everything.

It is the type of issue that arises from time to time where swift Government action is necessary, and I appeal to the Minister of State to convey to the Minister a desire among most people in the House that the Government would give every possible assistance to ensure the welfare of the students in Florida is taken care of and, if necessary, that the Government would put in place the funds to ensure the students succeed in reaching their final qualification without being required to borrow further.

Deputy Paul Kehoe: I apologise on behalf of the Minister, Deputy Varadkar, who is unable to be present. He had hoped to take this matter but cannot because these matters are being taken earlier than planned.

The Pilot Training College Waterford, PTCW, is a privately owned and operated flight training college, and the company has a pilot training college in Melbourne, Florida. The Irish Aviation Authority, IAA, which comes under the remit of my colleague, the Minister for Transport, Tourism and Sport, regulates, approves and oversees flight training organisations in Ireland. The IAA's primary functions in this regard are the oversight of the safety, quality and standard of the training being delivered, the conduct of examinations and flight tests. The Minister has been informed by the IAA that PTCW had a contract in place with the Florida Institute of Technology to deliver the flight training in Florida. Training is carried out in Florida to take advantage of the better weather for training in visual flight operations.

On 26 June, the IAA was notified that the Florida institute was ceasing all training activities for PTCW due to a commercial dispute between the two companies concerning payments. The IAA immediately sent a senior inspector to Florida to establish the training situation. It has been established that students have paid PTCW for training and PTCW has a commercial relationship with the Florida institute to provide flight and ground training, etc. However, the IAA has no role in the contracts between self-sponsored or airline-sponsored students and their training organisation.

[Deputy Paul Kehoe.]

The IAA has advised the Minister that at a meeting yesterday with representatives of PTCW, it sought evidence and assurances that sufficient funding was available in the company to continue operations in Waterford, given that the Florida operations have ceased. Representatives of PTCW informed the IAA that they were investigating restructuring options but that this process could take approximately ten days to complete. On foot of this information, the IAA immediately suspended the flight training approval for PTCW.

The IAA is committed to re-engaging with any proposals emerging from the restructuring process that PTCW has informed it will commence, but in the interim, training in Waterford has been suspended. The IAA has assured the Minister that it will make every effort to ensure all training conducted to date in Waterford and Florida will be credited to the training records of the affected students. Representatives of PTCW have informed the IAA that they will endeavour to mitigate any losses suffered by students as part of the restructuring process, and both the Minister and the IAA hope a satisfactory outcome can be achieved to enable students to complete their training. The IAA continues to assist in every way possible, including directing students to alternative providers.

Deputy Timmy Dooley: I accept the Minister is not present because business moved a bit more quickly than anticipated. I asked a number of questions and I am sure the Minister of State will communicate those to the Minister for Transport in order that I can get a direct reply. I am not for a moment suggesting the IAA has not done everything possible, and the reality is the IAA's role is principally about regulation. For that reason, the reply given by the Minister of State relates largely to that body.

The issue is not that the students should be directed to alternative providers. That would be fine if they could come up with the wherewithal to pay for it. As far as I am concerned, the Government should step in and deal with the affected students. I accept this is a private concern but, unfortunately, independent students have committed a large amount of resources to what they expected to be a State-regulated company. Generally when there is such regulation, there is an expectation that a course would meet a particular standard, not just in accreditation and the ability to teach but also in the viability of its future. There seems to be some clear gap in the regulatory process if a company like this is not bonded or does not retain student fees in an escrow account or similar format to ensure that what is paid for can ultimately be delivered.

There is work to be done by the Government to ensure this does not happen again and that any other flight school does not suffer the same fate. Students have found themselves caught in the middle and the State should step in to provide the necessary resources or, with the assistance of another flight school, see that the students get their training without any further expense.

Deputy Paul Kehoe: The Minister is very much aware of the financial input that each of these trainees and their families and parents have given, and the Deputy mentioned a significant amount of money. It is a major commitment from any individual to put into a person's education. It is an investment and I have no doubt that when these people paid this money, they never thought the problem we are facing would come about.

The Minister and the IAA are doing everything possible to find a solution to this problem. The Deputy understands the issue is independent of the actions of the Government and the IAA but both the Minister and the IAA have some role to play. We must nevertheless respect the independence of the company involved. On 26 June the IAA was notified that the Florida Institute of Technology was ceasing flight training activities for the PTCW due to commercial disputes, and the IAA immediately sent a senior inspector to Florida to establish the ongoing

training position for the students involved. The IAA is committed to re-engaging with the company involved when the restructuring is complete.

The Minister is in close contact with the IAA to see if anything can be done to enable the students to complete training. I have outlined the Minister's views on alternative providers. If there was an opportunity to go to an alternative provider that is recognised by the IAA, many students would take it up. The Minister is very much aware of the concerns of the students as outlined by the Deputy, and I will bring any questions posed by the Deputy to the Minister's attention. I apologise again on behalf of the Minister for his absence.

Hospital Services

Deputy Joe McHugh: I welcome the Minister of State, Deputy Shortall. I acknowledge the role of the Friends of Letterkenny General Hospital in raising €500,000 of necessary funds towards a cardiac catheterisation laboratory in Letterkenny. The group intends to raise a further €700,000 to bring the total funding to €1.2 million. This represents a vast amount of fund-raising. This is an example of the positive effort of so many groups throughout the country. They are aware of what is needed in a particular area and they are willing to put their shoulder to the wheel.

The group is not working separately but in conjunction with management and consultants. This is not a separate fund-raising initiative. The United Kingdom NHS has pointed out that in 2015 there will be a significant deficit in cardiac catheterisation capacity in Northern Ireland. Letterkenny General Hospital has the only HSE-employed interventional cardiologist in the north west. Funding has been approved for a second cardiologist there. It has the capacity to build on an existing strength. The danger with cross-Border co-operation and all the associated challenges is not to acknowledge the strength of one particular hospital. Altnagelvin Area Hospital has its strengths and Letterkenny General Hospital has its strengths. There is a real opportunity here to build a critical service that will facilitate not only the population of Donegal or north Leitrim but also patients from Derry to Tyrone.

When we discuss cross-Border synergies and co-operation it is important to place a value on the existing strengths and capacities at particular hospitals. If there is an interventional cardiologist in Letterkenny, the only one in the north west, approval for a second cardiologist and community commitment and involvement in respect of fund-raising, then we should bring all of this together and tap into the goodwill. As legislators, we will not be rewarded in any way by the community if we bypass its wishes.

It is important to note the proactive role of the Minister with responsibility for health in Northern Ireland, Mr. Poots, and his close co-operation and working relationship with the Minister of State, Deputy Shortall, and the Minister for Health, Deputy Reilly. They have worked to analyse possible solutions in these straitened times. Perhaps in five or ten years time there will be a whole new landscape. Altnagelvin Area Hospital could work with Letterkenny General Hospital and Erne Hospital could work with Sligo Regional Hospital. We need to ensure at the beginning that the turf wars that have prevailed in hospitals and that will continue to prevail in future do not become the *raison d'être* of service provision. There is a capacity at Letterkenny General Hospital to provide this cardiology service. The team, the commitment and funding are in place as well as Government approval for a second cardiologist. We should honour this and we should be careful about how we move in the advanced co-operation between two hospitals on different sides of the Border. Everyone has the same overall objective, that is, to provide quality service for the people living in the north west.

Minister of State at the Department of Health (Deputy Róisín Shortall): I thank Deputy McHugh for raising this matter. I am responding on behalf of the Minister for Health, Deputy

[Deputy Róisín Shortall.]

Reilly. The Deputy has raised the important issue of how we organise our health services to ensure we have safe and consistent treatment for patients throughout the country in a way that is affordable. This is being tackled through the clinical programmes and through the reorganisation of our hospital system and the establishment of our hospitals into groups. One of the issues which will be taken into consideration in the formation of hospital groups is the availability of services in Northern Ireland and any opportunities that exist for synergies. Decisions such as this will not be taken on a stand-alone basis. In the case of the development of standards for acute coronary care, the national clinical programme for acute coronary care syndrome has designed a streamlined approach to the treatment of all patients with the varying forms of acute coronary syndrome. It has also developed a standardised pre-hospital protocol for response, triage, treatment and transport of patients with these syndromes.

Every patient with an acute coronary syndrome should be diagnosed correctly and without delay and then managed according to the national protocol. Acute coronary syndromes are divided into three broad categories: ST elevation and myocardial infarction, STEMI, or full-blown heart attack; non-STEMI or threatened heart attack; and unstable angina. It is recognised internationally that STEMI's are best treated in a centre of excellence where the patient can be taken to a cardiac catheterisation laboratory and the blocked vessel opened. A primary percutaneous coronary intervention, PPCI, centre is a major cardiology centre that has at a minimum two cardiac catheterisation laboratories, at least five interventional cardiologists and 24 hour, seven day on-call staff including medics, nursing, technical and radiography staff. Given current resources these centres are placed in Galway, Dublin and Cork. The number of STEMIs per annum is small, approximately 2,000, and therefore the number on average that present to Letterkenny General Hospital is of the order of one every nine days.

The creation of hospital groups and trusts is at the heart of the Government's reforms of the acute hospital sector. It is integral to a stronger and more systematic process of performance management for hospitals while ensuring clinically safe and consistent services for patients.

In June the Minister announced the appointment of Professor John R. Higgins to work with the special delivery unit in the role of chairperson of a strategic board to assist the Department of Health in the design and establishment of hospital groups. As chairperson, he will have a key role in progressing the creation of hospital groups which, the Minister envisages, will be set up quickly on an administrative basis. Initial meetings with stakeholders, including meetings between Professor Higgins and each public hospital, have commenced and will continue during the summer. Representatives from Letterkenny General Hospital have been invited to meet Professor Higgins and the strategic board shortly as part of the consultative process and its inclusion in a specific hospital group will emerge from this process.

Following this process, hospitals will be allocated to groups on an administrative basis. Work will commence on governance and management frameworks for hospital groups, aligned to the recommendations of the HIQA Tallaght report. It is not anticipated that independent hospital trusts will be established until 2015, because much development is required in other areas, including universal health insurance and the underpinning legislation to create a comprehensive and robust system of efficient health care and safe patient care.

The need for a cardiac catheterisation laboratory in the north west is fully accepted. One important issue is to ensure that the potential for cross-Border patient flow in respect of acute services is exploited to the greatest extent feasible subject to the agreement of both jurisdictions. In this respect I am satisfied that the Minister has recently agreed a formal process for ongoing engagement with the Northern Ireland Department of Health and the Health and Social Care in Northern Ireland service and the terms of reference are being finalised. The

decision on the location of the cardiac catheterisation laboratory will be made in the context of the establishment of hospital groups, taking into account the cross-Border synergies.

I commend the commitment of the Friends of Letterkenny General Hospital who, as Deputy McHugh has noted, have made a major contribution to service developments in the hospital and to the people of Donegal during this period. I thank him for raising the matter.

Deputy Joe McHugh: I thank the Minister of State for the extensive response. It is possible to read between the lines of what she has said. In fairness, the Minister of State is working within the realm of existing policy with respect to potential hospital trusts within this jurisdiction. From reading between the lines I detect an openness to considering cross-Border synergies. I have no intention of putting words in the mouth of the Minister of State. A really welcome feature of the response is that there is a broad vision not only for existing policy within the Twenty-six Counties but also for determining whether we can have some form of cross-Border co-operation.

I call on all stakeholders within hospitals — there is a lot at stake and that is why we use the term “stakeholders” — to examine the broader picture. There will be turf wars, suspicion, fear and misunderstandings, but there are opportunities. There is an opportunity to provide a high-quality service in the north west. Bearing in mind that Galway, Dublin and the southern region are facilitated, the response this afternoon implies the north west will be represented in some shape or form.

I know the Ceann Comhairle will allow me to digress a little on cross-Border co-operation. Yesterday was a significant historic day for North-South relations. The North-South Inter-parliamentary Association, which was set up yesterday, will be the first formal mechanism to allow communities and citizens, rather than politicians, north and south of the Border to lobby and campaign through a joint mechanism. The Ceann Comhairle is co-chairman with Mr. William Hay, whose family originally comes from Donegal. I have a personal interest in the latter’s geographical connections. I congratulate the two co-chairmen, who have equal status, on their vision and for pushing forward this mechanism. It will help the Minister of State, Deputy Shortall, the Minister, Deputy Reilly, and all the other Ministers interested in cross-Border synergies to pursue realistic goals. I look forward to working with the Ceann Comhairle on the body and to continuing work with the Minister of State and Minister on cross-Border synergy.

Deputy Róisín Shortall: The Deputy is absolutely correct that there is significant potential for a high level of co-operation between our health service and its equivalent in the North. Many of the possibilities are being explored actively. There is much potential for synergy. Just last weekend, I met two of my counterparts, Mr. McCann and Mr. Bell, on co-operation in respect of drugs and alcohol. We will be working closely in this regard. The Minister, Deputy Reilly, and I met Mr. Poots some months ago and the issue raised by the Deputy was very much to the fore. There is much potential and it is being pursued actively. I thank the Deputy for raising the matter.

Ambulance Service

Deputy Sandra McLellan: I thank the Ceann Comhairle for selecting this matter. It is, without doubt, a very important issue that has an impact on the lives of many thousands of people, not only in the town of Skibbereen but also in its catchment area. The provision of pre-emergency care is essential to the delivery of an acute hospital service. Communities right across Cork, including Bantry and my home town of Youghal, have been threatened with the removal of vital ambulance cover for more than a year. The communities have cried “Halt”.

[Deputy Sandra McLellan.]

The Government's plan to reconfigure the ambulance service, coupled with its hospital reconfiguration programme and the recruitment embargo, has the potential to have a devastating effect on health service provision and the lives of many. Before the Minister's plans for ambulance services have even taken effect, we have seen the service in Skibbereen cease. Last Monday, this large population centre was left without an adequate and appropriate ambulance service due to the lack of cover and the HSE's apparent unwillingness to pay overtime.

I stated in the Chamber before that a rapid response vehicle manned by a paramedic is not the same as an ambulance manned by an advanced paramedic. The current approach must end. I would like to know what immediate action will be taken to ensure an adequate and appropriate ambulance service will be provided for the people of Skibbereen and its hinterland. They are just as entitled to cover as anyone else.

Deputy Noel Harrington: I thank the Ceann Comhairle for selecting this issue and I welcome the Minister of State, Deputy Shortall, to the Chamber. West Cork does not have what one would call a normal accident and emergency unit. We have a good service in Bantry hospital that covers cardiac and respiratory emergencies but we do not have a dedicated accident and emergency unit. Our ambulance service is our accident and emergency service. This week, the people of Skibbereen and its hinterland have been left without this service. The sick leave of one paramedic has effectively led to the withdrawal of the ambulance service in the area. One quarter of the entire west Cork ambulance service has been taken off the roster.

I do not know whether anybody knows how terrified the people of Skibbereen are over the prospect of not having ambulance cover. In the absence of a new role for the ambulance service in west Cork, such as dynamic dispersal or allocation, as might have been spoken about by the Minister, we have no appropriate service. The existing service is very rigid. Due to the absence of one paramedic, the ambulance service has been withdrawn from the people of Skibbereen. This is hard to take. The public service is used to an embargo on recruitment and overtime, but these embargoes should not apply to emergency services. It is not right that a service cannot cope if one person takes a sick day. There are many HSE managers who are well paid to do what they should be doing, namely, manage. This is a classic case of management that cannot deal with the redeployment necessary to maintain basic emergency services for Skibbereen. This is not because of an overtime issue. I ask sincerely that the Minister of State, through her office, instruct the management to do what it is paid to do, that is, manage the situation.

Deputy Róisín Shortall: I thank the Deputies for giving me the opportunity to address this issue. I am responding on behalf of the Minister for Health, Deputy Reilly.

The HSE's national ambulance service, NAS, has been progressively improving and modernising emergency ambulance services in Cork and Kerry. As part of this process, stations and crews are changing from being on call to having on-duty rostering. Being on duty means our highly trained paramedic crews will be on-site in their stations or in their vehicles to respond to dispatches, rather than being alerted and then having to make their way to the station when called out. This drastically reduces deployment times for emergency vehicles. On-duty status means resources can be deployed dynamically. This means that vehicle location during a shift is based on need and demand patterns such that vehicles will not just be sitting at a station. This produces greater flexibility and responsiveness. Under the dynamic model, on-duty emergency ambulances are available from within a region as required. This will produce better response times for the people in Cork and Kerry and a better service.

Current evidence suggests patient outcomes are improved by better treatment and stabilisation of the patient at the scene, followed by ongoing treatment and transport to the most

appropriate centre, even if that means longer transport times. On-duty rostering of ambulance staff will, therefore, support a modern emergency response service involving paramedics, advanced paramedics, community first responders and GP out-of-hours services working together to respond to emergencies. This approach is consistent with international best practice and will assist with compliance with HIQA response times and quality standards.

I note that ambulance staff themselves sought the elimination of on-call working, that the relevant period has already been reduced from 44 hours to 16 hours per week in the region and that it will continue to decrease on a phased basis as part of the improvement of services and response times. There are ongoing discussions with staff on implementing the proposals, and both the HSE and unions are committed to this process.

The HSE's NAS is engaged with union representatives, through the Labour Court, regarding on-call arrangements for ambulance services in the south west. All parties have accepted that, in accordance with a Labour Court recommendation, providing ambulance services under on-call arrangements should cease. The National Ambulance Service has begun removing on-call arrangements by focusing on east Cork in the first instance. It has been agreed that the arrangements for the removal of on-call in east Cork will be reviewed after six months with a view to implementing similar arrangements in west Cork by mid-2013.

It is important to note that emergency ambulances are staffed by paramedics working in pairs. Where an individual paramedic does not report for duty, the other paramedic on that shift is available to respond to emergency calls. While an individual paramedic cannot transport patients to hospital, support is provided through strategic deployment of available resources. This ensures a patient transporting vehicle is available. The HSE national ambulance service is committed to implementation of the HSE attendance management policy and continues to manage absenteeism on this basis. I thank the Deputies for raising the matter.

Deputy Sandra McLellan: I thank the Minister of State for her response. I had so many calls and e-mails this week from constituents, young mothers and elderly persons from Skibbereen who were terrified because they did not have ambulance cover. Could we get a commitment from the Minister of State that what happened in Skibbereen on Monday last will not happen again and what measures will be put in place to ensure the planned reconfiguration does not produce similar occurrences across rural areas?

Deputy Noel Harrington: I thank the Minister of State for her response. I fully understand what the ambulance service is trying to do, both in west Cork and nationally. However, I want to come back to the deficiency in the ambulance service in Skibbereen, currently and possibly for a number of weeks because this particular paramedic is on sick leave. We all have heard in recent public debates how sick leave throughout the HSE and other public bodies is expensive and costs a great deal of money. It should not cost lives and that is what the people of Skibbereen are genuinely afraid of.

Notwithstanding the progress and the future plans of the HSE for the national ambulance service, this pinch-point is a staffing issue, a resource issue and a management issue. We are in the old regime in Skibbereen and there is no reason, in the absence of these plans and dynamic deployment, that this situation should be allowed to continue. Will the Minister of State go back to the HSE national ambulance service so that the people of Skibbereen will not have to live in fear that they will not have an ambulance when called for?

Deputy Róisín Shortall: I very much appreciate the concerns raised by the Deputies. As I stated in my reply, the HSE ambulance service is committed to better management of absenteeism. Quite clearly, there was an issue recently and that level of service is a matter of concern.

[Deputy Róisín Shortall.]

I am willing to undertake to convey the concerns expressed by both Deputies to the Minister for Health.

Microenterprise Loan Fund Bill 2012: Message from Select Committee

An Leas-Cheann Comhairle: The Select Committee on Jobs, Enterprise and Innovation has completed its consideration of the Microenterprise Loan Fund Bill 2012 and has made no amendments thereto.

Business of Dáil

An Leas-Cheann Comhairle: I ask the Minister for Finance to move the suspension of the House for five minutes.

Minister for Finance (Deputy Michael Noonan): I so move.

Question put and agreed to.

Sitting suspended at 4.38 p.m. and resumed at 4.43 p.m.

Ceisteanna — Questions

Priority Questions

An Leas-Cheann Comhairle: As the Deputies who tabled Questions Nos. 1 and 2 are not present, we will proceed to Question No. 3 and revert to the earlier questions when the Deputies arrive. Is that agreed? Agreed.

Bank Debt Restructuring

3. **Deputy Joe Higgins** asked the Minister for Finance if he will report on the expected economic and fiscal impact of the Eurozone bank bailout agreement reached in Brussels on 29 June 2012 and in particular the implications for the State's total national debt; and if he will further report on the Budget deficit, the Memorandum of Agreement with the Troika, the general austerity policy of the government and many other relevant issues. [32861/12]

Minister for Finance (Deputy Michael Noonan): Last week's announcement following the euro area summit in Brussels represents a major shift in European policy in terms of breaking the link between recapitalising the banks and the sovereign, a policy change for which I have repeatedly pressed at European Union meetings. This message has been echoed by the Taoiseach, Tánaiste and other Ministers in meetings with their EU colleagues. The specific mention of Ireland in the statement issued following the summit is a welcome development and the result of intensive discussions over the past year. It shows there is widespread recognition for the measures this country has implemented and the significant sacrifices Irish people have taken to bring our public finances under control.

This is an agreement in principle which provides an opportunity for the issue of bank debt to be addressed at an EU level. As the details have yet to be worked out, it is too early to state at this time the precise implications of the announcement. There will be further discussions at the euro group meeting on 9 July. Preliminary discussions on how to separate banking from sovereign debt are under way but I do not want to prejudice them by commenting on the likely contents of any agreement at this time. Given their complexity, the discussions are likely to take some time. Our shared objective, agreed with our European colleagues, is to break the link between banks and sovereigns, and we are open to discussing any method of doing this.

On the memorandum of understanding, the current position is that a budgetary consolidation package of some €3.5 billion in 2013 is set out as that required to reduce the general Government deficit to 7.5% of GDP next year.

Ideally, I would like to see a resolution of the banking debt issue by the end of October but it is unlikely the agreement reached last week will affect our plans for budget 2013, which will be announced in early December. This announcement is undoubtedly a positive development for Ireland. However, we cannot lose sight of the fact that, notwithstanding the considerable negative effect State support for the banking system has had on the public finances, including the debt level, there remains a large gap between day-to-day spending and revenues. This gap needs to be closed to enhance further the long-term sustainability of our public finances.

Deputy Joe Higgins: The agreement on the banks was described by the Taoiseach, in respect of its effect on Ireland, as a seismic development and greeted with general elation in the capitalist press. Is it not the case that we do not have any specifics as to what the agreement will mean in the Irish context? The Minister indicated a meeting to be held later this month will go into greater detail. Is there any concept of what difference the agreement will make? For example, how does the Minister envisage the gross debt of the State breaking down? Will the massive amounts that had to be put into the banks be subtracted from it? Does the Minister know how it will work its way out? What impact will this have on the general policy of austerity pursued by the Government? What impact will it have when the Minister draws up the budget for 2013 next December?

Deputy Michael Noonan: There are a number of specifics in the statement. The first decision is the principle now has been set out clearly at the highest political level in Europe that the vicious circle between banking debt and sovereign debt will be separated. The second decision is that in this context, Ireland's sustainability and success in the programme will be reviewed and third, it contains a reaffirmation that countries in similar circumstances will be treated equally. This is a statement of principle and the detail that underpins the principle will be worked out in the course of negotiations. Another element that is fairly firm but which is subject to negotiation is the timeline. It starts now and one condition is that a banking supervisor within the ambit of the European Central Bank must first be in place, after which the details will be worked out. The timeline is to the end of 2012.

Deputy Joe Higgins: It seems to me that a single vague sentence referring to this country and generally praising the horrific austerity our people have been suffering to bail out bankers and bondholders is not massively strong ground on which to build. In respect of the national debt, the Minister did not indicate how this will have an impact in respect of a separation of banking debt and sovereign debt. Will the funding of the European Stability Mechanism, ESM, and the contingent liability to the State of up to €11 billion be affected by this agreement and if so, how will it be affected? How will the funding this State is obliged to put into the fund be affected by the proposal that has been agreed on in Brussels?

Deputy Michael Noonan: The best way to understand this is that Europe works in different ways at different times. Sometimes it examines the details of a problem and comes up with solutions and the sign-off is at the highest political level. At other times, when little progress is being made on the detail, the Heads of State and Government at the highest political level make a statement of principle in which they set out the principles of a policy and they then delegate the working out of that statement of principle. This is what has happened on this occasion and they have delegated the working out of the principle. However, there should not be any great surprise in this regard. Some Members present attended the meeting of the Joint Committee on Finance, Public Expenditure and Reform at which I gave the pre-meeting brief-

[Deputy Michael Noonan.]

ing before attending the ECOFIN Council. Both Deputies Michael McGrath and Pearse Doherty pressed me on what was Ireland's negotiating position and I stated the Government was trying to separate bank debt from sovereign debt and was trying to ensure there would be retrospective effects whereby any advantage that was granted to Spain also would apply to Ireland. In the process of the negotiation, since the Spanish situation is in need of an immediate solution whereas Ireland is working a programme and is not in particular crisis at present, the movement will be to deal with Spain. Thereafter, the Government will ascertain what are the details in this regard. This will give the Government a fairly strong negotiating position to apply similar solutions to Ireland, because it will invoke the clause of equality of treatment for people in similar circumstances.

Deputy Joe Higgins: Does the timeline extend to the end of the year?

Deputy Michael Noonan: Yes, it is tied into a banking supervisor being in place. However, it also is linked to President Van Rompuy's statement on a banking union. The banking union will develop a banking supervisor to supervise at least the main international banks in Europe, perhaps comprising 100 banks out of the 8,000 banks operating across the European Union. The timeline to have the banking supervisor in place is the end of the year. However, I hope we could go somewhat earlier, as there are reasons within Ireland's programme for October to be more in its interest than December.

An Leas-Cheann Comhairle: We will now revert to Question No. 1 in the name of Deputy Michael McGrath.

Bank Debt Restructuring

1. **Deputy Michael McGrath** asked the Minister for Finance if, building on the Euro Area Summit Statement of 29 June 2012, he will outline his specific objective in the negotiations that will now follow, with particular reference to breaking the link between bank debt and the sovereign; his views on the way the €64 billion of taxpayers' money which has been injected into the banks can be revisited with the burden being lifted from the State; and if he will make a statement on the matter. [32959/12]

Deputy Michael Noonan: The Government welcomes last Friday's euro area summit statement. As the Deputy is aware, it has been working extremely hard to secure a deal on the Irish bank debt. The recent euro area summit statement represents a major shift in European policy in terms of breaking the vicious circle between the banks and the sovereign. It is particularly pleasing to note that last Friday's summit agreement reflects the proposals set out in the Taoiseach's letter to the other Heads of Government that was sent following the approval of the fiscal stability treaty. The Government's objective remains the same, which is to break the link between the banks and the sovereign, thereby making the debt more sustainable and to maximise the benefit to the Irish taxpayer.

The summit agreement provides an opportunity for the issue of the bank debt to be addressed at an EU level. It has been agreed that when an effective single supervisory mechanism is established, involving the ECB, for banks in the euro area, the European Stability Mechanism, ESM, could have the possibility to recapitalise banks directly. While the policy position is very positive, it is not possible at this stage of the process to attempt to quantify the benefits that will accrue to the Irish economy. The details of how to separate banking from sovereign debt must now be discussed in detail, including the capital already injected into the Irish banking system.

While the details, structures and arrangements have yet to be finalised, the policy statement provides a basis for a euro area solution to what essentially is a euro area problem. This will be one of the Government's key priorities between now and the end of year with the initial formal steps, at a European level, taking place at the euro group meeting on 9 July.

Deputy Michael McGrath: At the outset, I apologise to the House and to the Minister for not being present at the beginning of Question Time. I was attending the Joint Committee on Finance, Public Expenditure and Reform meeting with representatives of Ulster Bank and was not aware the time set for Question Time had changed.

I thank the Minister for his response to this priority question and wish the Minister well in the detailed negotiations that will commence on Monday on foot of last week's summit statement. I believe the statement and what hopefully will flow from it to be highly significant for Ireland and this could be extremely helpful in respect of the public finances and Ireland's debt sustainability. Moreover, it has the potential to make easier the fiscal adjustment. The cost of servicing the national debt has grown significantly in recent years and will continue to increase as the stockpile of debt continues to grow. However, if it is possible to secure a better deal in respect of bank debt, it could have highly positive implications. I note the Minister has ruled out the possibility of a deal making any difference to the forthcoming budget next December. However, if the negotiations conclude reasonably quickly and if Ireland secures an overall deal, we may end up with a significantly reduced interest bill in 2013, which would make the budget arithmetic easier. In that context, why is the Minister ruling out the possibility of there being any benefit in respect of the next budget? As the negotiations on this deal are only beginning now, a conclusion could well be reached before the end of the year that could work its way into the budget arithmetic.

Deputy Michael Noonan: If there is any benefit, the Deputy can be assured the Government will take it into account. However, Deputies Michael McGrath and Pearse Doherty are better aware than most Deputies that the Government is dealing with two problems. First, it is dealing with the problem of the debt and second, it is dealing with the problem of the budget. The budget problem is the Government is not collecting enough in taxation to cover what it spends in the provision of services. While that is one problem, there also is the size of the debt, which according to present figures will peak next year at 117% of GDP. It is true the two issues have an influence on each other, that there is a crossover effect and that one reinforces the other. If one is paying a lot of interest on one's debt, it makes one's budget position more difficult. However, even if there was no interest to be paid, the Government still is approximately €14 billion on the wrong side of a balanced budget and this problem must be dealt with as a distinct fiscal problem.

If there are benefits in reduced interest rates, then well and good. However, the timeline is quite long and the European supervisor of banking seems to be the key appointment. That triggers the other elements of the procedure.

Deputy Michael McGrath: I urge the Minister to be highly ambitious on behalf of the Government in the negotiations, given the scale of the capital injection into the Irish banks. If the principle agreed last week to separate bank debt from the sovereign is to be implemented in full, then we have a very strong case for the €64 billion issue to be revisited. The Minister's negotiating position will be supported by Fianna Fáil. We wish him well. This is critical for Ireland. It could certainly be of great benefit to the public finances, the national debt and the economic recovery we want to see. We want the Minister to be highly ambitious and put the entire €64 billion on the table as a starting point.

Deputy Michael Noonan: The key element of the communiqué is the sustainability of the Irish programme. That is obviously a clear reference to getting the debt down to a stage where we go back into the markets, and then we are entirely sustainable if we can fund in the markets at low interest rates. If Deputy McGrath puts his accountancy experience to use and thinks of it in terms of a balance sheet, then he will know that it is not really possible to work on one side of the balance sheet. If debt is moved off one side of the balance sheet, what is moved off the other side? We can see how complex it is to get matching collateral that we can shift as well. When the Government put money into the banks, they took the shareholding of the banks as well.

Deputy Michael McGrath: They can have the banks.

Deputy Michael Noonan: Yes, but we get into values then. Is it nominal value or market value? There will be quite a tricky piece of design work and then a very difficult negotiation phase.

2. **Deputy Pearse Doherty** asked the Minister for Finance if in view of the fact that the European Council has agreed in principle to the separation of banking debt from sovereign debt, and agreed in principle to the possibility of ESM funds being used to directly recapitalise the banks, and agreed to consider the retrospective application of such funding in the case of Ireland, he will confirm that it is his intention to explore the possibility of European Stability Mechanism funds being used to directly refinance the Anglo Irish Bank promissory note; if he will remove the promissory note debt from the States debt to GDP ratio; and if he will remove the liability from the taxpayer for the repayment of this toxic banking debt. [32924/12]

Deputy Michael Noonan: The Government has been fully committed to reviewing the arrangements that were put in place to capitalise the Irish Bank Resolution Corporation, formerly Anglo Irish Bank. The purpose of this review was to determine whether there is a way to reduce the overall cost to the State. The first step in this process was the settlement of the March 2012 promissory note repayment with a long-term Government bond. It is for these reasons the end of March payment was seen as an initial step in a medium-term process. The recent and very welcome euro area summit statement represents a major shift in European policy in terms of breaking the vicious circle between the banks and the sovereign. This is something the Irish Government has been saying is needed at European level to help tackle the crisis. It has been agreed that when an effective single supervisory mechanism for banks in the euro area and involving the ECB is established, the European Stability Mechanism could have the possibility to recapitalise banks directly. This is an agreement in principle and the detailed work will now begin to advance the process further.

The Government has been working very hard to secure a deal on Irish bank debt. The agreement at last week's euro area summit as set out in the statement provides an opportunity for the issue of the bank debt to be addressed at an EU level. While the policy position is very positive indeed, it would not be possible at this stage of the process to attempt to quantify the benefits which will accrue to the economy and Ireland generally.

While the details, structures and arrangements have yet to be finalised, the policy statement released following the euro area summit provides a basis for a euro area solution to what is essentially a euro area problem. This will be one of our key priorities between now and the end of year, with the initial formal steps, at a European level, taking place at the euro group meeting on 9 July.

Deputy Pearse Doherty: The agreement reached at Council level was significant and could have significant benefits to this State and to our citizens. The Minister was at the finance

committee last week when I wished him well in his attempts to separate the sovereign debt from the banking debt. I have listened to the conclusions of the summit and the devil is in the detail. I am afraid that he is not being ambitious enough on what the Government is going to seek. I listened to his ministerial colleagues speak at the weekend on what this could possibly mean. They said that the vicious circle has been broken between banking debt and sovereign debt and that we have won the principle of retrospection. The litmus test on that is Anglo Irish Bank and the €28 billion promissory note.

My understanding of separating banking debt and sovereign debt is that if Anglo Irish Bank was to emerge in Germany in two years, it would be the ESM that would fund that bank and it would be the ESM that would absorb the losses if such losses were incurred. If we are to work on the principle of retrospection, then regardless of the fact there is not any longer any value in Anglo Irish Bank, the same solutions that would be applied in other member states in the future must be applied to what happened in Anglo Irish Bank. While I know we cannot determine the outcomes, is that the Government's starting point at least? Is the Government putting up the full €30 billion and more that we have put into IBRC, and does it want that to be absorbed by the ESM and the losses absorbed across the euro system?

Deputy Michael Noonan: I am not too sure the devil is in the detail in this case. The eminent economist, Colm McCarthy, was saying during the week that in this case, the devil is in the principle. Getting the principle right is probably the most important thing and we can work out the detail subsequently. It is not as clear cut as the Deputy saying that the ESM will be the funder. It looks as if that will be the way it may go, but there is no power within the ESM treaty at the moment to recapitalise banks. There is a catch-all provision at the end which it is stated that the governors or the ministers for finance may, by unanimous decision, take almost unlimited powers of intervention and give them to the ESM. Therefore, that step is there before the ESM can act.

Doing something about Spain's banks is imminent and I think it will occupy our work on Monday and Tuesday to a large degree. However, I understand that the funding mechanism in the first instance will be the EFSF and not the ESM, and there will be subsequently some transfer from the EFSF onto the ESM. That seems to be the general intention at the moment. We will be watching that very carefully, because if the principle of equality is sacrosanct, the manner in which the Spanish banks are dealt with will be an important precedent for our negotiations.

Deputy Pearse Doherty: The agreement is that this vicious cycle of sovereign and banking debt is to be broken. If that were the case and if Anglo Irish Bank were to emerge in France and massive losses were to be incurred, it is likely the ESM would incur those losses. Is the Irish Government going to argue that if that is the process to be put in place — the ESM absorbs the losses rather than taxpayers — then we should put that on the table? Are we going to argue that we want the losses which we know exist in Anglo Irish Bank, or IBRC, to be absorbed by the ESM if that is what will happen with other banks? I know there will be difficulties in Europe with this because they are realising losses immediately. However, if they are willing to countenance realising potential losses into the future and if the principle of retrospection is to apply properly, then they need to realise the losses we have already incurred within our banking system.

I am fearful we will just end up with a longer duration for the promissory note and that we will swap our shares in the living banks for the current value of the €28 billion injection, which is estimated by the NTMA to be €9.6 billion and which is probably overvalued. That is of no direct benefit to the State for a long-term solution because there is a value in the shares. As Deputy McGrath said, we must show more ambition. The €64 billion in total must be put on

[Deputy Pearse Doherty.]

the table and the principle of retrospection must be enforced. The Minister has to fight hammer and tongs on the principle of retrospection. If it is good enough for Spain, Italy, Germany or any other European country, then it needs to be applied to Ireland, given what we have experienced.

Deputy Michael Noonan: There will be no lack of ambition as we proceed. As I said, a lot of bottom-up solutions were being introduced on an instalment basis but they were all behind the curve and the market did not believe in it. There is change now and an overarching policy has been put in place, so we will now fill in in accordance with the overarching policy. A lot of the detail will have to be worked out, not only in respect of Ireland but also in respect of Spain and of Cyprus, which has also applied for a programme. It is the banks that are also dragging Cyprus down as a result of the kick-on effects from Greece. It is like a very detailed line drawing which we have to colour in. It will take a while before we can do that and I do not want to jump any fences before the fences in front of us. I believe the Deputy knows my negotiating position. I was clear about it at the finance committee and it has not changed. We will not lack ambition.

Bank IT Systems

4. **Deputy Michael McGrath** asked the Minister for Finance his views on the handling of the crisis at Ulster Bank following the IT problem which occurred on 19 June 2012; if he is satisfied with the response of the bank and the Central Bank of Ireland; if he will state the steps that are now planned to ensure that the affair is fully investigated and that the contingency plans of the other banks are rigorously tested; and if he will make a statement on the matter. [32960/12]

Deputy Michael Noonan: I am fully aware of the negative impact that Ulster Bank's technical problems are having on the bank's personal and business banking customers throughout the country. This issue has been ongoing for far too long at this stage and, as I have made clear already, it is essential it is resolved as a matter of absolute priority. From my perspective, it is totally unacceptable that it has taken Ulster Bank so long to solve the technical problems and that customers of the bank have been given mixed messages on when the problems will be resolved. My officials and the Central Bank are getting regular status updates from Ulster Bank and are closely monitoring the situation to ensure it is resolved as quickly as possible. In that respect, the Central Bank has officials on the ground in Ulster Bank to ensure immediate priority is given to the backlog issue and that all customer accounts are brought up to date as soon as possible.

The current focus is to get all transactions processed and, following that, Ulster Bank has said it will commence the process of refunding customers for any interest or fees and charges that have occurred as a result of this incident. The Central Bank has also indicated it will be putting in place a full restitution regime for all persons who have been affected and that it will work with the Irish Credit Bureau to ensure customer ratings are not affected.

The Central Bank met with the Joint Committee on Finance, Public Expenditure and Reform yesterday. The bank's representatives informed the committee it has already begun to scope out the parameters of an investigation into the matter with its UK counterparts. In that respect, the investigation is complicated by the fact that the payment processing system at Ulster Bank is, in fact, outsourced to its parent, the Royal Bank of Scotland, where the technical problems first arose.

All credit institutions are required to have in place contingency and business continuity plans to ensure they have the capacity to operate on an ongoing basis and limit losses in the event of severe business disruption. They are required to adopt policies and processes to evaluate

and manage exposure to operational risk, including low-frequency, high-severity events. It is important that the Central Bank satisfies itself independently, as regulator, that these requirements are being met by other credit institutions to avoid similar problems elsewhere.

Deputy Michael McGrath: This has developed into a complete mess over the last two weeks. Yesterday, the Central Bank came before the finance committee and, today, Ulster Bank came before the committee and confirmed that more than 500,000 customers of the bank in Ireland have been directly affected by this debacle. It still has a backlog of 4 million transactions to clear and its latest update, as the Minister knows, is that by the week beginning 16 July it hopes the vast majority of customers will have a normal service. Therefore, four weeks after the incident first occurred, not all customers will have full access to normal banking services. It is completely unacceptable and a scandal.

From a regulatory point of view, one issue that arose during the course of the hearing yesterday was that the Central Bank confirmed it does not have the IT expertise to go in and interrogate the IT systems in the banks. In its own words, the Central Bank “has instructed all banks ... to review their contingency plans and to formally reconfirm that a robust recovery capability is in place.” Essentially, the Central Bank is asking the banks to review their own plans and systems and confirm that they think everything is in order. That is the type of regulatory approach that contributed to the mess we got into and it needs to change. There needs to be far more active engagement. The Central Bank should be arranging for teams to go into the banks and actually test the systems instead of relying on what the banks are telling it.

Deputy Michael Noonan: Perhaps the Deputy is right. Certainly, I would agree with him that this was an absolute disaster and it has been extremely badly handled by Ulster Bank and by RBS as well. It has taken far too long. Deadlines that were solemnly given have been broken time and again over the last two weeks.

What the Deputy is suggesting is that the Central Bank should have a unit that duplicates the IT expertise of the banks. There is only so far we can go. I do not think we need literally hundreds of public servants on stand-by waiting to move in when an accident happens once in five years or once in ten years. There is a limit to how far we can go.

Deputy Finian McGrath: Come on. Inspectors go into primary schools.

Deputy Michael Noonan: The inspectors go to primary schools but there are not enough inspectors to allow them to move in and replace what the teachers inside are doing. There must be a limit to the manner in which we regulate. I would have thought the directive from the Central Bank, whereby it is obliging the banks under law to do an assurance check of their systems and give a guarantee they are able to deal with any eventuality that discontinues business, was appropriate. That is a pretty good step.

We have another problem, of course, with Ulster Bank, which has indicated to us it is moving to regulation by the Bank of England because its parent is a British bank, with a subsidiary in Northern Ireland and trading down here. Therefore, it is still regulated by us but it is changing the legal base of the bank so it will be regulated by the Bank of England. We have to keep that in mind as well.

Deputy Michael McGrath: We have all of the world’s top technology companies in Ireland. I am not suggesting the Central Bank hire permanent staff and duplicate the work the banks are doing with their IT systems. However, it can bring in expertise from the private sector on a needs basis, which is what I am suggesting. The expertise is out there. The major risk factor in the Irish banks now is clearly technology. It was lending but that is not now a problem

[Deputy Michael McGrath.]

because they are not taking much risk. I am suggesting the Central Bank should go in there and do that work.

At the committee today, the CEO of Ulster Bank, Mr. Brown, had the cheek to say he might accept a bonus for the current year and he refused to rule out that possibility. That is absolutely ridiculous. It is rubbing the noses of its customers in it — customers who have been affected over the last two weeks and will continue to be affected for another number of weeks. Has the Minister a view on this? Would it be appropriate for Mr. Brown and senior management at Ulster Bank to accept a bonus given all that has happened?

Deputy Michael Noonan: There are many problems in banks and, obviously, technology is one problem and lending is another problem. The biggest problem of all is credibility. We cannot believe the banks; we cannot believe what they say. Look at what is happening in the City of London at the moment and one will get examples in nine-foot-high letters of what the key problem is. There is a credibility problem and I hope Ulster Bank and RBS move very quickly to restore credibility because they must be suffering considerable reputational damage. Senior management in those banks then have to accept responsibility, but that is what a board of directors is for.

Tax Reliefs

5. **Deputy Finian McGrath** asked the Minister for Finance if he will outline any tax or financial incentives to assist small businesses. [32961/12]

Deputy Michael Noonan: A broad range of tax reliefs and incentives are available to assist businesses. While some are specific to small or start-up businesses, the full range of reliefs and incentives are available to them. Some of specific provisions available are as follows. The employment and investment incentive is available to the majority of trades. Under this scheme, companies can raise up to €2.5 million per annum, subject to a lifetime limit of €10 million. Investors will receive an initial 30% relief on their investment, with the possibility of a further 11% subject to certain conditions.

The seed capital scheme is available to certain individuals who start a new business venture. Income tax paid over the previous six years can be refunded, subject to certain conditions.

The revenue job assist scheme is available to employers who employ an individual who has been unemployed for the previous 12 months. Employers may claim a double deduction when computing the profits of the trade or profession in respect of the first three years' wages paid to qualifying employees. This double deduction may also be claimed in respect of the employers' PRSI contribution on such wages. Qualifying employees, in addition to their normal tax credits, can claim certain income deductions, including additional deductions for qualifying children for the three-year period after taking up employment.

The foreign earnings deduction is a deduction from income tax to assist companies seeking to expand into emerging markets. Subject to certain conditions, a deduction of up to €35,000 per annum when calculating income tax is available for employees who travel to the so-called BRICS countries, namely Brazil, Russia, India, China and South Africa, as part of their duties of employment.

There is also a three-year tax relief for start-up companies. The scheme was introduced in budget 2009 which provides relief from corporation tax on the trading income and certain gains of new start-up companies in the first three years of trading. It was modified in 2011 so that

the value of the relief will be linked to the amount of employers' PRSI paid by a company. The Finance Act 2012 extended this scheme for the next three years to include start-up companies which commence a new trade in 2012, 2013 or 2014.

Additional information not given on the floor of the House.

The research and development tax credit scheme has been enhanced in most budgets and Finance Acts since its introduction. A recent independent study by Mazars on the cost of global research and development initiatives after tax and other cost incentives has placed Ireland among the world's most competitive locations in this regard. Tax credits available as cash refunds are particularly attractive to start-up companies or SMEs which are not making profits as the credit can effectively part-fund the research and development activity and acts as a valuable source of cash flow.

The Finance Act 2012 also provided for a number of changes to the research and development tax credit scheme. The first €100,000 of qualifying research and development expenditure will benefit from the 25% research and development tax credit on a volume basis. The tax credit will continue to apply to incremental research and development expenditure in excess of €100,000 as compared with such expenditure in the base year 2003. This will provide a targeted benefit to SMEs.

Regarding outsourcing limits, before the Finance Act 2012, sub-contracted research and development costs were eligible where they did not exceed 10% of total costs or 5% in the case of sub-contracting to third level institutions. This limit had the effect of disproportionately affecting smaller companies who may have greater need to outsource research and development work than larger multinationals with greater internal resources. The outsourcing limits for sub-contracted research and development costs were increased in Finance Act 2012 to the greater of 5% or 10% as appropriate or €100,000. This will provide a targeted benefit to SMEs.

Companies in receipt of the research and development credit now have the option of using a portion of the credit to reward key employees who have been involved in the development of research and development. It is envisaged that there would be no additional cost to the Exchequer as the bonus comes from the research and development credit already received by the company and the employee still pays the full tax liability on their other income. This change will be monitored closely and if abused will be removed.

The qualifying period for the scheme of tax relief for corporate investment in certain renewable energy projects has been extended from 31 December 2011 to 31 December 2014. The purpose of the scheme is to encourage investment in renewable energy projects and to facilitate the growth of electricity generation capacity using these sources.

Regarding VAT incentives, small businesses with a low turnover can opt to be exempt from VAT thereby avoiding the administrative burden that it entails. Traders established in the State and making supplies in the State are obliged to register for VAT where certain turnover thresholds are exceeded or are likely to be exceeded in any continuous period of twelve months. The current thresholds are €37,500 in the case of a person supplying services and €75,000 in the case of a person supplying goods. Businesses with a turnover below these thresholds have the option of being exempt from VAT. Where small businesses are registered for VAT, in order to reduce the administrative burden on such businesses, the Irish VAT system provides for less frequent VAT returns. Whereas the general VAT returns are bimonthly, the Revenue Commissioners offer the facility of filing returns twice or three times annually for small businesses. Taxpayers that have an annual VAT liability of up to €3,000 have the option of filing

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for VAT half-yearly; in January and July in respect of the periods January-June and July-December respectively. The facility of filing three times yearly is offered to taxpayers that have an annual VAT liability of between €3,001 and €14,400. These taxpayers pay and file in May, September and January in respect of the periods January-April, May-August and September-December respectively.

In addition, small businesses can avail of the option to pay VAT on a cash receipts basis. VAT is normally accounted for on the basis of invoices issued regardless of whether the trader has been paid for the supply in that period. However, small businesses with an annual turnover of €1 million or less can avail of the cash basis of accounting which provides traders with the option to account for VAT on a cash receipts basis. This means that the trader is not required to pay VAT until payment for the supply is actually received. The VAT cash accounting option assists a significant number of firms and focuses in particular on small firms in the critical area of cash flow.

While general in nature, I remind the Deputy that last year I introduced a number of changes in the jobs initiative that would assist small businesses. These include the introduction of a temporary second reduced rate of VAT of 9%. To support the tourism industry, a new temporary second reduced rate of VAT of 9% was introduced with effect from 1 July 2011 until end-December 2013. The new 9% rate mainly applies to restaurant and catering services, hotel and holiday accommodation and various entertainment services such as admissions to cinemas, theatres, museums, fairgrounds, amusement parks and the use of sporting facilities. In addition, the new rate also applies to hairdressing and printed matter such as brochures, maps, programmes and newspapers. The lower rate of PRSI until end-2013 on jobs that pay up to €356 per week was also halved.

Deputy Finian McGrath: I thank the Minister for his response. I welcome the introduction of the employment investment incentive and the seed capital scheme. Does the Minister accept that in the current economic climate many small businesses are really hurting? Is he aware that 177,547 small businesses employ under ten staff, 9,769 employ between ten and 19 staff, 5,215 employ between 20 and 49 staff and 37,488 employ between three and 12 persons? These are the people who need our maximum support. Will the Minister accept we have to ensure these small businesses are part of the overall strategy of economic recovery? We can talk about getting back into the markets but those small businesses have to be in the engine room of the recovery of the economy.

Deputy Michael Noonan: I agree with the Deputy. Foreign direct investment is flowing strongly into the country now. Although it is a significant volume of investment, it is still not the main employer in the economy. The main employers are all the small businesses, as outlined by the Deputy, employing small numbers of people. Until they are restored to health, no impact will be made on reducing unemployment in the country. I agree in general with what the Deputy has said.

There is no shortage of schemes to assist small companies. Sometimes I feel many of these small companies do not know these schemes and write-offs are available to them. We must look at a way of communicating better, possibly through their representative organisations.

Deputy Finian McGrath: I am glad the Minister accepts small businesses are the economy's main employers. The information issue seems to be a regular problem. When I engage with

small businesses and self-employed people, a high percentage of them are unaware of all the schemes available to them. Will the Minister and the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, be more proactive on this issue?

Many small businesses and self-employed people feel penalised on the PRSI issue. Many of them will have paid it, along with tax and VAT, for nearly 30 or 40 years. They often feel they are left down by the State in this regard when they retire or their business closes.

Deputy Michael Noonan: The Minister for Jobs, Enterprise and Innovation is aware of the lack of knowledge of some employers and small businesses of the schemes that are available which would be to their benefit. I understand he is taking steps these weeks to ensure a better flow of information of such schemes to small businesses. I will draw his attention to the Deputy's question and ask him to continue to prioritise the issue.

Other Questions

National Asset Management Agency

6. **Deputy Brendan Smith** asked the Minister for Finance the timetable he envisages for the National Assets Management Agency redeeming its bonds; and if he will make a statement on the matter. [32707/12]

Deputy Michael Noonan: The debt repayment goals for the National Asset Management Agency, NAMA, have been set by its board and include several targets set out over three-year periods. These are a repayment of 25% of NAMA senior bonds by the end of 2013, 50% by the end of 2016, 90% by the end of 2019 and full repayment of NAMA senior bonds by the end of 2020. These targets are based on a combination of expected asset sales, interest and other income receipts from NAMA debtors and the utilisation of NAMA's cash reserves. NAMA has repaid €3.25 billion of NAMA senior bonds, €1.25 billion in 2011 and €2 billion to date in 2012. This amounts to almost 11% of the NAMA senior bonds in issue.

It is important to consider the repayment of NAMA debt is not the only determination in deciding on the use of NAMA's cash balances. By the end of the first quarter 2012, NAMA had generated € 7.2 billion in cash receipts from borrowers since its inception. Under the National Asset Management Agency Act 2009, NAMA may invest funds to protect or enhance the value of the collateral securing its loans. Where it considers that it makes commercial sense to do so, NAMA may advance funds to projects, including projects located in Ireland, under the control of its debtors or receivers.

NAMA's board recognises that its success in meeting its objectives is closely linked to the performance of the economy in general. A vibrant domestic economy means increased demand for the property assets which secure NAMA's loans. NAMA has advised that it recognises its role in making whatever contribution it can towards instigating a renewal of sustainable activity in the property market in Ireland. I am advised by NAMA that it plans to invest substantial funding over its lifetime in preserving and enhancing the assets that secure its loans, including significant investment in assets located in Ireland, and that a substantial portion of its cash reserves will be used for this purpose. The chairman of NAMA recently announced plans to invest €2 billion by 2016.

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Additional information not given on the floor of the House

Acting on my direction, on 29 March 2012 the NAMA board approved the short-term facility with Irish Bank Resolution Corporation Limited, IBRC, collateralised by an Irish Government bond. The €3.06 billion facility was drawn on the 3 April 2012 and repaid on 20 June 2012.

The board of NAMA has primary responsibility for setting strategy in NAMA and for determining and implementing any proposed changes. It is, therefore, a matter for the board to develop and have implemented an appropriate strategy for the management of the cash reserves and assets of the agency.

Deputy Michael McGrath: I thank the Minister for his reply. I understand NAMA intends to repay €7.5 billion of the bonds by the end of next year. The Minister set out the timeline for the redemption of the remaining bonds, namely, 25% of NAMA senior bonds will be paid by the end of 2013, 50% by the end of 2016, 90% by the end of 2019 and full repayment of NAMA senior bonds by the end of 2020. We should not nail ourselves down, however, to too rigid a schedule in redeeming these bonds but retain some level of flexibility. We do not want to engineer a situation where NAMA is forced to engage in fire sales or selling assets in a distressed market to redeem the bonds. I accept the bonds will have to be redeemed. In the fullness of time the objective of winding NAMA up by 2020 may well be ambitious and may have to be revisited given the scale of its work. We should retain flexibility. NAMA has sold many of its best assets abroad. The vast bulk of its sales have been foreign assets such as the gold-plated hotels in London and so forth. It will find it much more difficult when it gets down to the nitty gritty in Ireland. Will the Minister consider retaining flexibility on the redemption of the bonds?

Deputy Michael Noonan: There is not really a timeline set down by NAMA's creditors or the European authorities. There are figures in the programme but there is flexibility in those. So far, NAMA has sufficient moneys to fulfil its objectives. The Deputy will recall when we needed to make a payment on a promissory note, it was cash in hand from NAMA that did it until Bank of Ireland could organise a shareholders' meeting to do it. That money, some €2 billion, was paid back in mid-June.

NAMA keeps cash in hand. Between now and 2016, it will use €2 billion to improve the quality of the properties it holds. Some properties, such as blocks of apartments, are unfinished. NAMA enhances the value of the property and then moves it on. Of course, it can use the money in question on a roll-over basis.

There will also be a second fund of €2 billion, as announced by Mr. Frank Daly, which will focus on vendor financing. As a result, there will be two funds and each will contain €2 billion. The first will pay for the refurbishment and improvement of NAMA's asset base and the second will finance joint ventures with developers to either enhance existing properties or develop them from scratch. IDA Ireland has been in discussions with NAMA because there is a shortage of high quality offices in Dublin that would be suitable for the new tech industries. IDA Ireland has asked NAMA to help to fill the void in this regard.

Deputy Michael McGrath: My primary motivation in raising this issue is to make the point that I do not want a situation to develop where NAMA will be obliged to sell assets in distressed circumstances in a market which may well be on the brink of recovery but in which it

will not obtain the best possible return for the taxpayer. In the most recent memorandum of understanding with the troika, provision is made for the redemption of €7.5 billion by the end of next year. I not sure it is a good idea to be elevating commitments relating to the redemption of NAMA bonds into memorandums of understanding. We should retain an element of flexibility in order to give NAMA the opportunity to work out the assets in its possession over time. NAMA should dispose of these assets in the best possible circumstances in order to obtain the best return for the taxpayer.

Deputy Michael Noonan: In general terms I agree with the approach suggested by the Deputy. However, the authorities which provided us with the money do not have a repayment schedule. That schedule is contained in the programme. Those to whom I refer are flexible and sensible individuals and do not want fire sales to occur.

Deputy Michael McGrath: They are also providing cheap money.

Deputy Michael Noonan: There is another difficulty; it is important remember that we must strike a balance. So much property in Dublin, in particular, but also elsewhere throughout the country is in the hands of NAMA that unless it puts some of it on the market, there will be no market. NAMA is obliged to both create a market and then avail of it. The actions we took by means of the Finance Act have proved to be very effective.

Financial Transactions Tax

7. **Deputy Mick Wallace** asked the Minister for Finance if he has carried out a cost-benefit analysis in order to assess the benefits or consequences for Ireland of adopting a European financial transaction tax; the conclusions of any such analysis; and if he will make a statement on the matter. [32719/12]

9. **Deputy Mick Wallace** asked the Minister for Finance if he will explain in detail the reasons behind his decision not to participate in the new European tax on financial transactions agreed in principle by nine EU countries on 22 June 2012; and if he will make a statement on the matter. [32718/12]

Deputy Michael Noonan: I propose to take Questions Nos. 7 and 9 together.

The ESRI and the Central Bank of Ireland prepared a report on the financial transactions tax at my request. I circulated this report to Deputies last Monday, 2 July, and published it yesterday. I thank the bodies for their work on the report which indicates that the “net revenue gain for Ireland from the introduction of an FTT ... is likely to be modest”. Based on assumptions used by the European Commission, the report estimates the potential yield from a financial transactions tax in Ireland to be between €490 million and €730 million. Under the Commission’s proposal, two thirds of this yield would have gone directly to the European Union to fund its budget. The Commission estimated that, if a financial transactions tax was introduced on an EU-wide basis, the overall yield would be €57 billion.

The report outlines the downsides and potential downsides to the introduction of a financial transactions tax. The first of these would be the impact on the financial sector. A financial transactions tax could displace financial sector activity, especially when alternative locations — in our case, London — are readily available. This would pose a real risk to Ireland, given that the financial services sector accounts for 10% of GDP. The macro-economic impact of a finan-

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cial transactions tax would be that it would likely lead to a lower level of economic activity in the financial sector, which might also result in lower receipts from income tax and corporation tax. There would also be an impact on the Exchequer. A 1% rate of stamp duty applies to transfers of shares in Irish companies. The Commission's proposal would involve the abolition of this tax and the loss of existing stamp duty revenue which was €180 million in 2010 and €195 million in 2011. In the light of the wide variation in the estimated revenue yield from a financial transactions tax when different factors are taken into account and in the context of the uncertainty relating to the form such a tax would take, the report states more detail would be needed on the final shape and scope of the tax before a definitive conclusion could be reached about its impact on the Irish financial system and taxation revenue.

At the most recent ECOFIN meeting on Friday, 22 June, it became clear that EU-wide agreement on a financial transactions tax would not be reached. Those countries that want to introduce such a tax will now request that this be done via enhanced co-operation. This mechanism would require at least nine member states to participate and agreement by qualified majority voting, comprising 72% of the overall votes and states representing 65% of the total EU population. Ireland is not going to be among the enhanced co-operation countries, but it will not stand in the way of those who want to introduce a financial transactions tax under this mechanism. I have stated clearly in the past that if a financial transactions tax cannot be introduced on a global basis, it would be better if it were introduced on an EU-wide basis. This would prevent distortion of activity within the European Union. I have also indicated our principled opposition to dealing with tax measures under the heading of enhanced co-operation. In such circumstances, our non-participation in the new enhanced co-operation initiative is consistent with the position we have taken to date on the introduction of a financial transactions tax.

It is also not clear what shape a financial transactions tax will finally take. The draft directive only received one initial reading and the current proposal could be modified. Ireland will continue to monitor the discussions which take place. Whatever measure is introduced should not interfere with the Single Market and would have to take account of the positions of other member states. For example, any financial transactions tax on share transactions would have to take account of the existing stamp duty charged on dealings in Irish shares.

Deputy Mick Wallace: I realise that if London does not play ball by buying into the notion of a financial transactions tax, this will prove problematic for Ireland. However, in principle, we should argue in favour of the introduction of such a tax. Perhaps the Minister might try to convince George Osborne about the merits of a financial transactions tax. Having such a tax must be a good idea in the long term, particularly as it would lead to greater stability in the financial system. In the light of the fact that the financial sector played such a major role in causing the difficulties which obtain across the globe, it is only fair that it should be obliged to carry the can to some extent.

The European Commissioner on Taxation and Customs Union, Audit and Anti-Fraud, Mr. Algirdas Šemeta, has made a number of interesting points on this matter. He stated the cost of a financial transactions tax would be small and absolutely legitimate, particularly in the light of the support the financial sector has been granted in recent years. He went on to say, "The financial markets have to make a fair contribution to the crisis they provoked". Furthermore, he commented that a financial transactions tax "will act as a disincentive to high frequency

trading and other practices which increase risk without ensuring liquidity". Does the Minister agree that the benefits of introducing a financial transactions tax would include an equal distribution of the tax burden and a more responsible financial sector? As he indicated, such a tax, particularly if it were introduced on an EU-wide basis, would yield revenues of as much as €57 billion. Does he agree that it would be great if the financial sector was made to work for society again rather than having it the other way around?

Deputy Michael Noonan: In all the discussions which have taken place to date Ireland has never opposed the principle of a financial transactions tax. However, we have pragmatic reasons for believing it might not work in all circumstances. Our first position is that if it could be introduced through the G20 at a global level, we would be in favour. Our fall-back position is that if it could be introduced across the 28 countries in the European Union — Croatia acceded to the Union four days ago — this would also be acceptable. The difficulty is that in Dublin there are 33,000 people working in the industry which is responsible for 10% of GDP. If a tax on financial transactions is introduced in Dublin and not in London which is only an hour away by aeroplane, there will be dislocation. In the circumstances in which we find ourselves, we cannot take the risk.

The nine countries forging ahead in this regard are moving away from what is contained in the Commission's paper and considering the imposition of stamp duty on financial transactions. Ireland already imposes stamp duty of 1% on these transactions, while the United Kingdom charges 0.5%. Current thinking seems to be leaning towards widening the base and imposing stamp duty on transactions other than those which relate to dealings in shares. There also appear to be moves afoot to deal with the problem to which the Deputy referred, namely, high speed computerised transactions which are certainly placing systems at risk.

We will see what emerges and I will report fully on the matter, either in the House or at the joint committee. We will then make a judgment on the matter. Even though we have opted out of joining the other nine states which are moving ahead, there is nothing to prevent us from joining them at a later date if they develop a tax which is acceptable to us. We will see. With the way our economy is and our high levels of unemployment, the main important matter is to preserve the financial services industry Ireland, especially in Dublin, because it is one of the sectors expanding at present.

Deputy Mick Wallace: Without England, the idea is seriously problematic for Ireland. Given the size of the English financial sector, it needs England's involvement if it is going to work effectively at European level. Perhaps the Minister will consider going over and having a cup of tea with George Osborne and appealing to his social conscience.

Deputy Michael Noonan: I will meet him on Tuesday in Brussels.

Deputy Finian McGrath: The ESRI report said there would be a modest increase and the Minister mentioned figures between €490 million and €730 million. Many people in Ireland see that as a nice sum of money to bring in through a financial transaction tax. I am glad the Minister accepts the principle relating to €57 billion across Europe. We need to get everyone on board in Europe and internationally. With the amount of revenue out there and the good it could do, I urge the Minister to push it at EU level and at international level.

Is the Minister 100% sure that, if we did something with the other eight or nine European countries, it would severely damage 33,000 jobs?

Deputy Michael Noonan: No, I am not sure. Politics is an inexact science. We are trying to evaluate risk and we are making our best judgment on the risk. The type of financial transaction tax proposed in the European Commission paper would have a significant impact on jobs in Ireland, and particularly in Dublin. Ireland already has stamp duty, so if the Commission goes down the stamp duty route, we will see how it plays and we will keep an open mind.

There was very little information about how a financial transaction tax would have an impact in Ireland, so I asked the ESRI to evaluate the Commission paper to help me take up a negotiating position. I decided then that Deputies may as well share in it. It is somewhat dated now because the Commission has moved away from the idea in the Commission paper and is following a different route.

Financial Services Regulation

8. **Deputy Pearse Doherty** asked the Minister for Finance his plans for improving the regulation of licensed money lenders and in particular the high interest rates these lenders may charge; and if he will make a statement on the matter. [32744/12]

10. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Finance if he is satisfied with the current legislation governing the operation of illegal money lenders; his plans to amend the Consumer Credit Act to increase penalties on illegal money lenders; and if he will make a statement on the matter. [32745/12]

Deputy Michael Noonan: I propose to take Questions Nos. 8 and 10 together.

There is already a comprehensive licensing system in place for moneylenders. I refer to Part VIII of the Consumer Credit Act 1995, as amended, for detailed information in this regard. Moneylenders have to apply to the Central Bank annually to have their licences renewed. Section 93 of the Consumer Credit Act 1995 sets out the Central Bank's powers on the grant or refusal of a moneylender's licence. I am advised by the Central Bank that the appropriate moneylending application form, for new licences or renewal, must be completed and returned to the Central Bank with a number of items for review and consideration. A moneylender's licence granted by the Central Bank is specific to that moneylender. Each individual moneylender's licence outlines the specific products that the moneylender offers, the annual percentage rate, APR, for each product and the total cost of credit for each product.

Before applying for a moneylender's licence, an applicant must give notice of this intention in a local or national newspaper, published in Ireland and circulating in the District Court area in which the applicant intends to engage in the business of moneylending. The Central Bank may refuse to grant a moneylender's licence if, in the bank's opinion, the cost of the credit to be charged is excessive or if any of the terms and conditions attaching thereto are unfair.

One of the conclusions of the report on the licensed moneylending industry published by the Central Bank in March 2007 was that the introduction of an interest ceiling for moneylenders may not achieve the objectives of lowering the cost of credit to consumers. In February 2011, the Central Bank published the results of a themed inspection of licensed moneylenders. The Central Bank advised me the themed inspection showed a high level of compliance among firms. Overall, the inspection found that customers were charged in accordance with the moneylenders' authorised APRs and cost of credit. I have no plans to amend the regulation of licensed moneylenders at this time. Currently, there are 46 moneylenders licensed by the Central Bank.

Persons who engage in moneylending and who do not hold the necessary licence granted by the Central Bank are in breach of the law under section 98 of the Consumer Credit Act 1995. Complaints may be made to An Garda Síochána, which has the power to bring prosecutions against such operators. A person guilty of an offence under the Act is liable, on summary conviction, to a fine not exceeding €3,000 or imprisonment for a term not exceeding 12 months or both, or, on conviction on indictment, to a fine not exceeding €100,000 or imprisonment for a term not exceeding five years or both. There are no plans to bring proposals to Government to increase these penalties.

A number of provisions in the criminal law may be of relevance to the practice of moneylending in particular circumstances. For example, these may include section 10, harassment, and section 11, demands for payment of debt causing alarm, of the Non-Fatal Offences Against the Person Act 1997, and the Criminal Justice (Public Order) Act 1994, which specifies offences of blackmail, extortion and demanding money with menaces.

Deputy Michael McGrath: This is an important issue and there is evidence of considerable activity in illegal moneylending. There are 46 licensed moneylenders but an unknown number are operating illegally. They prey on vulnerable people, especially at a time when people find it difficult to access loans from banks. Credit conditions tightened considerably and more people are turning to illegal moneylenders. Is the Minister satisfied there is sufficient enforcement? The Minister referred to the penalties that apply on conviction, but I do not read about convictions in the newspaper too often. Illegal moneylending activities are taking place. Is there enough focus on enforcement?

Deputy Michael Noonan: Enforcement can be difficult when moneylending is carried out illegally on a small scale and when the people to whom the money is lent are reluctant to come forward to assist the Garda Síochána in proceedings. There is reasonably good control and it is not out of control. A strong credit union movement is the best antidote to widespread moneylending coming in to our system.

Deputy Pearse Doherty: I apologise for having to leave the Chamber. Credit unions have restrictions placed on them and this causes more people to go to moneylenders. I listened to a story on Joe Duffy's "Liveline" where a woman had to go to a moneylender. He sat outside the post office every week, gave her the post office card, she went into the post office to get payments and she handed the payments to the moneylender along with the card. She told the programme she considered committing suicide.

I asked a question about this a number of weeks ago. No illegal moneylender has been prosecuted in the State in recent years. The legislation allows legal moneylenders to charge an annual percentage rate of over 180% per year. Let us take the case of a moneylender lending money in Dublin over a 25-week period. A €500 loan accrues over €470 in interest. That is the case when a person goes to one of the 63 legal moneylenders licensed in this State. They all have different rates but many have rates of up to 180%. This is completely legal. Is it necessary to introduce legislation to curb the interest rates charged by legal moneylenders?

Deputy Michael Noonan: The Central Bank looked at this point recently in a review of moneylending and advised against it. My reply to the question referred to the detail in the report. Deputies should table questions to the Minister for Justice and Equality on the incidence of prosecutions.

Deputy Pearse Doherty: We did; there is none.

Deputy Michael Noonan: It is not for me to frame the Deputy's questions but he might ask why, in the Minister's opinion, there are not more prosecutions if, as the Deputy says, there is widespread abuse. The legal money lenders are operating within the law and there are no complaints about them coming through. The complaints we are getting are about illegal money lending. Enforcement is a justice matter but the legal side is regulated.

The Dáil adjourned at 5.50 p.m. until 10.30 a.m. on Friday, 6 July 2012.

Written Answers

The following are questions tabled by Members for written response and the ministerial replies as received on the day from the Departments [unrevised].

Questions Nos. 1 to 10, inclusive, answered orally.

Bank IT Systems

11. **Deputy Dara Calleary** asked the Minister for Finance his views on the disruption to the economy and consumers from the IT problems in Ulster Bank; and if he will make a statement on the matter. [32686/12]

38. **Deputy Mary Lou McDonald** asked the Minister for Finance the action he and his Department officials took during the Ulster Bank IT system crash; if he is satisfied that the problems have been fully addressed and that such a crash is unlikely to occur again; and if he will make a statement on the matter. [32750/12]

41. **Deputy Pádraig Mac Lochlainn** asked the Minister for Finance the action he has taken since the crash of the IT system at Ulster Bank with respect to ensuring that all other banks operating in the State have adequately protected IT systems and appropriate disaster recovery systems in place; and if he will make a statement on the matter. [32751/12]

42. **Deputy Pádraig Mac Lochlainn** asked the Minister for Finance if he is satisfied with the response of the Central Bank of Ireland and the Financial Regulator to the collapse of the Ulster Bank IT system; and if he will make a statement on the matter. [32752/12]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 11, 38, 41 and 42 together.

I am fully aware of the negative impact that Ulster Bank's technical problems are having on the bank's personal and business banking customers throughout the country. This issue has been ongoing for far too long at this stage and as I have made clear already, it is essential that it be resolved as a matter of absolute priority. From my perspective, it is totally unacceptable that it has taken Ulster Bank so long to solve the technical problems and that customers of that bank have been given mixed messages on when the problems would be resolved.

My officials and the Central Bank are getting regular status updates from the Ulster Bank and are closely monitoring the situation to ensure that the situation is resolved as quickly as

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possible. In that respect the Central Bank has officials on the ground in Ulster Bank to ensure that immediate priority is given to the backlog issue and ensuring that all customers accounts are brought up to date as soon as possible.

The current focus is to get all transactions processed and following that Ulster Bank has said that they will commence the process of refunding customers for any interest or fees and charges that have occurred as a result of this incident. The Central Bank has also indicated that they will be putting in place a full restitution regime for all persons that have been impacted and that it will work with the Irish Credit Bureau to ensure that customer ratings are not impacted.

The Central Bank met with the Joint Oireachtas Committee on Finance and Public Expenditure Reform yesterday. The Central Bank informed the Committee that they have already begun to scope out the parameters of an investigation into the matter with their UK counterparts. In that respect the investigation is complicated by the fact that the payment processing system at Ulster Bank is in fact outsourced to their parent RBS where the technical problems first arose.

All credit institutions are required to have in place contingency and business continuity plans to ensure that they have the capacity to operate on an ongoing basis and limit losses in the event of severe business disruption. They are required to adopt policies and processes to evaluate and manage exposures to operational risk, including low-frequency high-severity events.

It is important that the Central Bank satisfies itself independently, as regulator, that these requirements are being met by other credit institutions to avoid similar problems occurring elsewhere.

Consumer Spending

12. **Deputy Sean Fleming** asked the Minister for Finance his views on the trend in retail sales which have declined by both value and volume in each of the past three months; and if he will make a statement on the matter. [32693/12]

Minister for Finance (Deputy Michael Noonan): Consumer spending has fallen significantly in the last number of years, as household disposable income has declined and the household savings rate has increased. The latest retail sales figures confirm that spending remains weak. Having said that, excluding the motor trade, there is tentative evidence that spending is stabilizing, albeit at low levels. For instance, core retail sales have been effectively flat in the first five months of the year. Finally, I would stress that weak personal spending is assumed in the budgetary estimates, as my Department is projecting a fall of 1.7 per cent in consumer spending this year.

National Asset Management Agency

13. **Deputy Timmy Dooley** asked the Minister for Finance his views on whether the National Assets Management Agency will engage in demolition of part built housing schemes; and if he will make a statement on the matter. [32695/12]

Minister for Finance (Deputy Michael Noonan): NAMA have advised me that there are no plans to demolish further developments but it may be considered as a means to reaching resolution on properties where; a) the economic viability of the site is otherwise in question, or b) due to structural or other considerations, the development is not viable. As the Deputy may know, there was recent media commentary on a development in Longford which is to be demolished. I am advised by NAMA that the salient facts in this case were: NAMA acquired loans secured on this property in December 2010; the property, comprising two-bedroom

duplex units and three-bedroom apartments, was poorly constructed, had been subject to continuous vandalism and anti-social behaviour, including the removal of all fixtures and fittings and had become a significant source of concern for neighbouring residents. I am further advised by NAMA that the property is located on a flood plain and in the middle of an industrial estate. As a result of its condition and location, NAMA advises that the investment required to bring the property to a habitable state and to the point that it could be sold, in the unlikely event that a willing buyer exists, would be such as to make the investment uneconomical and that it is questionable whether structurally such works could in fact be undertaken. In any event, NAMA advises that Longford County Council, in detailing the Category 4 remediation works to be taken as part of the agreed site resolution plan in respect of this development, set out a requirement that the apartment block be demolished.

NAMA advises that to undertake the necessary remediation on this development, including the proposed demolition of this block, it had first to take enforcement proceedings over the property, which was a protracted process.

Following publication of the Report of the Advisory Committee on Unfinished Housing Developments in June 2011, the Minister for State with responsibility for housing established a National Co-ordination Committee to oversee planning and implementation of remediation programmes in respect of unfinished estates. NAMA is represented on this Committee and is proactively engaged in policy processes aimed at the resolution of the problem of unfinished housing estates.

I am advised by NAMA that of the 243 estates categorised by local authorities as the most problematic from a public safety perspective (Category 4 estates), only 29 (or 12%) of these estates are controlled by NAMA debtors or receivers. 150 (or 10%) of Category 3 estates are linked to NAMA debtors. NAMA is funding out of its own resources, through its debtors and receivers, the cost of urgent remediation work (estimated at €3 million) and significant progress is being made in this regard.

I am also advised by NAMA that it plans to invest substantial funding over its lifetime in preserving and enhancing the assets that secure its loans, including significant investment in assets located in Ireland, and that a substantial portion of its cash reserves will be used for this purpose. The Chairman of NAMA recently announced plans to invest €2 billion in this area by 2016. To end-March 2012, the Agency had invested over €1 billion in the preservation, enhancement and completion of property assets underlying its loan portfolio. Over €500 million of this had been committed to assets in Ireland and this is helping to secure the direct employment of thousands of employees in small and medium trading businesses located throughout the country, in addition to substantial additional direct and indirect construction and property related employment in general building works including re-fit, refurbishment and up-grade of NAMA-controlled properties.

NAMA has indicated its intention to roll out other innovations to support the resumption of more normalised activity in our property markets. It has committed, for instance, to sponsor the launch at least one Qualifying Investor Fund (QIF) by the end of 2012, a proven mechanism for leveraging institutional investment. NAMA advises that it has identified over 3,000 residential units as being available and potentially suitable for social housing and it is working with housing authorities to determine the suitability of these units for the provision of social housing within their functional areas.

National Pensions Reserve Fund

14. **Deputy Mary Lou McDonald** asked the Minister for Finance if he will provide an update on funds held by the National Pension Reserve Fund; the full amount remaining in the dis-

[Deputy Mary Lou McDonald.]

cretionary portfolio of the fund; the way he is currently using this money and his plans for this fund into the future. [32749/12]

Minister for Finance (Deputy Michael Noonan): I am informed by the National Treasury Management Agency, as Manager of the National Pensions Reserve Fund (NPRF), that the total value of the Fund at 31 March 2012 was €15.1 billion and that the value of the Discretionary Portfolio was €5.8 billion. In announcing the Strategic Investment Fund (SIF) initiative in September 2011, the Government indicated a refocusing of the Fund's investments from global towards Ireland. Commercial investment will be channelled from the NPRF towards productive investment in sectors of strategic importance to the Irish economy.

A key principle of the Strategic Investment Fund is that the NPRF investment, which is to be solely on a commercial basis, will seek matching investment from third-party investors. In this way the Fund's assets can be used as a catalyst to attract additional capital for investment in the Irish economy. In addition, the Fund has been working closely with NewERA in respect of investment opportunities relating to the commercial semi-state sector.

The NPRF Commission announced in November 2011 a commitment of €250 million to a new Irish infrastructure investment fund which is seeking up to €1 billion from institutional investors in Ireland and overseas and which will invest in infrastructure assets in Ireland, including assets designated for disposal by the Government and commercial State enterprises and also new infrastructure projects.

The NPRF has also committed, subject to certain pre-conditions, €450 million to finance the national roll-out of domestic water meters.

Tax Yield

15. **Deputy Gerry Adams** asked the Minister for Finance if his Department has ever produced an estimate of the potential revenue yield to the State from the introduction of a wealth tax; if so, if he will quantify the estimate and the methodology used to calculate it. [32748/12]

Minister for Finance (Deputy Michael Noonan): To estimate the potential revenue from a wealth tax, in the sense of an annual recurring tax on wealth, one would need to identify the wealth held by individuals. I am informed by the Central Statistics Office that the CSO institutional sector accounts do not give an indication of the number of households or persons classified by the categories of wealth they hold. These statistics are based on aggregate information collected from financial institutions and do not contain the demographic details which would enable such a breakdown of the statistics. So while the CSO's Institutional Sector Accounts show that households held c. €126 billion on deposit in 2010, this is not broken down by income or wealth categories. However, I understand that, following discussions between the Department of Public Enterprise and Reform, the CSO and the Central Bank, the CSO has commenced a "Household Finance and Consumption Survey", which will collect information on household wealth. The first results of this survey will be available in 2014.

I am informed by the Revenue Commissioners that they have no statistical basis for compiling estimates in relation to a potential wealth tax. Although an individual's assets and liabilities are declared in a limited number of specific circumstances — for example, after a death — Revenue states it is not in a position to link an individual's income to her/his financial assets.

Asset values increase and decrease over time and in the context of recent economic circumstances, they may have declined considerably in many cases. Thus, if the value of an asset or of an individual's wealth is measured at a particular time there is no guarantee that the asset value or the individual's wealth will remain at that level or increase from that point. This would

make it difficult to predict the potential yield from a wealth tax and would have to be borne in mind in terms of its consistency as a source of revenue.

European Banking Sector

16. **Deputy Charlie McConalogue** asked the Minister for Finance his views on a single deposit insurance scheme to cover all Eurozone countries; and if he will make a statement on the matter. [32699/12]

Minister for Finance (Deputy Michael Noonan): The proposal for a banking union was first mooted by Commission President Barroso on 23 May. It has developed considerably over the last number of weeks in the context of the ongoing eurozone crisis, culminating in the paper on Economic and Monetary Union considered at last week's European Council. One of the main proposals in the paper on Economic and Monetary Union relates to an integrated financial framework. It proposes that, building on the single rule book, an integrated financial framework should have two central elements: [a] single European banking supervision and [b] a common deposit insurance and resolution framework.

The European Commission will present proposals shortly for a European deposit insurance scheme which would introduce a European dimension to national deposit guarantee schemes for banks. This could strengthen the credibility of the existing arrangements and serve as an important assurance that eligible deposits of all credit institutions are sufficiently insured. However much depends on the actual detail of the proposals. Once proposals are brought forward they will be examined carefully and we will engage constructively in their consideration at European Council.

As the Deputy will be aware, the Euro area Summit Statement of 29 June affirmed the importance of breaking the vicious circle between banks and sovereigns and committed to further examining the situation of the Irish financial sector with a view to improving sustainability.

General Government Debt

17. **Deputy Richard Boyd Barrett** asked the Minister for Finance in view of the announcements emanating from the recent EU meetings on the European banking crisis, the relief Irish citizens may expect in terms of an end to and reversal of cuts and austerity measures over the coming period; and if he will make a statement on the matter. [32814/12]

22. **Deputy Thomas Pringle** asked the Minister for Finance in view of the announcements emanating from the recent EU meetings on the European banking crisis, the relief Irish citizens may expect in terms of an end to and reversal of cuts and austerity measures over the coming period; and if he will make a statement on the matter. [32815/12]

59. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which he expects recent discussions at EU level to impact in a positive way on this country's economic future; and if he will make a statement on the matter. [32870/12]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 17, 22 and 59 together.

At the euro area summit on 29 June, Heads of State or Government affirmed that it is imperative to break the vicious circle between banks and sovereign. After the Commission has presented proposals for a single supervisory mechanism, the European Council will consider their proposals as a matter of urgency.

[Deputy Michael Noonan.]

In addition, the Heads also tasked the Eurogroup of Finance Ministers to examine the situation of the Irish financial sector with the view of further improving the sustainability of our well-performing programme.

Taken together these statements open up the very real possibility of significantly improving the sustainability of Irish public debt. This is a very important development, and one which we should all welcome. The possibility of improving the sustainability of public debt has been reflected in lower borrowing costs for Ireland in the secondary market for sovereign bonds. Furthermore, I believe the re-entry into the private debt market by the NTMA in the form of short term t-bills is another positive step in regaining our financial independence.

In addition, the possibility of breaking the link between the banking sector and sovereigns across the euro area has been increased by this measure. This will help restore confidence in the single currency, which is in all of our interests.

As I have said before, however, there remains a very large gap between what the government is spending and what it receives by way of income. Closing this gap will require further consolidation, as has been previously outlined. Our Programme is working and we are starting to see the results, departing from it now would be unwise and not in our interest. The Government remains committed to reducing the deficit to below 3 per cent of GDP by 2015, in line with the Ecofin Council decision in late 2010.

European Banking Sector

18. **Deputy Michael Moynihan** asked the Minister for Finance his views on the potential benefits to Ireland of common bank supervision across the Eurozone; and if he will make a statement on the matter. [32701/12]

39. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance if he will outline the detail of the single supervisory mechanism for banks as agreed by the European Council on 29 June 2012; and if he will make a statement on the matter. [32754/12]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 18 and 39 together.

The European Union, through various Directives and Regulations, currently provides for common rules to be applied by national supervisors. There is no single European supervisor although supervision is co-ordinated at a European level by the European Banking Authority. Supervision, deposit insurance and resolution are all national competencies.

The proposal for a banking union was first mooted by Commission President Barroso on 23 May. It has developed considerably over the last number of weeks in the context of the ongoing eurozone crisis, culminating in the paper on Economic and Monetary Union considered at last week's European Council.

One of the main proposals in the paper on Economic and Monetary Union relates to an integrated financial framework. It proposes that, building on the single rule book, an integrated financial framework should have two central elements: [a] single European banking supervision and [b] a common deposit insurance and resolution framework.

The statement also stated that the European Commission will present proposals on the basis of Article 127(6) of the Treaty on the Functioning of the European Union for a single supervisory mechanism shortly and asked the European Council to consider these proposals as a matter of urgency by the end of 2012. These proposals, when published will be examined fully by my Department. It is premature at this stage to speculate on what may be contained in these

proposals. Of importance to Ireland is that these proposals are coherent and make a substantive contribution to strengthening the Eurozone's financial system.

As the Deputy will be aware, the Euro area Summit Statement of 29 June affirmed the importance of breaking the vicious circle between banks and sovereigns and committed to further examining the situation of the Irish financial sector with a view to improving sustainability.

Banks Recapitalisation

19. **Deputy Peadar Tóibín** asked the Minister for Finance if he has secured a commitment from the European Council that any agreement on ESM funds being used to directly recapitalise banks would be applied retrospectively to Irish bank recapitalisations and if so to which recapitalisations and on what terms; and if he will make a statement on the matter. [32755/12]

Minister for Finance (Deputy Michael Noonan): The recent very welcome Euro Area summit statement represents a major shift in European policy in terms of breaking the vicious circle between the banks and the sovereign. The Irish government has been working extremely hard to secure a deal on the Irish bank debt. It is particularly pleasing to note that last Friday's summit agreement reflects the proposals set out in the Taoiseach's letter to other Heads of Government that was sent following the approval of the Fiscal Stability Treaty. Our objective remains the same; break the link between the banks and the sovereign making the debt more sustainable and to maximize the benefit to the Irish taxpayer.

The summit agreement provides, in principle, an opportunity for the issue of the bank debt to be addressed at an EU level. It has been agreed that when an effective single supervisory mechanism is established, involving the ECB, for banks in the euro area, the European Stability Mechanism (ESM) could have the possibility to recapitalise banks directly. While the policy position is very positive indeed, it would not be possible at this stage of the process to attempt to quantify the benefits which will accrue to the Irish economy. The details of how to separate banking from sovereign debt must now be discussed in detail.

The European Council has asked the Eurogroup to discuss the details of the agreement at its 9th July meeting. This meeting will begin the detailed discussions and negotiations. While the details, structures and arrangements have yet to be finalised the policy statement provides a basis for a Euro-Area solution to what is essentially a Euro-Area problem. This will be one of our key priorities between now and the end of year with the initial formal steps, at a European level, taking place at the Eurogroup meeting on 9th July.

Credit Availability

20. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which he has achieved an understanding with the lending institutions here with particular reference to the need to ensure the availability of adequate working capital for existing small and medium enterprises with the emphasis on the retention of employment and the generation of economic activity resulting in growth; the extent to which these objectives can be realised in the aftermath of his discussions with the banking sector; and if he will make a statement on the matter. [32811/12]

68. **Deputy Bernard J. Durkan** asked the Minister for Finance the discussions he has had with the lending sector whether it is expected to achieve an improvement in the extent to which small and medium sized business can access sufficient credit to meet their working capital needs; and if he will make a statement on the matter. [32940/12]

69. **Deputy Bernard J. Durkan** asked the Minister for Finance if he has had any discussions with banking interests that have primarily previously provided overdraft and working capital facilities to the hotel and tourism sectors; if any particular strategy has been identified whereby banks such as Bank of Scotland or others now withdrawing from the Irish market can be replaced by banking institutions capable of and willing to lend to the industry; and if he will make a statement on the matter. [32941/12]

70. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent he has received communication from the farming and business sectors indicating a reluctance by banks to facilitate by way of overdraft the ongoing and normal requirements and thereby contributing to economic recovery; and if he will make a statement on the matter. [32942/12]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 20 and 68 to 70, inclusive, together.

As the Deputy is aware, the banking system restructuring plan creates capacity for the two Pillar Banks, Bank of Ireland and AIB, to provide lending in excess of €30 billion in the period 2011-2013. SME and new mortgage lending for these banks is expected to be in the range of €16-20bn over this period. This lending capacity is incorporated into the banks' deleveraging plans which allow for repayment of Central Bank funding through asset run-off and disposals over the period.

The Government has imposed SME lending targets on the two domestic pillar banks for the three calendar years, 2011 to 2013. Both banks were required to sanction lending, including lending for working capital purposes, of at least €3 billion in 2011, €3.5 billion this year and €4 billion in 2013 for new or increased credit facilities to SMEs. Both banks achieved their 2011 targets.

The overall target for lending to SMEs includes lending to the tourism and farming sectors. The Government is conscious that these sectors need access to credit. The remit of the Credit Review Office (CRO) which was established to review decisions of the banks to refuse credit includes these sectors. In his seventh quarterly report, the Credit Reviewer notes that whilst each banks' balance sheets have contracted recently, the monitoring of these figures show that no sector or geographic region has been adversely disadvantaged by each of the banks. The Deputy should note that the CRO is overturning 60% of the decisions referred to them, supplying €6.9m of credit and supporting 683 jobs in the SME sector. I would appeal to SMEs who have been refused credit by banks to avail of the services of the CRO.

As the Deputy is aware, one of the key priorities of the Programme for Government is to ensure that an adequate pool of credit is available to fund SMEs in the real economy during the restructuring and downsizing programme. The Economic Management Council meets the banks on a regular basis and discusses the key issues pertaining to this priority.

In addition to the lending targets imposed on the banks, the pillar banks are required to submit their lending plans to the Department and the CRO at the beginning of each year, outlining how they intend to achieve their lending targets. My Department, in conjunction with the CRO, subsequently analyses the plan and meets the banks to discuss any issues of note. The banks also meet with my Department and the CRO on a quarterly basis to discuss progress. The monthly management meetings with the pillar banks also provide a forum for the issue of SME lending to be raised by my Department.

I should stress however that the Relationship Frameworks with the banks provide that the State will not intervene in the day-to-day operations of the banks or their management decisions including with respect to pricing and lending decisions. These frameworks are pub-

lished on my Department's website at <http://banking.finance.gov.ie/presentations-and-latest-documents/>.

It is vital that the banks continue to make credit available to support economic recovery. However, it is not in the interest of the banks, businesses or the economy for finance to be provided unless the business is viable and has the capacity to meet the interest payments and repay the sum borrowed.

Tax Yield

21. **Deputy John Halligan** asked the Minister for Finance based on the most up to date revenue figures, the total earnings of the top 10% of income earners and the amount of tax this group is paying in absolute and percentage terms; and if he will make a statement on the matter. [32757/12]

Minister for Finance (Deputy Michael Noonan): I am advised by the Revenue Commissioners that the information requested in respect of the top 10% of income earners, estimated by reference to the income tax year 2012, is as follows:

Top 10% of income earners	
Gross Income	€29,600 million
Amount of income tax	€7,080 million
Percentage of income tax due by all income earners	60%

It should be noted that the figures for tax and effective tax rate only relates to income tax and do not take account of additional liability to PRSI and Universal Social Charge.

The figures are estimates from the Revenue tax-forecasting model using actual data for the year 2009 adjusted as necessary for income and employment trends in the interim. These are, therefore, provisional and likely to be revised.

It should be noted that Gross Income is as defined in Revenue Statistical Report 2010.

A married couple who has elected or has been deemed to have elected for joint assessment is counted as one tax unit.

Question No. 22 answered with Question No. 17.

National Asset Management Agency

23. **Deputy Derek Keating** asked the Minister for Finance if he will consider establishing an independent person similar to the Taxing Master to value land assets under the control of the National Assets Management Agency; and if he will make a statement on the matter. [32572/12]

Minister for Finance (Deputy Michael Noonan): The formation of a single servicer capable of providing well informed and timely opinions on the many different asset classes, including office, retail, residential, industrial and residential, and across the range of locations in which NAMA debtors and receivers control properties is unlikely to be feasible, cost effective or productive. Furthermore, in light of the extensive and independent valuation process undertaken to inform NAMA's acquisition of loans from the five financial institutions and the ongoing actions by NAMA to ensure the up-to-date valuation of the assets underlying the acquired loans, I do not believe that the formation of a single servicer to value land assets under the control of NAMA is necessary. All properties held as security for loans acquired by

[Deputy Michael Noonan.]

NAMA were independently valued, using a valuation methodology approved by the European Commission, as at 30th November 2009 for the purposes of establishing the consideration paid by NAMA to the Participating Institutions for the loans. An appeal/second valuation process was available and utilised where either party rejected the initial valuation. From start to finish the independent valuation of all property assets took two years.

NAMA has, in the course of its on-going business, access to a panel of suitably qualified valuation professionals whose services it procures on a competitive basis as and when required and with reference to the location and asset class of the property or properties subject to valuation. In addition, the Deputy may be aware that disposals by NAMA debtors and receivers are conducted in accordance with NAMA Board guidelines, a key principle of which is that the conduct of disposals should be on a competitive basis and subject to current market valuation. The guidelines specifically require that an independent valuation is prepared for each disposal before the commencement of the sales process and that the sales agents prepare a final valuation report and recommendation addressed to the debtor and copied to NAMA.

In addition, NAMA is required to carry out an impairment exercise on an annual basis. In 2011, this has been carried out at an individual debtor connection level for 95% of the NAMA managed cases, involving detailed analysis of the underlying assets to project their future cash flows with reference to rental incomes, property management costs and expected disposal receipts. Where expectations as to future cash flows are revised downwards, an impairment charge is applied.

Finally NAMA is a secured lender and its objective is to obtain the best achievable financial return. I do not believe that it is in the interest of Irish taxpayers that NAMA should be fettered in such a way and the amounts due from debtors are not generally matters which are in dispute, unlike matters which are referred to the Taxing Master.

Banking Sector Staff

24. **Deputy John McGuinness** asked the Minister for Finance his views on the conclusion by the Central Bank of Ireland of the fitness and probity test of senior bank directors; and if he will make a statement on the matter. [32710/12]

Minister for Finance (Deputy Michael Noonan): I have been informed by the Central Bank of Ireland that in June 2011 it commenced a review of the fitness and probity of all sitting directors of the six banks and building societies covered by the State guarantee. As part of that review the Central Bank wrote to all directors of the relevant institutions in June 2011 to see if they planned to remain in their post beyond January 2012. There were 73 directors in situ at the time of the signing of the State guarantee in September 2008, 71 of which have subsequently stepped down or retired.

I note that the Central Bank has concluded its review of the remaining directors in June this year. The Central Bank has concluded that based on the evidence available, it had no reason to suspect the fitness and probity of those individuals pursuant to section 25 of the Central Bank Reform Act 2010.

Financial Institutions Support Scheme

25. **Deputy Éamon Ó Cuív** asked the Minister for Finance his views on whether the project timetable of 2018 for senior bondholders in financial institutions to be eligible for burden sharing is too long; and if he will make a statement on the matter. [32702/12]

Minister for Finance (Deputy Michael Noonan): The Government supports the principle that the cost of rescuing financial institutions should be shared by the shareholders and creditors of that institution as opposed to being borne by the taxpayer. The Commission's proposal for a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms envisages, amongst other mechanisms, the use of a "bail in" tool which would see the Bank being recapitalized with shareholders wiped out or diluted, and creditors claims reduced or converted to shares. There are a number of issues to consider in this context.

In terms of the timescale of January 2018 the Commission makes the point that the projected timetable is necessary to allow time for the maturity of existing debt, along with a need to avoid unnecessary deleveraging and allow institutions to implement capital requirements.

The Commission also advises that the implementation date of 2018 should minimize the effect of the use of the bail in tool on markets and provide re assurance to investors.

We, along with other member states will further examine this time table in more detail over the coming months as part of the EU Council consideration of the Commission proposals.

Bank Debt Restructuring

26. **Deputy Richard Boyd Barrett** asked the Minister for Finance if he will report on the latest developments in the negotiations regarding a deal on Ireland's banking debt. [28061/12]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware, the Government has been fully committed to reviewing the arrangements that were put in place to capitalise IBRC. The purpose of this review was to determine if there is a way to reduce the overall cost to the State. In tandem with this review the Troika have opened a discussion on how best the Irish banking system and the Irish State can benefit from having further improvements to certain elements of the banking sector. The overall purpose would be to enhance the position of banks in which the State has a major investment. The first step in this process was the settlement of the March 2012 promissory note repayment with a long term Government bond. While the development in relation to the end March payment was a positive development we have always been keeping our eye on the greater benefits which would derive from the re-engineering of the promissory note and also the potential improvements for the continuing banking sector which could also stem from the on-going technical discussions. It is for these reasons that the end March payment was seen as an initial step in a medium term process.

I have always stated that our problems are part of a wider European dilemma and any solution to address the Irish situation must be as part of an overall Eurozone/global solution. The recent shift in European policy in terms of breaking the vicious circle between the banks and the sovereign is to be welcomed and represents a major step forward. While the details, structures and arrangements have yet to be finalised the policy statement provides a basis for a Eurozone solution to what is essentially a Eurozone problem. Issues around the structuring and treatment of capital provided to the banks will be addressed in this context.

The Irish Government has been working extremely hard to secure a deal on the Irish bank debt and further detailed work will be stepped up to ensure that the positive moves in Europe are harnessed to maximize the benefit to the Irish taxpayer. This will be one of our key priorities between now and the end of year with the initial formal steps, at a European level, taking place at the Euro group meeting on 9th July.

Mortgage Interest Rates

27. **Deputy John Browne** asked the Minister for Finance if he will request the covered banks

[Deputy John Browne.]

to pass on any further ECB interest rate reductions to customers without delay; and if he will make a statement on the matter. [32685/12]

Minister for Finance (Deputy Michael Noonan): Notwithstanding the fact that the State is a significant shareholder in the covered institutions, I must ensure that the banks are run on a commercial, cost effective and independent basis to ensure the value of the bank as an asset to the State, as per the Memorandum on Economic and Financial Policies agreed with the EU Commission, the ECB and the IMF. Relationship Frameworks have now been agreed that clearly define the nature of the relationship between me and each of the covered institutions. Those Frameworks were published on 30 March 2012 and can be found at: <http://banking.finance.gov.ie/presentations-and-latest-documents/>. As has been stated previously, I have no role in the day-to-day commercial and operational decisions of the covered banks, which includes the pricing of financial products, including standard variable mortgage interest rates. Ultimately, the pricing of financial products, including standard variable mortgage interest rates, is a commercial decision for the management team and board of the respective banks, having due regard to their customers and the impact on profitability, particularly where the cost of funding to the banks, including deposit pricing, is under pressure. Credit institutions are not primarily or always funded from the ECB, but rather from a wide variety of sources.

Neither the Central Bank nor the Department of Finance has a statutory function in relation to interest rate decisions made by individual lending institutions at any particular time. However, the Central Bank have informed me that, using their existing powers, they will engage with lenders which appear to have standard variable mortgage rates set disproportionate to their cost of funds.

Credit Unions Regulation

28. **Deputy Gerry Adams** asked the Minister for Finance if he will provide an update on the application of lending restrictions on Credit Unions by the Financial Regulator; and if he will make a statement on the matter. [32747/12]

Minister for Finance (Deputy Michael Noonan): The imposition of lending restrictions is the responsibility of the Registrar of Credit Unions, who is the independent regulator for credit unions. Within his independent regulatory discretion, the Registrar acts to support the prudential soundness of individual credit unions, to maintain sector stability and to protect the savings of credit union members. As Minister for Finance, my role is to ensure that the legal framework for credit unions is appropriate for the effective operation and supervision of credit unions. The Registrar of Credit Unions advises me that in order to protect the savings of members in credit unions and ensure that credit unions focus on such risks when making lending decisions, lending restrictions have been placed on a number of credit unions. The number of lending restrictions has increased as the number of credit unions experiencing a deterioration in their financial position has increased. The individual credit union lending restrictions currently in place are reviewed on a regular basis to determine whether they are still set at appropriate levels.

The Registrar has advised that currently about 57% of all credit unions are subject to lending restrictions. Almost all credit unions with a lending restriction in place have a maximum individual loan size restriction. Of the credit unions with lending restrictions, over 67% can lend €20,000 or more to an individual member.

Less than 4% of credit unions are restricted to issuing loans of less than €10,000 to an individual member, and less than 1% of credit unions are restricted to issuing loans of less than

€5,000 per member. Commercial lending restrictions apply to approximately 40% of credit unions.

29. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Finance if he will provide an update on the forthcoming legislation on the regulation of credit unions; when he expects the legislation to be brought before Dáil Éireann; and if he will make a statement on the matter. [32746/12]

Minister for Finance (Deputy Michael Noonan): The General Scheme of the Credit Union Bill 2012 was approved by Government on June 26 and published on June 28 following consultation with the Commission on Credit Unions and engagement with key stakeholders. The General Scheme has been forwarded to the Office of the Attorney General for formal drafting. It is also being referred to the Oireachtas Joint Committee on Finance, Public Expenditure and Reform and to the ECB for an opinion, in accordance with EU Treaty requirements. The General Scheme which is based on recommendations set out in the Report of the Commission on Credit Unions, covers five main areas as follows:

- Prudential regulation: including reserves, liquidity, lending and risk management;
- Governance: dealing with the roles and responsibilities of the Chair, Board, Manager and Board Oversight Committee;
- Stabilisation: provision of support to credit unions that are viable but undercapitalised;
- Restructuring: restructuring via transfers, mergers and amalgamations on a voluntary, incentivised and time-bound basis;
- Amendments to the Credit Union Act 1997: These are important miscellaneous amendments to deal with appeals for directions, administrative sanctions, additional services and other matters.

The Credit Union Bill 2012 is due to be published during Q3 in accordance with the structural benchmark under the EU-IMF Programme.

Departmental Staff

30. **Deputy Micheál Martin** asked the Minister for Finance the extent to which his Department and Revenue have re-hired staff who retired prior to 29 February 2012; and if he will make a statement on the matter. [32713/12]

Minister for Finance (Deputy Michael Noonan): In my Department, no staff member who retired in the last six months has been rehired. I am advised by the Revenue Commissioners that there have been no such cases since 1 March 2012. However, they have advised that two officials who retired within the last six months have recently worked for them in an advisory capacity on a *pro bono* basis.

Fuel Prices

31. **Deputy Derek Keating** asked the Minister for Finance if he will prioritise the problem of fuel costs and if he will give consideration for road hauliers to be rebated on their fuel costs as practiced in other States; if his attention has been drawn to the fact that the haulage industry now purchasing their fuel products in other European countries and this results in a loss to our Exchequer; and if he will make a statement on the matter. [32571/12]

Minister for Finance (Deputy Michael Noonan): I acknowledge the importance of the haulage industry to our export-led economy. As the Deputy is aware a working group was set up between officials of my Department, the IRHA and members of the Oireachtas. This working group had a series of meetings to discuss issues of concern to the haulage industry. I have recently received a submission from the group and I am considering the matters raised. I note the recent trend in falling oil prices and I hope that this continuing fall is reflected in the price of auto-diesel for hauliers at the pumps.

Banking Sector Staff

32. **Deputy Willie O’Dea** asked the Minister for Finance the discussions he has had with the banking sector in relation to planned redundancies; the way the employment prospects for the affected staff can be improved; and if he will make a statement on the matter. [32705/12]

Minister for Finance (Deputy Michael Noonan): It is deeply regrettable, for all concerned, that the proposed action of shedding of jobs, even on a voluntary basis in these challenging economic times, at Allied Irish Banks and Bank of Ireland as announced, has had to be taken. This is an inevitable consequence of the necessary restructuring of the banking system to render it fit to better serve personal and business customers throughout the economy. The respective employers will be making available as part of the voluntary redundancy package to individual applicants supports such as the provision of outplacement services and vouched training grants.

In addition, as for any group of workers whose positions are being made redundant, the services of the State — through employment supports, sourcing job opportunities (for example the promotion of jobs at the IFSC), education and training interventions, social welfare services (for example income maintenance and money advice), etc — will be made available to complement any assistance being provided by the employer.

I am informed by my colleague the Minister for Jobs, Enterprise and Innovation that the services of the Enterprise Development Agencies — Enterprise Ireland and the County Enterprise Boards — will be readily available to those who may be interested in starting new businesses and to help them to make informed decisions as they consider their options for the future. Additionally, IDA Ireland will keep a particular focus on marketing the skills which are coming on stream as a result of redundancies in the financial sector, to potential investors in Ireland. The exact nature of the support will be dictated by the particular circumstances of the departures, geographic considerations and timing.

Mortgage Arrears

33. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance if he will provide an update on the implementation of the Keane Report on the mortgage crisis; the recommendations from the report that have been implemented and the numbers of households that have been assisted as a result of the implementation of these measures. [32753/12]

Minister for Finance (Deputy Michael Noonan): Last October the Government published the Report of the Inter-Departmental Working Group on Mortgage Arrears (“Keane Report”) and the implementation of its recommendations is now a significant part of the Government’s overall efforts to tackle mortgage difficulty. As announced last week, a number of significant milestones have now been achieved in the implementation of the report’s recommendations. These are:—

- The Minister for Justice, Equality and Defense has published the Personal Insolvency Bill which is now before the Oireachtas;

- The Minister for Housing and Planning has formally launched the “mortgage to rent” scheme on a nationwide basis;
- Finally, a specific website — *keepingyourhome.ie* — has been put in place by the Citizens Information Board, which will very shortly be enhanced by a telephone help-line, to provide information to mortgage holders.

The further development and roll out of these measures as necessary will considerably enhance the supports available to distressed mortgage holders. Mortgage holders are free to seek and avail where appropriate of these services, to assist them deal with their mortgage difficulty. It is the Government’s intention to continue to work intensively on all these areas to further advance the various measures during the second half of this year.

Promissory Notes

34. **Deputy Pearse Doherty** asked the Minister for Finance when the idea of a technical paper on the promissory note was first mooted with the troika; the person who proposed same; the present status of the technical paper; if it has been completed; the reason the February 2012 deadline was not met; the steps that are envisaged for the technical paper once completed; the format of the technical paper; if it will be published; and if he will make a statement on the matter. [32743/12]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware, the Government has been fully committed to reviewing the arrangements that were put in place to capitalise IBRC. The purpose of this review was to determine if there is a way to reduce the overall cost to the State. In tandem with this review the troika have opened a discussion on how best the Irish banking system and the Irish State can benefit from having further improvements to certain elements of the banking sector. The overall purpose would be to enhance the position of banks in which the State has a major investment. The troika agreed to engage in this process to produce a common paper which will consider all options for restructuring the notes in terms of the source of funding, the duration of the notes, the interest rate, etc. The idea of the common paper was initially mooted in January / February of this year and there have been no firm deadlines to date as to the delivery of the paper.

The first step in this process was the settlement of the March 2012 promissory note repayment with a long term Government bond. While the development in relation to the end March payment was a positive development we have always been keeping our eye on the greater benefits which would derive from the re-engineering of the promissory note and also the potential improvements for the continuing banking sector which could also stem from the on-going technical discussions. It is for these reasons that the end March payment was seen as an initial step in a medium term process.

I have always stated that our problems are part of a wider European dilemma and any solution to address the Irish situation must be as part of an overall Eurozone/global solution. The recent shift in European policy in terms of breaking the vicious circle between the banks and the sovereign is to be welcomed and represents a major step forward. While the details, structures and arrangements have yet to be finalised the policy statement provides a basis for a Eurozone solution to what is essentially a Eurozone problem. Issues around the structuring and treatment of capital provided to the banks, including IBRC will be addressed in this context.

The Irish Government has been working extremely hard to secure a deal on the Irish bank debt and further detailed work will be stepped up to ensure that the positive moves in Europe

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are harnessed to maximise the benefit to the Irish taxpayer. This will be one of our key priorities between now and the end of year with the initial formal steps, at a European level, taking place at the Euro group meeting on 9th July.

Bank Debt Restructuring

35. **Deputy Robert Troy** asked the Minister for Finance the progress that has been made in seeking to warehouse tracker mortgages in a manner that reduces the funding pressure on banks; and if he will make a statement on the matter. [32709/12]

Minister for Finance (Deputy Michael Noonan): As the Deputy can appreciate, officials from the Irish Authorities are in constant on-going dialogue, with all of the covered institutions with a view to considering and implementing structures and solutions which would seek to advance the overall financial system. As and when further measures are agreed/solutions emerge I will inform the Houses as appropriate. The recent very welcome Euro Area summit statement represents a major shift in European policy in terms of breaking the vicious circle between the banks and the sovereign. This is an agreement in principal and the detailed work will now begin to maximise the benefit to the Irish taxpayer. The Irish government has been working extremely hard to secure a deal on the Irish bank debt. This agreement provides an opportunity for the issue of the bank debt to be addressed at an EU level.

The Irish Government has been working extremely hard to secure a deal on the Irish bank debt and further detailed work will be stepped up to ensure that the positive moves in Europe are harnessed to maximise the benefit to the Irish taxpayer. This will be one of our key priorities between now and the end of year with the initial formal steps, at a European level, taking place at the Euro group meeting on 9th July. As part of this process the Government has specifically committed to a number of issues including:

- A review of the arrangements that were put in place to capitalise IBRC — formerly Anglo Irish Bank and Irish Nationwide.
- The Restructuring plan for Permanent TSB plc was submitted to the European Commission on the 29 June 2012.

Promissory Notes

36. **Deputy Thomas P. Broughan** asked the Minister for Finance if he will report on the current status of the negotiations to restructure the Anglo promissory notes; and if he will make a statement on the matter. [30512/12]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware, the Government has been fully committed to reviewing the arrangements that were put in place to capitalise IBRC. The purpose of this review was to determine if there is a way to reduce the overall cost to the State. In tandem with this review the troika have opened a discussion on how best the Irish banking system and the Irish State can benefit from having further improvements to certain elements of the banking sector. The overall purpose would be to enhance the position of banks in which the State has a major investment. The first step in this process was the settlement of the March 2012 promissory note repayment with a long term Government bond. While the development in relation to the end March payment was a positive development we have always been keeping our eye on the greater benefits which would derive from the re-engineering of the promissory note and also the potential improvements for the continuing

banking sector which could also stem from the on-going technical discussions. It is for these reasons that the end March payment was seen as an initial step in a medium term process.

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The Irish Government has been working extremely hard to secure a deal on the Irish bank debt and further detailed work will be stepped up to ensure that the positive moves in Europe are harnessed to maximise the benefit to the Irish taxpayer. This will be one of our key priorities between now and the end of year with the initial formal steps, at a European level, taking place at the Euro group meeting on 9th July.

Credit Unions Regulation

37. **Deputy Billy Kelleher** asked the Minister for Finance the discussions he has had with the Irish League of Credit Unions in relation to the re-structuring of the sector; and if he will make a statement on the matter. [32715/12]

Minister for Finance (Deputy Michael Noonan): The Government established the Commission on Credit Unions in May 2011 to review the future of the credit union movement and to make recommendations in relation to the most effective regulatory structure for credit unions. The Commission, which included two members of the Irish League of Credit Unions (ILCU), met on 29 occasions before publishing its Final Report on 18 April 2012. Restructuring of the credit union sector formed a core element of the recommendations in the Report which was fully agreed by all members. The Commission reconvened on 14 June 2012 to discuss the General Scheme of the Credit Union Bill 2012, which was published on 28 June 2012 and contains legislative proposals on a number of issues, including the restructuring of the credit union sector which reflects the approach agreed by the Commission in its Report.

The Credit Union Restructuring Board (the ReBo) will be established in the coming weeks, as per the recommendation of the Commission. The role of the ReBo Board is to oversee and facilitate the restructuring of the credit union sector and will include credit union representative bodies, as recommended in the Commission Report.

Question No. 38 answered with Question No. 11.

Question No. 39 answered with Question No. 18.

Fiscal Policy

40. **Deputy John Halligan** asked the Minister for Finance with regard to the recent EU meeting on the European banking crisis, the relief Irish citizens may expect in terms of an end to and reversal of cuts and austerity measures over the coming period; and if he will make a statement on the matter. [32758/12]

57. **Deputy Bernard J. Durkan** asked the Minister for Finance if following negotiations between EU Governments he expects to be in a position to review the economic outlook in terms of the possible restructuring of this country's borrowings or debt. [32868/12]

58. **Deputy Bernard J. Durkan** asked the Minister for Finance if and when he expects to be in a position to capitalise on the outcome of recent discussions at EU level with particular reference to sovereign debt; and if he will make a statement on the matter. [32869/12]

71. **Deputy Bernard J. Durkan** asked the Minister for Finance if he has evaluated the extent that recent events at EU level are likely to impact on the cost and duration of this country's debt and bailout; and if he will make a statement on the matter. [32943/12]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 40, 57, 58 and 71 together.

Last week's announcement following the euro area summit in Brussels represents a major shift in European policy in terms of breaking the link between recapitalising the banks and the sovereign, a policy change that I have repeatedly pressed for at EU meetings. This message has been echoed by the Taoiseach, the Tánaiste and other Ministers in meetings with their EU colleagues.

The specific mention of Ireland in the statement issued following the summit is a welcome development and is the result of intensive discussions over the past year. It shows that there is widespread recognition for the measures this country has implemented and the significant sacrifices that Irish people have taken to bring our public finances under control.

This is an agreement in principle which provides an opportunity for the issue of bank debt to be addressed at an EU level. As the details have yet to be worked out, it is too early to say at this time what the precise implications of the announcement will be. There will be further discussions at the Eurogroup meeting on 9th July.

Preliminary discussions on how to separate banking from sovereign debt are underway but I do not want to prejudice them by commenting on the likely contents of any agreement at this time. Because of their complexity the discussions are likely to take some time. Our shared objective, agreed with our European colleagues is to break the link between banks and sovereigns and we are open to discussing any method of doing this.

In relation to the Memorandum of Understanding, the current position is that a budgetary consolidation package of some €3.5 billion in 2013 is set out as that required to reduce the General Government deficit to 7.5 per cent of GDP next year.

Ideally, I would like to see a resolution of the banking debt issue by the end of October but I think it is unlikely that the agreement reached last week will affect our plans for Budget 2013 which will be announced in early December.

This announcement is undoubtedly a positive development for Ireland. However, we cannot lose sight of the fact that notwithstanding the very considerable negative effect State support for the banking system has had on the public finances, including the debt level, there remains a large gap between day to day spending and revenues. This needs to be closed so as to enhance further the long-term sustainability of our public finances.

Questions Nos. 41 and 42 answered with Question No. 11.

Tax Code

43. **Deputy Martin Heydon** asked the Minister for Finance his plans for reform of the betting tax model; the tax structures that are being considered; the progress that it is being made regarding same; and if he will make a statement on the matter. [32756/12]

Minister for Finance (Deputy Michael Noonan): It was announced in Budget 2011 that the necessary arrangements are being made to ensure that bets placed on the internet by domestic punters are subject to the same level of betting duty as applies to high street betting shops. This will serve to broaden the tax base and increase betting duty receipts. The Finance Act 2011 provides for the taxation of bets that remote bookmakers enter into with persons in the State. This means, for example, that a business which engages in online bookmaking and which accepts bets from people in this country will be liable for betting duty on those bets, irrespective of where that business is based. The existing betting duty (1%) will be applied to such bets. The Finance Act also provides for the taxation of Betting Exchanges under the new arrangements; however the calculation of the tax will take account of their particular business model, in other words a tax on the commission charged. In addition, excise duties are being applied to the granting and renewal of remote bookmakers' and remote betting intermediaries' licences.

The proposed Betting (Amendment) Bill, which is being drafted at present, will establish the regulatory framework for these licences. The tax changes provided for in the Finance Act can only be implemented once the Betting (Amendment) Bill is enacted. This Bill is well advanced and it is hoped that it will be published this session.

I am hopeful that by including the high-growth area of the betting sector the tax base from betting will be boosted significantly.

Economic Policy

44. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent of his discussions with his EU counterparts with particular reference to addressing the ongoing fiscal and economic issues affecting the Eurozone; if he has managed to achieve an understanding to the effect that this country and its people are courageously committed to economic recovery and stability; if it is expected that recognition of this position might manifest itself in any particular way which might be beneficial to the economy and the general public here and as a consequence to economic revival in Europe in general; and if he will make a statement on the matter.
[32810/12]

Minister for Finance (Deputy Michael Noonan): I regularly meet with my EU and euro area counterparts to discuss fiscal, banking and economic issues affecting both the EU and the euro area. These typically take the format of scheduled monthly meetings of the Ecofin council and the Eurogroup. In addition, I participate in teleconferences of Finance Ministers when important issues arise that require immediate discussion. In relation to the efforts of the Irish people, I can assure the Deputy that there is a broad recognition that Ireland has taken strong ownership of its economic adjustment programme, with programme implementation being very good.

The Deputy will be aware that Heads of State or Government of the euro area have decided that once an effective supervisory mechanism is established, the ESM could have the possibility to recapitalise euro area banks directly. This is a very positive development from an Irish perspective, offering the possibility of reducing the amount of bank debt that is currently counted as part of sovereign debt. I think it is fair to say that strong and consistent programme implementation was probably a factor in the decision of HoSG to explicitly refer to Ireland in the statement following the meeting.

Fuel Prices

45. **Deputy Áine Collins** asked the Minister for Finance if his Department will provide some

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relief on the cost of fuel for commercial use to combat the fuel laundering that is prevalent throughout the country. [32108/12]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware a working group was set up between officials of my Department, the IRHA and members of the Oireachtas. This working group had a series of meetings to discuss issues of concern to the haulage industry. I have recently received a submission from the group and I am considering the matters raised. I note the recent trend in falling oil prices and I hope that this continuing fall is reflected in the price of auto-diesel for hauliers at the pumps.

46. **Deputy Pat Breen** asked the Minister for Finance if he will report on his engagement with the Irish Road Haulage Association; the position regarding the working groups submission; and if he will make a statement on the matter. [31653/12]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware a working group was set up between officials of my Department, the IRHA and members of the Oireachtas. This working group had a series of meetings to discuss issues of concern to the haulage industry. I have recently received a submission from the group and I am considering the matters raised. I note the recent trend in falling oil prices and I hope that this continuing fall is reflected in the price of auto-diesel for hauliers at the pumps.

47. **Deputy Áine Collins** asked the Minister for Finance the impact the current cost of fuel is having on the road haulage industry. [32107/12]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware a working group was set up between officials of my Department, the IRHA and members of the Oireachtas. This working group had a series of meetings to discuss issues of concern to the haulage industry. I have recently received a submission from the group and I am considering the matters raised. I note the recent trend in falling oil prices and I hope that this continuing fall is reflected in the price of auto-diesel for hauliers at the pumps.

Job Creation

48. **Deputy Sean Fleming** asked the Minister for Finance the way Ireland can benefit from the Compact for Growth as discussed at the recent EU summit; and if he will make a statement on the matter. [32463/12]

Minister for Finance (Deputy Michael Noonan): Heads of State or Government in the EU decided on a compact for growth and jobs at the European Council on 28th June. This involves action by Member States and at EU level in order to boost growth, investment and employment. Measures to be implemented at national level include the full implementation of the country-specific recommendations from the European Semester as well as pursuing differentiated growth-friendly fiscal consolidation. From an Irish perspective, I want to assure the Deputy that the required consolidation over the next few years will be pursued in as growth-friendly a manner as possible.

A number of measures are to be implemented at EU level in order to boost growth, and I believe the cumulative impact of all of these measures will have a positive impact in terms of supporting economic activity in the EU at this difficult juncture. This, in turn, can be expected to benefit Ireland, given the importance of the EU as a trading partner.

At EU level, the measures announced include a deepening of the Single Market and reducing the regulatory burden. Another important measure is the mobilisation of €120 billion — about 1 per cent of EU gross national income — to boost European growth. Part of this stems from a €10 billion paid-in capital increase for the European Investment Bank, which almost doubles the lending capacity of the Bank. This is of particular interest to Ireland because the Bank has been an important source of funding. Funds have amounted to an average of €500 million per annum covering commercial semi-states, local authorities, road projects (PPPs) and loans to banks for on-lending to SMEs. The Exchequer can also borrow directly from the EIB in respect of capital projects such as school-building.

In this context, I would point out that EIB President Werner Hoyer will be visiting Dublin tomorrow to meet with myself and Minister Howlin in order to discuss how the EIB can work with Ireland to explore the possibility of developing flexible and innovative funding solutions to invest in infrastructure and key sectors of the economy.

Human Rights Issues

49. **Deputy Maureen O’Sullivan** asked the Tánaiste and Minister for Foreign Affairs and Trade his views on the Human Rights Watch detailed investigation of the forced movement of rural populations from pastoral communities by the Ethiopian Government to make way for State run sugar plantations and other infrastructure developments without a process of consultation or compensation for indigenous and local populations; if his attention has been drawn to the fact that this process includes arbitrary arrests, detentions and beatings as part of forced removal of persons from traditional lands including the Omo Valley which was designated a UNESCO World Heritage site in 1980; if he will highlight the need for more accountability and transparency in large scale infrastructure projects undergoing in Africa to prevent such an occurrence arising; and if he will make a statement on the matter. [32859/12]

Minister of State at the Department of Foreign Affairs and Trade (Deputy Joe Costello): Ethiopia is one of the nine priority countries for the Government’s development cooperation programme, where we have a commitment to long term strategic assistance.

Last month, Human Rights Watch published a new report on Ethiopia, titled “What Will Happen if Hunger Comes?” The report alleges that local communities, including pastoralists in the Lower Omo region, are being forced to move away from traditional land in order to make way for development infrastructure projects, including a hydroelectric dam and large-scale commercial agriculture. It is also alleged that the process involves harassment, violence and arbitrary arrests by local authorities.

We take very seriously any allegations of abuses of human rights. I have asked our Ambassador in Addis Ababa to examine these claims carefully and to follow up with the Ethiopian Government. I believe any credible allegations of this nature need to be fully investigated.

When I visited Ethiopia in January, I had a very good, wide-ranging discussion with the Minister of State for Foreign Affairs, Mr. Berhane Gebre-Christos. I raised with him allegations of difficulties and abuses associated with the planning and implementation of resettlement programmes in another part of Ethiopia. I urged him to ensure that all allegations of concern, in particular those relating to human rights abuses, be investigated fully. The Minister stated that such abuses are not taking place, that the Ethiopian people had suffered as a result of resettlement schemes under the previous regime in Ethiopia and that his Government would never implement such policies.

I share the view that large scale infrastructure projects in Africa and elsewhere should be subject to the highest level of accountability and transparency. Ireland, together with other

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development partners, will continue to work with the Ethiopian Government, and other Governments in our partner countries, to ensure that they respect the rights of their citizens when planning and implementing such projects, and carry out and make available the necessary environmental and social assessments. We will also continue to raise the need to ensure that any resettlement of communities must only be carried out on a voluntary basis through full, open consultation, and with the provision of quality basic services to relocated populations.

Ireland has made a significant contribution to development and the fight against poverty and hunger in Ethiopia. In the past decade Ethiopia has recorded remarkable improvements in human development, as measured by the UN Human Development Index. This progress, which has been made with Irish support and support from other donors, is a strong example of the success of international development assistance when delivered in partnership with a developing country Government. However, positive development results and respect for human rights must go hand in hand. Ireland remains strongly committed to helping build good governance and the rights of the most vulnerable in Ethiopia and elsewhere, and this will remain a clear priority of our development assistance programme.

Departmental Staff

50. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Foreign Affairs and Trade the number of staff by grade in the Irish Embassy in Sofia, Nicosia, Copenhagen, Helsinki and Mexico for 2010, 2011 and to date in 2012; the number of these staff that are employed by his Department; and if he will make a statement on the matter. [32893/12]

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): The information requested by the Deputy is provided in the following table:

Mission	Current staffing complement (Departmental employees, except where stated)	Changes in 2010 and 2011
Copenhagen	Officers posted from HQ: 1 Second Secretary (Ambassador); 1 Third Secretary. Local Staff: 1 PA to Ambassador; 2 Clerk Secretaries; 1 Driver; 1 Office Cleaner (0.4)	First Secretary post suppressed in 2010
Helsinki	Officers posted from HQ: 1 Counsellor (Ambassador); 1 Third Secretary. Local Staff: 2 Clerk Secretaries; 1 Driver / Messenger	None
Mexico	Officers posted from HQ: 1 Counsellor (Ambassador); 1 First Secretary; 1 Third Secretary. Local Staff: 1 PA to Ambassador; 2 Clerk Secretaries; 1 Driver / Messenger; 1 Driver (Agency staff)	None
Nicosia	Officers posted from HQ: 1 First Secretary (Ambassador); 1 Clerical Officer. Local Staff: 1 PA to Ambassador; 1 Clerk Secretary; 1 Driver / Messenger	Ambassador post re-graded from Counsellor to First Secretary level in 2010
Sofia	Officers posted from HQ: 1 Counsellor (Ambassador); 1 Third Secretary. Local Staff (all Agency staff) 3 Clerk Secretaries 1 Driver / Messenger	None

Family Law Cases

51. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Foreign Affairs and Trade if he will clarify the position whereby the Irish father of a child born here, whose mother holds a passport from another jurisdiction, will restrict the right of the child's mother to remove

the child from this jurisdiction without the father's consent; and if he will make a statement on the matter. [32948/12]

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): The Minister for Foreign Affairs and Trade is responsible under the terms of the Passports Act, 2008 (the Act) for the issue of Irish passports to Irish citizens. If the father has concerns about the issue of an Irish passport to his child, he may express his objections in writing in this matter to the Minister. Such an objection would be considered in the context of the terms of the Act. The Minister for Justice and Equality may be able to provide further details re the other aspects of this query.

Mortgage Arrears

52. **Deputy Finian McGrath** asked the Minister for Finance the action he will take regarding families experiencing difficulties in repaying mortgages to certain banks (details supplied) should proceed, [32825/12]

Minister for Finance (Deputy Michael Noonan): The Government is acutely aware of the increasing financial stress that some households are facing arising from difficulty in meeting their mortgage commitments. The Deputy will be aware that the Interdepartmental Report on Mortgage Arrears indicated that the reform of personal insolvency legislation is a central catalyst to the resolution of the mortgage arrears problem. In particular, it indicated that new non-judicial debt settlement arrangements are vital to address the problem. The Government published the Personal Insolvency Bill last week and the Minister for Justice, Equality and Defence has commenced second stage today in the Dáil, with a view to facilitating early passage of the legislation through the Oireachtas in the Autumn session. The legislation provides for a range of options, both non-judicial and judicial through reform of bankruptcy, for insolvent debtors to resolve their personal indebted positions. The Interdepartmental Report also recommended that a Mortgage Advice Service should be provided to advise people in their dealings with mortgage lenders. The Minister for Social Protection is now finalising the appropriate framework for the provision of this service.

Both of these measures will require the utilization of independent and professional expertise to best assist people in difficulty with their mortgages or other debts. In finalising these matters and putting in place the necessary structures, the key objective will be to provide the best possible service in the most efficient manner and this general approach does not preclude the non-profit sector or other sectors from appropriate involvement in those proposed important services.

Finally, it is important to point out that the Financial Services Ombudsman was established on a statutory basis as an independent body to deal with complaints from customers of financial service providers and will continue to fulfill this function. The Minister for Finance is not involved in the day to day workings of the Financial Services Ombudsman Bureau.

Sovereign Debt

53. **Deputy Catherine Murphy** asked the Minister for Finance if he has carried out an assessment of the debt redemption pact which was proposed by the German Council of Economic Experts on 10 of November 2011; if he or any other Department have had any discussions with the authors of the report or with the German Government regarding the possible inclusion of Ireland within such a pact should it be introduced; his views on whether the establishment of such a fund would be beneficial to the Irish State; if the establishment of such a fund will affect

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Ireland's case for other debt management measures; and if he will make a statement on the matter. [32846/12]

Minister for Finance (Deputy Michael Noonan): The study referred to by the Deputy concerns one possible approach to the debt crisis that Europe is trying to deal with at the moment. The particular approach envisaged would involve the effective mutualisation of eurozone sovereign debt above the level of 60% of GDP. As the Deputy will be aware, the statement issued following the Euro Area Summit on 29 June envisages the European Stabilisation Mechanism having the possibility of recapitalising banks directly, once an effective single supervisory mechanism for financial institutions is established. The statement issued also states that the Eurogroup will “examine the situation of the Irish financial sector with the view of further improving the sustainability of the well-performing adjustment programme.”

This is a very welcome development from the Euro Area summit and it represents a major shift in European policy in terms of breaking the vicious circle between the banks and the sovereign. It is an agreement in principle and the detailed work will now begin to maximize the benefit to the Irish taxpayer. The Irish government has been working extremely hard to secure a deal on the Irish bank debt. This agreement provides an opportunity for the issue of the bank debt to be addressed at an EU level. There will be further discussions at the Eurogroup meeting on 9 July 2012.

Tax Credits

54. **Deputy Dan Neville** asked the Minister for Finance if the Revenue Commissioners will issue a letter regarding amended tax credits in respect of a person (details supplied) in County Limerick. [32850/12]

Minister for Finance (Deputy Michael Noonan): I am advised by the Revenue Commissioners that the original Tax Credit Certificate was not correct. The person in question drew the matter to attention and a revised Tax Credit Certificate for 2012 issued on the 21st June. This revised certificate deleted the reference to pension made on the previous certificate. A balancing statement for the year 2011 will also issue shortly correcting any error caused by the inclusion of a pension amount for that year. Revenue has apologised to the taxpayer.

Financial Services Ombudsman

55. **Deputy Finian McGrath** asked the Minister for Finance if he will support the case of a person (details supplied); and if there is a scheme to help this person. [32863/12]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware, I do not comment on specific cases. However, I would advise that if an individual has made a formal complaint to the bank in question about the matter referred to and if they are not satisfied with the reply then I suggest that they contact the Financial Services Ombudsman in relation to this matter. The Financial Services Ombudsman is an independent office established to deal with consumer complaints about their dealings with financial institutions. The Financial Services Ombudsman can be contacted at:

3rd Floor, Lincoln House,
Lincoln Place,
Dublin 2
Lo Call: 1890 88 20 90

Email: enquiries@financialombudsman.ie

Website: www.financialombudsman.ie.

On a more general level, the Government is acutely aware of the increasing financial stress that some households are facing arising from difficulty in meeting their mortgage commitments. The Deputy will be aware that the Interdepartmental Report on Mortgage Arrears indicated that the reform of personal insolvency legislation is a central catalyst to the resolution of the mortgage arrears problem. In particular, it indicated that new non-judicial debt settlement arrangements are vital to address the problem. The Government published the Personal Insolvency Bill last week and the Minister for Justice, Equality and Defence has commenced second stage today in the Dáil, with a view to facilitating early passage of the legislation through the Oireachtas in the Autumn session. The legislation provides for a range of options, both non-judicial and through reform of bankruptcy, for insolvent debtors to resolve their personal indebted positions.

Bank Debt Restructuring

56. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which he can quantify the benefits for this country of recent discussions at EU level in respect of banking and economic strategy; and if he will make a statement on the matter. [32867/12]

Minister for Finance (Deputy Michael Noonan): The Deputy will be aware that I have always stated that our problems are part of a wider European dilemma and any solution to address the Irish situation must be as part of an overall Eurozone/global solution. The recent shift in European policy in terms of breaking the vicious circle between the banks and the sovereign is to be welcomed and represents a major step forward. While the details structures and arrangements have yet to be finalised the policy statement provides a basis for a Eurozone solution to what is essentially a Eurozone problem. Issues around the structuring and treatment of capital provided to the banks will be addressed in this context. The Irish Government has been working extremely hard to secure a deal on the Irish bank debt and further detailed work will be stepped up to ensure that the positive moves in Europe are harnessed to maximize the benefit to the Irish taxpayer. This will be one of our key priorities between now and the end of year with the initial formal steps, at a European level, taking place at the Euro group meeting on 9th July.

However, the Deputy will appreciate that while the policy position is very positive indeed, it would not be possible at this stage of the process to attempt to quantify the benefits which will accrue to the economy and the Ireland generally.

Question Nos. 57 and 58 answered with Question No. 40.

Question No. 59 answered with Question No. 17.

Tax Code

60. **Deputy Michael Healy-Rae** asked the Minister for Finance the position regarding the new steps (details supplied) that contractors must now comply with; and if he will make a statement on the matter. [32905/12]

Minister for Finance (Deputy Michael Noonan): From 1 January 2012, the Revenue Commissioners have substantially modernised the operation of Relevant Contracts Tax (RCT). Key features of the new scheme are a streamlining of the processes for the submission of information and payments to Revenue and the introduction of a new RCT rate at the standard rate

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of 20%. The latter was designed to improve the cash-flow position of tax compliant subcontractors with a view to boosting employment prospects in the sector. Revenue have introduced a dedicated online facility which now offers principal contractors a fast, efficient and paper free system. This has had the effect of significantly reducing the administrative burden associated with RCT for both compliant principals and subcontractors. There has been a very broad welcome among the tax compliant trade for the significant benefits associated with the radical reform of the RCT scheme. There has been no change in terms of the obligations on principal contractors to notify Revenue of details of subcontractors whom they engage to carry out contracts. For this purpose, the details to be supplied by subcontractors to principal contractors on engagement remain unchanged.

Tax Collection

61. **Deputy Michael McGrath** asked the Minister for Finance the level of revenue generated for the Exchequer from residential stamp duty in each of the past ten years in tabular form; the number of individual residential stamp duty cases for each year; and if he will make a statement on the matter. [32917/12]

62. **Deputy Michael McGrath** asked the Minister for Finance the level of revenue generated for the Exchequer from commercial stamp duty by year in each of the past ten years in tabular form; the number of individual residential stamp duty cases for each year; and if he will make a statement on the matter. [32918/12]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 61 and 62 together.

The information requested by the Deputy in relation to the yield from Stamp Duty on residential and non-residential property, together with the numbers of duty paid transactions, is as set out in the following tables. As indicated below, a breakdown between residential and non-residential transactions is not available for 2010 and 2011.

Residential Property

Year	€m	Number of Duty Paid Transactions
2002	349	Not available
2003	528	35,000
2004	752	43,942
2005	945	44,799
2006	1,311	52,901
2007	1,018	41,079
2008	445	25,371
2009	150	11,766
2010*	107	41,703*
2011*	50	47,030*

*The figures for numbers of Duty Paid Transactions shown for 2010 and 2011 include both residential and non-residential property transactions because a breakdown between the two is not available.

Non-residential Property

Year	€m	Number of Duty Paid Transactions
2002	317	Not available

Year	€m	Number of Duty Paid Transactions
2003	547	Not available
2004	709	40,572
2005	1,057	43,674
2006	1,678	45,834
2007	1,363	37,900
2008	600	32,847
2009	179	21,895
2010*	92	41,703*
2011*	101	47,030*

*The figures for numbers of Duty Paid Transactions shown for 2010 and 2011 include both residential and non-residential property transactions because a breakdown between the two is not available.

63. **Deputy Michael McGrath** asked the Minister for Finance the approximate level of VAT generated for the Exchequer from the sale of new residential housing in each of the past ten years in tabular form; the number of cases for each year; and if he will make a statement on the matter. [32919/12]

Minister for Finance (Deputy Michael Noonan): I am informed by the Revenue Commissioners that it is not possible to furnish precise figures of the VAT take from residential property transactions, as the information furnished on VAT returns does not require the yield from particular sectors of trade to be identified. However, based on data published by the Department of the Environment, Heritage and Local Government, the estimated yield from residential property transactions, which includes sales of new and social housing, is set out in the following table alongside the numbers of house completions for each year.

Year	VAT Yield €m	Number of House Completions
2002	1,101	57,295
2003	1,541	68,419
2004	1,940	76,554
2005	2,405	80,557
2006	2,727	93,019
2007	2,487	77,627
2008	1,289	51,324
2009	652	26,420
2010*	333	14,602
2011*	159	10,480

*Figures are provisional.

Budget Targets

64. **Deputy Bernard J. Durkan** asked the Minister for Finance if he has satisfied himself that all targets set in the current years budget are achievable; the possible exemptions if any; and if he will make a statement on the matter. [32920/12]

Minister for Finance (Deputy Michael Noonan): Under the terms of the ECOFIN Council decision of December 2010, the State's General Government deficit must not exceed 8.6 per cent of GDP this year. This is the main quantitative budgetary target set for 2012. While there will inevitably be some pluses and minuses in the various revenue and expenditure areas, I am

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satisfied, primarily on the basis of the Exchequer Returns for the first half of the year, that the 8.6 per cent of GDP target will be achieved.

Financial Services Regulation

65. **Deputy Bernard J. Durkan** asked the Minister for Finance the procedure followed to record the level of default or refusal by insurers to honour mortgage protection contracts in both the domestic and commercial sectors; and if he will make a statement on the matter. [32921/12]

Minister for Finance (Deputy Michael Noonan): I have been advised by the Central Bank that, following their latest inspection into the sale of Payment Protection Insurance, the Bank has identified a number of concerns arising from the inspection. The inspection was carried out in order to determine compliance with the provisions of the 2006 Consumer Protection Code, now revised since 1 January 2012. As a result of the inspection, the Central Bank is requiring the seven firms inspected to conduct a comprehensive review of all of their PPI sales from August 2007 to date. The firms are requested to respond to the Central Bank by 17 August 2012. Copy of the Press Release dated 2 July 2012 and a copy of the letter issued to the firms concerned are available on the Central Bank's website: www.centralbank.ie. As I have indicated in a reply to a Parliamentary Questions on this subject on 28 June 2012, the Financial Services Ombudsman has advised me that, since 1 January 2007, his Office has received the following number of complaints from consumers in relation to mortgage protection insurance policies:

Year	Total number of complaints received
2007	91
2008	80
2009	129
2010	182
2011	200
2012 (to date)	88

As the Deputy is aware, the Ombudsman is independent in the carrying out of investigations of complaints from consumers and in his determinations thereon. It would not be appropriate for me to comment on any findings which he has or will issue in regard to this matter.

Economic Competitiveness

66. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which this country's competitiveness has improved in each of the past five years and to date in 2012; and if he will make a statement on the matter. [32922/12]

Minister for Finance (Deputy Michael Noonan): Substantial progress has been made in terms of improving our competitiveness. Relatively lower price inflation over the last number of years means that Irish price levels have fallen relative to our major trading partners. At the same time there has been a significant improvement in our cost competitiveness. Indeed, the European Commission recently forecast that our nominal unit labour costs will have fallen by a cumulative 16.5 percentage points in the period 2009-2013 compared to an increase of 6.6 percentage points for the euro area as a whole. Furthermore, from a macro-economic perspective an important measure of competitiveness across the euro area is the real Harmonised Competitiveness Indicator (HCI). This reflects relative consumer prices trends together with exchange rate developments and is produced by the Central Bank of Ireland. Since mid-2008, the real

HCI has fallen by almost 20 per cent, indicating an improvement in our international competitiveness.

On foot of these positive developments, we have seen a recovery in our exports as well as an improvement in inward foreign direct investment, and I am encouraged by this. Having said that, further improvements in competitiveness are clearly needed in order to make significant inroads into the unacceptably high rate of unemployment that we are currently faced with.

Tax Collection

67. **Deputy Bernard J. Durkan** asked the Minister for Finance the level to which he expects tax revenue returns under various headings to meet targets in the current year; and if he will make a statement on the matter. [32923/12]

Minister for Finance (Deputy Michael Noonan): The performance of Exchequer tax revenues against target in the period to end-June is set out in the following table:

Exchequer Tax Revenues	End-June 2012 Target €m	End-June 2012 Outturn €m	Excess/Shortfall €m	Excess/Shortfall %
Income Tax	6,846	7,061	215	3.1%
VAT	5,160	5,189	29	0.6%
Corporation Tax	1,706	1,980	274	16.1%
Excise	2,244	2,209	-35	-1.6%
Stamps	225	222	-3	-1.2%
Capital Gains Tax	161	172	11	6.5%
Capital Acquisitions Tax	53	47	-6	-11.3%
Customs	112	109	-3	-2.6%
Levies	—	0	—	—
Unallocated Tax Deposits	—	26	—	—
Total	16,507	17,014	507	3.1%

Rounding may affect totals

The performance of tax revenues in the year to date is encouraging but we must not lose sight of the fact that we are only half-way through the year and there are significant targets to meet in the months ahead, particularly in the fourth quarter. November is expected to be the biggest month of the year for tax revenue collection given the concentration of corporation tax and income tax, particularly from the self-employed, in that month.

Close to 47 per cent of total Exchequer tax revenues expected this year have so far been collected. While I do not wish to speculate about the likelihood of how individual tax revenues might perform in the second half of the year, I am reasonably confident, on the basis of data for the first six months, that total aggregate tax revenue will meet target this year.

Questions Nos. 68, 69 and 70 answered with Question No. 20.

Question No. 71 answered with Question No. 40.

Economic Growth

72. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which the economic fundamentals have changed in the course of the past eight years with particular reference

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to the need to achieving established and or accepted targets for borrowing, lending, growth and debt ratios; and if he will make a statement on the matter. [32944/12]

Minister for Finance (Deputy Michael Noonan): Following three successive years in which output fell, positive growth returned to the Irish economy last year. The recovery is expected to continue this year, and to both broaden and gain ground in 2013. Over the medium term, a return to robust and more sustainable growth is foreseen. While exports are expected to continue supporting economic activity, a gradual pick-up in domestic demand is also projected as the recovery broadens further and spills over to the labour market. We have also seen that 2011 marked a record year for inward Foreign Direct Investment and the pipeline remains strong. All of this points to the fact that many of the underlying strengths of our economy remain, including a well-educated workforce, favourable demographics, an open and flexible economy and a pro-enterprise environment. Of course there are many challenges which we still face and it will take time to work through the legacies of the crisis. Not least of these is the high level of Government debt which we have accumulated. Substantial corrective action has been taken to return stability to the public finances and we are on track to bring the deficit below 3 per cent of GDP by 2015, in line with the targets set.

As the Deputy is aware, the banking system restructuring plan creates capacity for the two Pillar Banks, Bank of Ireland and AIB, to provide lending in excess of €30 billion in the period 2011-2013. SME and new mortgage lending for these banks is expected to be in the range of €16-20 billion over this period. This lending capacity is incorporated into the banks' deleveraging plans which allow for repayment of Central Bank funding through asset run-off and disposals over the period.

The Government has imposed lending targets on the two domestic pillar banks for the three calendar years, 2011 to 2013. Both banks were required to sanction lending of at least €3 billion in 2011, €3.5 billion this year and €4 billion in 2013 for new or increased credit facilities to SMEs. Both banks achieved their 2011 targets. The pillar banks are required to submit their lending plans to the Department and the Credit Review Office (CRO) at the beginning of each year, outlining how they intend to achieve their lending targets. The banks also meet with the Department and the CRO on a quarterly basis to discuss progress. The banks provide my Department and the CRO with monthly returns outlining their SME lending figures, broken down at a sectoral and regional level. The monthly management meetings with the pillar banks also provide a forum for the issue of SME lending to be raised by my Department.

National Asset Management Agency

73. **Deputy Bernard J. Durkan** asked the Minister for Finance the degree to which the National Assets Management Agency owned properties are expected to realise by way of sale or other methodology a price above or below that paid by NAMA originally; and if he will make a statement on the matter. [32945/12]

74. **Deputy Bernard J. Durkan** asked the Minister for Finance if there are any recent indicators to the effect that properties held by the National Assets Management Agency in the short, medium and long term are likely to achieve a profit for the organisation in accordance with expectations as set out during the passage of relevant legislation to the effect that property price inflation over a ten year period would result in a profit for the organisation; and if he will make a statement on the matter. [32946/12]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 73 and 74 together.

I have advised the House previously that the NAMA Board has recently completed a review of its strategy in light of developments in the Irish economy and in the property markets since it published its first business plan in July 2010. Key factors considered by the Board as part of its strategic review include the performance of the various economies in which its debtors' assets are located, the timing and sustainability of any recovery in the property market in Ireland, the sustainability of the UK property market, the availability of finance and the extent to which it can maximise the level of income produced by the property assets securing its loans. On the basis of this review, NAMA has re-affirmed to me its expectation that it will at least break even over its projected ten-year lifetime. This means that it is on course to recoup for the taxpayer, at minimum, the Senior Bonds issued as consideration for acquired loans, the working and development capital expenditure advanced to debtors and the recovery of its operating costs.

Whilst it is difficult, in the middle of 2012, to take a definitive perspective on what will happen in the property markets over a ten year period, I concur with the view taken by the NAMA Board and would ask the Deputy to consider the following factors, which provide a sound basis for concurring with the Board's assessment.

Having completed due diligence and having had the opportunity to fully assess its property portfolio in more detail, NAMA advises over 70% of its portfolio comprises completed investment and residential properties; and that the vast bulk of assets are in or close to the main urban centres in Ireland and in Britain. In Ireland, over 90% of properties are located in the key growth centres of Dublin and surrounding counties, Cork, Limerick and Galway. The same pattern is evident in Northern Ireland, where NAMA assets are primarily located in Belfast and in contiguous centres, and in Britain where NAMA's portfolio is characterised by a pronounced London bias.

NAMA's strategy, which is predicated on a taking a longer-term view of its property portfolio, is tailored to the specific circumstances of the markets in which it operate. NAMA advises that over the short-term it is selling in those markets where there is demand and liquidity, which accounts for the fact that over 80% of completed sales since inception relate to assets located in Britain, and is otherwise developing and enhancing assets under the control of its debtors and receivers, particularly in Ireland, to optimise the value of these assets over the medium and long term.

The Deputy will note for instance the Agency's recent announcement of its intention to invest up to €2 billion in development capital over the period to 2016 to preserve, enhance and complete residential and commercial projects in Ireland and to develop greenfield sites to meet foreseeable demand. The Agency is also working to otherwise increase the attractiveness of its assets and also working to address outstanding legal, title, planning and construction deficiencies where these exist. Its objective is to add and create value across its portfolio to ensure the maximum obtainable realised proceeds from the ultimate disposal of each asset. Furthermore NAMA is addressing the lack of credit available by making up to €2 billion in of vendor finance available for sales of commercial property. NAMA is not immune to what is occurring in the wider national and international economies.

On the basis of these factors I reiterate my confidence in the NAMA Board's assessment that it will, at minimum, achieve a break even outcome over its lifetime by ensuring the maximum achievable value from its property portfolio.

School Transport

75. **Deputy Michael McCarthy** asked the Minister for Education and Skills if he will reconsider an application to access the school transport service (details supplied); if he will consider

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the difficulties the decision will cause for the family involved in terms of cost and inconvenience; if he will take into consideration the fact that it is not possible for the family to reside where Bus Éireann have advised they should in order to access this service; the alternative options that are available in this situation; and if he will make a statement on the matter.

[32875/12]

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): Under the terms of my Department's Post Primary School Transport Scheme children are eligible for transport where they reside not less than 4.8 kms from and are attending their nearest education centre as determined by my Department/Bus Éireann, having regard to ethos and language.

Bus Éireann, which operates the School Transport Scheme on behalf of my Department, determine eligibility by measuring the shortest traversable route from a child's home to the relevant education centre.

The family referred to by the Deputy are not attending their nearest post primary school and are therefore not eligible for school transport under the terms of the scheme.

School Staffing

76. **Deputy Charlie McConologue** asked the Minister for Education and Skills further to Parliamentary Question No. 93 of 28 June 2012, if this school (details supplied) in County Donegal will be able to retain their two teachers until the outcome of the Appeals Board has been decided in October 2012; and if he will make a statement on the matter. [32844/12]

Minister for Education and Skills (Deputy Ruairí Quinn): The criteria used for the allocation of teachers to schools is published annually on my Department's website. The key factor for determining the level of staffing resources provided at individual school level is the staffing schedule for the relevant school year and pupil enrolments on the previous 30 September. The staffing schedule for the 2012-2013 school year, Circular 0007/2012, is available on my Department's website. The staffing arrangements in schools for the 2012/2013 school year can also be affected by changes in their enrolment, the impact of budget measures and the reforms to the teacher allocation process. The staffing of the school referred to by the Deputy is being reduced by two posts, one mainstream classroom post and one learning support resource post for the coming school year 2012/13. The Board of Management of the school has appealed the loss of the mainstream classroom post. The Deputy will be aware that the Primary Staffing Appeals Board deferred a decision on the appeal at its meeting on 14 June, 2012 to the October meeting when confirmation of the enrolment projected by the school for 30 September, 2012 will be available.

The two teachers concerned have been successfully redeployed for the coming school year, 2012/13.

School Management

77. **Deputy Brendan Smith** asked the Minister for Education and Skills if he is satisfied that every school has a board of management set up as required under legislation; the details of each school that does not have a board of management; and if he will make a statement on the matter. [32871/12]

Minister for Education and Skills (Deputy Ruairí Quinn): In accordance with the provisions of Section 14(1) of the Education Act 1998, it is "the duty of the school patron, for the purposes of ensuring that a recognised school is managed in a spirit of partnership, to appoint where

practicable a board of management the composition of which is agreed between patrons of schools, national associations of parents, recognised school management organisations, recognised trade unions and staff associations representing teachers and the Minister”. The agreed composition and procedures for the appointment of Boards of primary schools are set out in my Department’s publication “Constitution of Boards and Rules of Procedures 2011”. The term of office of outgoing Boards of all of the circa 3300 primary schools expired on 30 November 2011 with new Boards being appointed from 1 December 2011.

Under the agreed procedures at primary level, when the Board is appointed, the Patron is required to submit a declaration to my Department confirming same. The process of updating the Department’s records from the declarations received from patrons of primary schools is ongoing within my Department at present.

In the case of voluntary secondary schools, the patrons of the majority of these schools have traditionally been religious communities or Boards of Governors and the composition and appointment procedures for their Boards are generally set out in the Articles of Management of such schools. Boards of Management of VEC second level schools are sub-committees of the VEC while Community and Comprehensive schools are managed by Boards of Management of differing compositions appointed in accordance with the relevant Deed of Trust.

The various procedures for the appointment of Boards across the three sectors at post-primary level do not require patrons of post-primary schools to formally confirm each Board’s appointment to my Department. Accordingly, information in relation to the number of such schools which do not currently have a Board is not readily available. It should be noted that, under the provisions of the Act, where a patron determines that the appointment of a board is not practicable, or where the patron, with the consent of the Minister, has dissolved a board of management, the patron may appoint a manager or managers to perform the functions of the board.

Higher Education Courses

78. **Deputy Brian Walsh** asked the Minister for Education and Skills if he will consider reviewing the assessment process for a third level course application in respect of a person (details supplied) in County Galway to allow this person to complete an assessment test in view of the fact that course assessments have already taken place; and if he will make a statement on the matter. [32904/12]

Minister for Education and Skills (Deputy Ruairí Quinn): Under the Universities Act 1997 universities are autonomous institutions and the management of their academic affairs, including admissions criteria and processes, are matters for the individual institutions concerned. Neither I nor my Department has any function in relation to the processing of applications for entry to higher education courses.

FÁS Training Programmes

79. **Deputy Bernard J. Durkan** asked the Minister for Education and Skills the extent to which a person (details supplied) in County Kildare who holds a spousal work permit qualifies for back to work, FÁS training or a community employment scheme; and if he will make a statement on the matter. [32932/12]

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): I understand that the person in question is entitled to participate on a FÁS training course because she is in receipt of a Jobseekers Allowance since September 2010. Matters relating to

[Deputy Ciarán Cannon.]

Back to Work and Community Employment Schemes are more appropriate for the Minister of Social Protection.

Tree Remediation

80. **Deputy Olivia Mitchell** asked the Minister for Public Expenditure and Reform his plans to save the plane tree in Leinster House on the extreme right of the Kildare Street entrance as it appears to be in a distressed state; and if he will make a statement on the matter. [32833/12]

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): OPW has commissioned an urgent report on the condition of the tree from a consultant arborist. Any remedial action required on foot of the report will be undertaken as soon as possible.

Pension Provisions

81. **Deputy Terence Flanagan** asked the Minister for Public Expenditure and Reform the plans he has to reduce the levels of pension paid to former politician and Ministers; and if he will make a statement on the matter. [32835/12]

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): A number of reforms have been introduced in relation to Public Service pension entitlements which affect Ministerial pensions. Under the Public Service Superannuation (Miscellaneous Provisions) Act 2004, Ministerial pensions are not payable to new Oireachtas Members (as defined in the Act) before 65 years of age and, under the Oireachtas (Allowances to Members) and Ministerial and Parliamentary Offices Act 2009, Ministerial pensions are no longer payable to sitting Members of the Oireachtas following the last general election, or to Members of the European Parliament following the next elections to the Parliament.

Public Service pensions for former Ministers who retire after February 2012 will be reduced in line with the substantial pay reductions applied under the Financial Emergency Measures in the Public Interest (FEMPI) Acts, and for those who retired before the end of February the Public Service Pension Reduction (PSPR) applies. I recently provided for an increase in the rate of PSPR that applies to pensions over €100,000 to 20%. Furthermore, the Public Service Pensions (Single Scheme) Bill, which is currently before the Dáil, will introduce a new Single Public Service Pension Scheme with a new minimum pension age of 66, rising in due course with the age at which the State Pension (Contributory) will become payable. This will apply to all new Members of the Oireachtas, including new entrant Ministers, as defined in the Bill. This Bill also provides pensions for all Public Servants who are subject to this Bill to be based on career average earnings, as opposed to the current final salary basis.

It is important to point out that legal advice from the Attorney General says that it is possible to apply proportionate reductions to existing pensions, as has been done to date in the FEMPI legislation. However, account must be taken of the fact that pension benefits are considered to be property rights, which limits the action that can be taken. Finally, I would remind you that Members of the Oireachtas, including Ministers, have not been insulated from the financial crisis which has affected and continues to affect all sectors of the economy; and, as the above demonstrates, they have been required to make a significant contribution to the national effort to restore the public finances to a sustainable path.

Departmental Agencies

82. **Deputy Éamon Ó Cuív** asked the Minister for Jobs, Enterprise and Innovation his views

on the current orientation of Science Foundation of Ireland which is focusing more on research that will lead to a quick economic return as opposed to blue skies research that is more focused on pure research with longer term outcomes; and if he will make a statement on the matter. [32899/12]

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock): The Government's strategy in relation to funding research and development in Ireland through Science Foundation Ireland (SFI) is to foster the long term development and competitiveness of enterprise and industry in the State. SFI was established to build a world class research capability in support of this strategy, and the Foundation has been successful in building human and physical research infrastructure over the past decade such that Ireland has ascended the international rankings for research in a number of disciplines.

Consistent with Government policy, as detailed in the Report of the Research Prioritisation Steering Group, the new Intellectual Property Protocol and the Advisory Science Council's Report on the Sustainability of Research Centres, SFI is seeking to build upon the groundwork already put in place by continuing to invest in excellent research and by engendering greater impact from its funded research for the benefit of Ireland. In this context, legislation is in preparation to enable SFI to fund applied research in addition to its existing remit to fund oriented basic research. This will not result in the abandonment of its funding of oriented basic research but is aimed at supporting the further development of ideas and new knowledge towards commercialisation.

Given Ireland's current circumstances there is a need to accelerate the delivery of economic and societal benefits from our investment in research by prioritising resources in areas of opportunity, building closer collaboration between the research base and enterprise and making it easier to commercialise and use new knowledge. However, we recognise that we cannot sustain this without maintaining the world class research base that we have built over the past decade. Therefore we must succeed in both maintaining our research base and accelerating the delivery of the benefits of this investment at the same time and within the resources available.

State Agencies

83. **Deputy Éamon Ó Cuív** asked the Minister for Jobs, Enterprise and Innovation if any concern has been raised with him in relation to the commercial interests or former interests of a person (details supplied); and if this creates a potential conflict of interest; and if he will make a statement on the matter. [32900/12]

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock): The Board of Science Foundation Ireland (SFI) appointed Professor Mark Ferguson earlier this year following an extensive international recruitment process. Professor Ferguson has an extensive track record over the past three decades in both the academic and commercial spheres. Upon joining SFI, Professor Ferguson, as required of all employees, signed the Code of Business Conduct for Employees which sets out in written form the agreed standards of principle and practice which inform the conduct of staff members of SFI. Incorporated within this Code is an obligation upon the individual to disclose to the Board Secretary any matters that could give rise to a conflict of interest as soon as that conflict becomes apparent. I have no concerns about Professor Ferguson's commercial interests. Professor Ferguson resigned as Non-executive Chairman of Renovo Group plc. and Consultant to Renovo on 15th January 2012 before taking up the Director General position at SFI.

Employment Appeals Tribunal

84. **Deputy Jack Wall** asked the Minister for Jobs, Enterprise and Innovation further to Parliamentary Question No. 55 of 14 June 2012, the mechanism a person (details supplied) in County Kildare needs to obtain to have their entitlements granted; and if he will make a statement on the matter. [32858/12]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): Under the Redundancy Payment Scheme eligible employees (with at least two years continuous service in fully insurable employment) are entitled to a minimum statutory lump sum payment on being made redundant. A redundancy situation arises in general where an employee's job no longer exists and he/she is not replaced. An employee is entitled to two weeks pay for every year of service, with a bonus week added on, subject to the prevailing maximum ceiling on gross weekly pay which is currently €600. In addition, employees are entitled to notice as per the Minimum Notice Act prior to termination of employment.

A claim for a Redundancy payment should be made in the first instance to the employer. Where an employer fails to comply with their redundancy payment / minimum notice obligations or where there is a dispute regarding entitlements, claims may be referred by the employee to the Employment Appeals Tribunal (EAT). The form and further details on taking a case are available on the Workplace Relations Customer Services website *www.workplacerelations.ie* or through their Information Service at 1890 80 80 90.

Time limits apply to making claims accordingly the following should be noted—

Claims to the EAT must be made within 52 weeks from

- (i) the date of dismissal or
- (ii) the date of ending of contract of employment.

In certain cases and for good cause, the EAT may allow claims made within 104 weeks.

Where it appears that an employer is unable or unwilling to pay any redundancy sum due, the employee should make a claim on a form RP50 to—

The Department of Social Protection
Redundancy Payments Section
Floor 2,
Department of Social Protection,
Block C,
The Earlsfort Centre,
Lower Hatch Street,
Dublin 2.
Telephone: 1890 800 699.

Jobseeker's Allowance

85. **Deputy Jack Wall** asked the Minister for Social Protection the position regarding an application in respect of a person (details supplied) in County Kildare in regard to their job-seeker's allowance appeal; and if she will make a statement on the matter. [32816/12]

Minister for Social Protection (Deputy Joan Burton): I am advised by the Social Welfare Appeals Office a decision will issue to the person concerned within the next 7-10 days.

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.

86. **Deputy Patrick O'Donovan** asked the Minister for Social Protection the position regarding a job-seeker's benefit appeal in respect of a person (details supplied) in County Wexford; when a decision will be made on the case; and if she will make a statement on the matter. [32826/12]

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 23 February 2012. 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 6 March 2012 and the case has been referred to an Appeals Officer who will make a summary decision on the appeal based on the documentary evidence presented or, if required, hold an 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.

Rent Supplement Scheme

87. **Deputy Dan Neville** asked the Minister for Social Protection if there are instances when a Department official will grant rent allowance even if the applicant is not a qualified applicant on the council's housing list. [32829/12]

Minister for Social Protection (Deputy Joan Burton): The purpose of rent supplement is to provide short-term income support to eligible tenants living in private rented accommodation whose means are insufficient to meet their accommodation costs and who do not have accommodation available to them from any other source. The overall aim is to provide short term assistance, and not to act as an alternative to the other social housing schemes operated by the Exchequer. There are approximately 92,000 persons in receipt of rent supplement for which the Government has provided a sum of €436 million for 2012.

At the time of application for a rent supplement, the claimant must:

- have been residing in private rented accommodation (where at the commencement of the tenancy the person could have reasonably afforded the rent and has experienced a substantial change in his or her circumstances where they are now unable to pay the rent) or accommodation for homeless persons or in an institution (or any combination of these) for a period of 183 days within the preceding 12 months of the date of claim for rent supplement, or
- have had an assessment of housing need carried out within the 12 months preceding the date of claim and have been deemed to be eligible for and in need of social housing support.

In all other cases, a person who wishes to apply for rent supplement will be referred, in the first instance, for an assessment of eligibility for social housing support by a housing authority.

[Deputy Joan Burton.]

Only when the person has been assessed as being eligible for and in need of social housing support, does the person become eligible for consideration for rent supplement.

Domiciliary Care Allowance

88. **Deputy Maureen O’Sullivan** asked the Minister for Social Protection if she will include a member of a group (details supplied) as one of the three NGO representatives reserved for the review of the domiciliary care allowance system as they are representatives of multiple disabilities and whose members are also members of a range of other groups; her views on whether a member of this group as part of the review of the DCA system will ensure that input from parents on the frontline of children with disabilities will be represented and that this will contribute to the establishment of a fair and workable system to overcome form the review process. [32860/12]

Minister for Social Protection (Deputy Joan Burton): The review of the domiciliary care allowance (DCA) scheme, as recently announced will commence shortly. The group undertaking the review will be comprised of representatives from a number of government Departments, the National Disability Authority and other persons with relevant experience. Three representatives from a working group established by Downs Syndrome Ireland, Inclusion Ireland, Irish Autism Action, Special Needs Parents Association, the Carers Association and Midlands Regional Forum of People with Disabilities have been invited to be part of the review group. It is considered that this broad representation will reflect the issues and views of the vast majority of parents on the matter.

The terms of reference for the review allows for a consultation process with parents and representative groups to be held. This will allow for all parents and groups not directly represented on the working group to input their concerns and suggestions to the review process.

Proposed Legislation

89. **Deputy Jack Wall** asked the Minister for Social Protection her views regarding a submission (details supplied); her plans to address the issues and concerns raised; if she has had any meetings with other Departments regarding same; and if she will make a statement on the matter. [32872/12]

Minister for Social Protection (Deputy Joan Burton): The Government agreed to the drafting of legislation to provide for a change in the way the assets of a pension scheme are disbursed following wind-up of an under-funded scheme. This is a complex and sensitive issue that requires any proposed solution to achieve the desired level of equity for all scheme members.

Officials from my Department are currently undertaking a detailed examination of possible alternative options. Further technical expertise is also being sought and, following consultations with stakeholders, I will consider bringing forward proposals for inclusion in a forthcoming Social Welfare and Pensions Bill.

Invalidity Pension

90. **Deputy Marcella Corcoran Kennedy** asked the Minister for Social Protection if a decision on an appeal for disablement pension in respect of a person (details supplied) in County Offaly is available; and if she will make a statement on the matter. [32877/12]

Minister for Social Protection (Deputy Joan Burton): I am advised by the Social Welfare Appeals Office that an Appeals Officer having fully considered all the available evidence,

including that adduced at oral hearing, allowed the appeal of the person concerned. The person concerned has been notified of the Appeals Officer decision.

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.

Rent Supplement Scheme

91. **Deputy Martin Heydon** asked the Minister for Social Protection further to Parliamentary Question No. 89 of 20 June 2012, if a case for rent allowance in respect of a person (details supplied) in County Kildare will be reviewed; and if she will make a statement on the matter. [32928/12]

Minister for Social Protection (Deputy Joan Burton): The person concerned was awarded a discretionary once off payment of €800 in March 2011 by his local Community Welfare Officer in relation to his housing. His application for payment of a rent supplement was made in April 2011 and was assessed by the Central Rents Unit which has been responsible for rent allowance claims in this area since December 2009. The person concerned did not furnish a housing needs assessment from his local authority as required under the rules of the scheme until the 10th May 2012. The application can only be awarded from the date of the housing needs assessment.

The claim of the person concerned was not affected by the transfer of the community welfare service service from the HSE to this Department.

FÁS Training Programmes

92. **Deputy Bernard J. Durkan** asked the Minister for Social Protection the extent a person (details supplied) in County Kildare who holds a spousal work permit qualifies for back to work, FÁS training or a community employment scheme; and if she will make a statement on the matter. [32933/12]

Minister for Social Protection (Deputy Joan Burton): The person concerned will be contacted by the facilitator at her local social welfare office regarding her eligibility for the schemes in question.

Rent Supplement Scheme

93. **Deputy Bernard J. Durkan** asked the Minister for Social Protection when arrears of rent supplement are likely to issue in the case of a person (details supplied) in County Kildare whose rent support was terminated; and if she will make a statement on the matter. [32935/12]

Minister for Social Protection (Deputy Joan Burton): The rent supplement payment for the person concerned was temporarily suspended while the Department established his earnings in relation to the recently obtained part time employment. As this information has now been provided, the entitlement has been reinstated and all outstanding arrears have been paid.

Jobseeker's Benefit

94. **Deputy Bernard J. Durkan** asked the Minister for Social Protection the extent of any entitlement to jobseeker's allowance or family income supplement in the case of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [32936/12]

Minister for Social Protection (Deputy Joan Burton): According to the records of this Department, the person concerned has not applied for a jobseeker's allowance payment. Her partner is currently in receipt of a family income supplement payment.

Carer's Allowance

95. **Deputy Bernard J. Durkan** asked the Minister for Social Protection if she will review, approve or refer to appeal the application for carer's allowance in respect of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [32937/12]

Minister for Social Protection (Deputy Joan Burton): The order to qualify for carer's allowance the applicant must meet the qualifying conditions, one of which is that the carer must not be employed or self-employed outside the home for more than 15 hours per week. The application from the person in question was refused on the grounds that they are working/self-employed outside the home in excess of 15 hours per week. The person in question will be contacted directly to explain the situation and her options should she decide to reduce her hours to take up full-time caring duties.

Rent Supplement Scheme

96. **Deputy Bernard J. Durkan** asked the Minister for Social Protection if she will review the case of a person (details supplied) in County Kildare; if a full investigation will be undertaken; if their current case will be examined; and if she will make a statement on the matter. [32938/12]

Minister for Social Protection (Deputy Joan Burton): The person concerned has applied for rent supplement at the rate applicable to himself and one child and not two as stated in the question. In cases where parents have joint custody of a child, the needs of both parents to have adequate accommodation to look after the child are taken into account when an application for a rent supplement is being determined. In this case, rent supplement at the higher rate has been refused to the applicant as his child is being adequately accommodated with the mother. The refusal has been upheld by the HSE appeals office. Rent Supplement can only be awarded when the person concerned reduces his rent to the limit for a single person. As things stand at present, this rent is in excess of that amount.

Public Service Obligation Levy

97. **Deputy Catherine Murphy** asked the Minister for Communications, Energy and Natural Resources if he will recommend an ending of the price support regime provided to assist the production of electricity from peat fired power stations, in view of the strong recommendation agreed at the Rio+20 summit asking Governments to phase out such fossil fuel subsidies; and if he will make a statement on the matter. [32847/12]

99. **Deputy Catherine Murphy** asked the Minister for Communications, Energy and Natural Resources his plans to end the subsidy regime provided to support the production of electricity from peat fired power stations, in view of the strong recommendation agreed at the Rio+20 summit asking Governments to phase out such fossil fuel subsidy regimes; and if he will make a statement on the matter. [32848/12]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I propose to take Questions Nos. 97 and 99 together.

The Public Service Obligation (PSO) levy has been in place since 2001 and is a support mechanism for peat generation, some conventional generation and the development of renewable electricity. The levy is designed to compensate electricity suppliers for the additional costs they incur by purchasing electricity generated by the three peat stations and renewable energy sources. The PSO Scheme for peat was approved by the European Commission in 2001 and was designed to enable the accelerated closing down by ESB, of existing six old peat fired

plants and building two new more environmentally friendly and efficient plants with a 15-year operation lifetime. The PSO also applied to the peat fired plan in Edenderry which is now owned by Bord na Móna.

The use of peat for power generation and the related PSO support is already being phased out. The PSO for Edenderry expires in 2015. Bord na Móna is incrementally increasing the co-firing of biomass with peat in anticipation of the cessation of peat in three years time. The PSO for the two ESB peat stations expires in 2019 and the use of peat by power generation at the stations will therefore cease in seven years time. ESB is conducting initial research and trialing on the potential to convert the stations to biomass.

Inland Fisheries

98. **Deputy Luke ‘Ming’ Flanagan** asked the Minister for Communications, Energy and Natural Resources if he will provide this Deputy with the outline graph of the electro fishing audit of the tributary rivers of the River Barrow downstream of Carlow Town. [32958/12]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Inland Fisheries Ireland (IFI) has carried out four catchment-wide electric fishing (CWEF) surveys of the River Barrow. With the exception of 2008 the Barrow survey has been carried out annually since 2007. The following results for 2011 are the data requested by the Deputy:

A catchment wide survey of the Barrow catchment was carried out in August and September 2011. The survey comprised 84 sites of which 79 were included in the analysis. Salmon fry were present at 60 sites. For the Deputies information I attach a copy map showing the sites sampled in 2011. The maximum fry catch was 86 salmon at site 102. A catch of zero fry was recorded at 24 sites. The mean catch of sites included in the analysis was 24.75 salmon fry/5min. Other fish species recorded included Eel, Stickleback, Minnow and Stoneloach.

Conservation limits and catchment wide electric fishing averages for the River Barrow catchment 2007-2011

Year	Salmon Conservation Limit	Estimated Adult Salmon Surplus	Annual Average salmon fry/5min	Cumulative Average salmon fry/5min
2007	12,117	-8,859	17.80	
2008	12,117	-7,003		17.80
2009	12,117	-7,292	10.20	14.00
2010	12,117	-7,343	8.28	12.09
2011	12,117	-7,324	24.75	15.35
2012	12,117	-7,135		

The Barrow had a mean catch of 24.75 salmon fry/5min in 2011 resulting in a cumulative average of 15.35 salmon fry/5min to date which is below the threshold level of 17 salmon fry/5min. In catchments where the threshold of 17 salmon fry is equalled or exceeded, fishery managers have opened catchments for catch and release salmon angling. The Barrow electro-fishing results suggest that the salmon population was below its conservation limit in 2011.

Question No. 99 answered with Question No. 97.

Renewable Energy

100. **Deputy Catherine Murphy** asked the Minister for Communications, Energy and Natural Resources the progress he has made in the recent negotiations with the Minister of Energy in the UK with regard to the future integration of the UK and Irish power markets and possible

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future trade in large scale renewable power supplies between the Irish and UK markets; when he expects negotiations on such new market arrangements to conclude; the new regulatory or other market mechanisms that are likely to arise; the changes he will make to the single electricity market to facilitate increasing trade in renewable power between the two markets; and if he will make a statement on the matter. [32849/12]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The 2009 Renewable Energy Directive (Articles 6-11 of Directive 2009/28/EC) provides mechanisms whereby renewable electricity can be traded between countries so that renewable power produced in one country may be counted towards the legally binding renewable target in another. This can be done through a number of mechanisms including statistical transfer and joint projects. The UK Department of Energy has recently concluded a public call for evidence around the issues involved in opening up their market to allow for renewable electricity imports.

My recent meeting with UK Energy Minister Charles Hendry covered a number of issues, one of which was the possibility of renewable energy trading between the jurisdictions in the context of the framework provided by the Renewable Energy Directive. Exploring renewable trade was already agreed at a high level at the 2011 June British Irish Council summit and had been progressed in the interim at the British Irish Council working group level.

Last month at my meeting with Minister Hendry, both sides agreed to work towards concluding a Memorandum of Understanding by the end of the year which will be an important step in relation to the proposition of cross border renewable trade between the two jurisdictions.

Increased interconnection between the two islands offers Irish developers the prospect of being able to access a much larger electricity market. The electricity market in GB is around ten times the scale of the electricity market in Ireland. In the short term there are opportunities for on and offshore wind and biomass projects, but in the medium to longer term as technologies mature and become commercially deployable, there will also be opportunities for wave and tidal developers.

Any project development that takes place for export has to occur under the auspices of a legal inter-governmental agreement with the UK under Directive 2009/28/EC. There are currently a number of project developers that have expressed interest in renewable export. The manner in which projects falling under the Inter-Governmental agreement would be selected has not yet been determined.

Officials from both sides are examining a range of issues around the electricity market, regulatory and technical grid areas to underpin the creation of cross jurisdictional renewable electricity trade. I expect to meet Minister Hendry again in the autumn to review progress on the official level discussions and to ensure momentum towards seeking agreement on renewable trading. We will work to develop the terms of such an agreement in a way which ensures a mutually beneficial arrangement with the UK and to ensure tangible economic benefits for Ireland.

Separate to the question of trade in renewable electricity, under the third liberalisation package — a set of Directives and Regulations aimed at advancing the goal of a common electricity and gas market in Europe — Ireland is required to move towards a target market for electricity within the EU by 2016. Ireland is liaising closely with the UK and EU on the regional market and changes to the structure of the Single Electricity (SEM) are being assessed and consulted on by the 2 regulators North and South in conjunction with the two Departments.

Urban Renewal Schemes

101. **Deputy Willie O’Dea** asked the Minister for the Environment, Community and Local Government if he has been contacted regarding an arrangement brokered by the Impact Trade Union, whereby four persons who were working for Limerick Regeneration on fixed term contracts would be employed by the Health Service Executive when their contracts expired; his role in this arrangement; if not, if this arrangement has to be sanctioned by any other Government authority or public body; and if he will make a statement on the matter. [32857/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Limerick Regeneration Agencies are being dissolved and a new structure has been put in place to deliver regeneration in Limerick, headed by a Director of Regeneration, who will report to the new Manager for Limerick City Council and Limerick County Council.

Day to day operational matters in relation to, *inter alia*, staff management are a matter for the Limerick Regeneration Agency and/or the new Regeneration Office as appropriate. The new Regeneration Office has initially been set up with administrative support from Limerick City Council but will report directly to the Manager Designate of the new Limerick Unitary Authority once appointed.

My Department has no function or role in the employment of staff in the Health Service Executive.

Waste Disposal

102. **Deputy Sean Fleming** asked the Minister for the Environment, Community and Local Government the current rate of the landfill levy; his proposals to change this rate; and if he will make a statement on the matter. [32828/12]

103. **Deputy Joanna Tuffy** asked the Minister for the Environment, Community and Local Government if his attention has been drawn to the fact that a company (details supplied) has notified customers of an increase in their bin collection charges, due to an increase in landfill levy by 30% from €50 to €65 per tonne from July 2012; if further attention has been drawn to these increases will place an additional strain on financially strapped families and old aged pensioners [32838/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I propose to take Questions Nos. 102 and 103 together.

Our current reliance on landfill as the primary waste treatment method is unsustainable. Ireland must comply with challenging targets under the EU Landfill Directive with regard to the diversion of biodegradable municipal waste from landfill or face referral to the European Court of Justice for the possible imposition of fines.

The landfill levy is chargeable on waste presented for disposal at landfill facilities. The current rate of the landfill levy is €65 per tonne. This rate came into effect on 1 July 2012 and represents an increase of €15 over the previous rate of €50 per tonne. This increase sends a further strong price signal to the producers, collectors and managers of waste, to deter against unsustainable behaviour and to encourage a shift away from landfill to waste management practices which are more closely aligned with the higher tiers of the waste hierarchy. A further increase in the levy is also planned, to €75 per tonne in July 2013.

I hope to see significantly improved levels of prevention, recovery, recycling and reuse of waste as a consequence of these increases. Assistance to both householders and businesses in

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reducing their generation of waste, and thus their costs, is available through the National Waste Prevention Programme, administered by the Environmental Protection Agency.

The latest available data from the Environmental Protection Agency's National Waste Report 2010 state that 0.184 tonnes of household waste per person was sent to landfill in 2010. This equates to 0.497 tonnes per household (based on the average Irish household size of 2.7 persons), which would indicate an average increased cost per household of approximately €7.50 per annum due to the change in the landfill levy rate. However, this does not take account of the dissuasive effect of the levy increase referred to above, the intention of which is to encourage prevention and recycling and therefore decrease the amount of waste generated per household which falls subject to the levy, and reduce the impact of the levy increase on waste charges.

As the waste collection market is currently structured, the pricing schemes used by private waste collectors are a matter for determination as between the service providers and consumers of the service, subject to compliance with a service provider's collection permit and other legal responsibilities. Any consumer who is dissatisfied with the service currently provided to them may consider switching to an alternative service provider, although this may not always be a realistic option in certain areas. I would encourage consumers to seek full information from their service provider in relation to any increases to their charges, particularly in relation to the amount of waste collected and how much of their waste is being sent by the collector to landfill.

The Programme for Government contains a commitment to introduce competitive tendering for household waste collection, under which service providers would bid to provide waste collection services in a given area, for a given period of time and to a guaranteed level of service, a system otherwise known as 'franchise-bidding'.

I expect to be in a position to finalise proposals for Government in relation to waste policy, including household waste collection, in the coming weeks. All policy proposals will be carefully considered by Government and will take account of the full range of issues and perspectives, including the matter of waivers for low income households.

An objective of any such policy will be to help ensure that households and service providers are incentivised to behave in a sustainable fashion — pricing structures more closely aligned with the polluter pays principle are one such method of driving improved environmental performance.

Waste Management

104. **Deputy Joanna Tuffy** asked the Minister for the Environment, Community and Local Government the position regarding proposals to put in place a national household waste collection waiver system; and if he will make a statement on the matter. [32839/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Programme for Government contains a commitment to introduce competitive tendering for household waste collection, under which service providers would bid to provide waste collection services in a given area, for a given period of time and to a guaranteed level of service, a system otherwise known as 'franchise-bidding.'

A public consultation designed to inform the policy development process concluded in September 2011. A large number of responses were received from a broad spectrum of interests. A consensus is not apparent and, on almost all of the relevant issues, a considerable breadth of opinion was expressed. All of the responses received, in addition to a summary document, are available on my Department's website, www.environ.ie.

I expect to be in a position to finalise proposals for Government in relation to household waste collection in the coming weeks. All policy proposals will be carefully considered by Government and will take account of the full range of issues and perspectives, including the matter of waivers for low income households.

Recycling Policy

105. **Deputy Dominic Hannigan** asked the Minister for the Environment, Community and Local Government if he has any role in the development of recycling facilities in towns; if he had any contact with Meath County Council regarding the provision of recycling facilities in Stamullen, County Meath; and if he will make a statement on the matter. [32843/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): In accordance with the provisions of the Waste Management Acts, the preparation and adoption of a waste management plan, including in respect of the provision of recycling facilities, is the statutory responsibility of the local authority or authorities concerned, in this case Meath County Council. Under section 60(3) of the Act I am precluded from exercising any power or control in relation to the performance by a local authority, in particular circumstances, of a statutory function vested in it.

However, my Department operates a grant scheme, the Waste Recycling Capital Grants Scheme, under the terms of which a local authority may apply for grant assistance towards the development of such facilities in their functional area. To date, Meath County Council has not contacted my Department seeking grant assistance towards the provision of such a facility at Stamullen, Co. Meath.

Non-Principal Private Residence Charge

106. **Deputy Brendan Griffin** asked the Minister for the Environment, Community and Local Government his views on the 2 km rule on the non principal private resident charge (details supplied); and if he will make a statement on the matter. [32845/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Local Government (Charges) Act 2009, as amended, broadened the revenue base of local authorities by introducing a charge on non-principal private residences. The charge is set at €200 and is being levied and collected by local authorities.

The Act provides at section 4(6) for an exemption from the charge in a situation where the residential property in question is occupied rent-free as the sole or main residence of a relative of the owner and the sole or main residence of the owner is either on the same property or within two kilometres of it. The condition that the owner of the property must reside within two kilometres follows precedent from section 466A of the Taxes Consolidation Act 1997, which deals with the home carer tax credit.

I have no plans at present to amend the legislation relating to the non-principal private residence charge.

Social and Affordable Housing

107. **Deputy Joanna Tuffy** asked the Minister for the Environment, Community and Local Government if he has issued any guidelines to local authorities in respect of local authority tenants who are married, separated and where one of the spouses is in need of separate accommodation; if there is any onus on the council to provide separate accommodation for the spouse concerned; if he has not issued guidance to local authorities on this issue; his plans to do so, to

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ensure sympathetic treatment of families in this situation by local authorities; and if he will make a statement on the matter. [32853/12]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O’Sullivan): Paragraph (1) of Regulation 22 of the Social Housing Assessment Regulations, 2011, provides that a household with alternative accommodation that would meet its housing need is ineligible for social housing support. Paragraph (2) of the Regulation effectively ensures that paragraph (1) does not operate to exclude from eligibility for social housing support an applicant who owns accommodation that is occupied by his or her spouse, from whom he or she is separated or divorced.

The Regulation is worded in such a way that once there is a Deed of Separation in place, this aspect of eligibility for social housing support can be determined. There is no need therefore to await judicial separation or divorce to get a decision on social housing support in these cases. I consider that this provision is reasonable in most cases.

I acknowledge, however, that situations may exceptionally arise that may not easily be dealt with under the current Regulations. My Department is keeping the social housing assessment provisions under review and in this context will consider what wider discretion might be given to housing authorities to address the individually difficult and complex cases which may present to them.

Building Regulations

108. **Deputy Nicky McFadden** asked the Minister for the Environment, Community and Local Government if architectural technologies will be deemed suitably qualified to sign certificates of compliance with planning and building regulations under the draft Building Control (Amendment) Regulations Bill 2012; and if he will make a statement on the matter. [32862/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I have recently released for public consultation proposed Building Control (Amendment) Regulations which will provide for:

(a) the introduction of mandatory certificates of compliance by builders and designers of buildings confirming that the statutory requirements of the Building Regulations have been met;

(b) the lodgement of drawings at both commencement and completion of construction, demonstrating how the building has been designed and built to comply with all parts of the Building Regulations.

The regulations as proposed require, among other things, that the owner of a proposed building or works must assign a competent professional to inspect and certify the proposed building or works. The assigned person must be an Architect or a Building Surveyor named on a register maintained in line with Part 3 or Part 5 respectively of the Building Control Act 2007 or be a Chartered Engineer named on the register maintained under Section 7 of the Institution of Civil Engineers of Ireland (Charter Amendment) Act 1969.

It is envisaged that the assigned person will inspect and certify the building or works in line with a Code of Practice which is currently being prepared and which will be published, following consultation with industry stakeholders, in advance of the implementation of the proposed regulations.

The proposed Building Control (Amendment) Regulations will now be reviewed by my Department in the light of the submissions received during the public consultation process, which closed on 24 May 2012, with a view to having a final set of Regulations prepared and signed into law in the coming months.

The Building Control Act 2007, among other things, provides at parts 3 and 5 respectively for the registration of persons entitled to use the title of Architect and Building Surveyor. A variety of routes to registration as either Architect or Building Surveyor are provided for, having regard to the academic qualifications, professional attainment and practical experience of prospective candidates for registration. I understand that a number of members of the Chartered Institute of Architectural Technologists (CIAT) have already successfully applied for registration on the register of Architects. Depending on their academic qualifications, professional attainments and practical experience members of CIAT may also be eligible for registration on the register of Building Surveyors. I would encourage members of CIAT interested in signing certificates of compliance to explore and pursue the routes to registration which may be open to them having regard to their own professional background.

National Housing Survey

109. **Deputy Éamon Ó Cuív** asked the Minister for the Environment, Community and Local Government when it is hoped that the national housing survey will be completed; if this involves visiting every housing estate in the State or at least every housing estate that has not been taken in charge by the local authorities; and if he will make a statement on the matter. [32894/12]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O'Sullivan): The National Housing Survey 2012 commenced in June and will be conducted over the summer months. Following on from previous surveys, conducted in 2010 and 2011, it will assess those housing estates which remain incomplete and which were commenced from 1 January 2007. In exceptional circumstances, it may include estates which pre-date this but whose attributes merit inclusion; otherwise, the normal taking-in-charge conditions which are specified in the planning codes apply to such developments.

The reports of previous housing surveys of unfinished estates have been a useful tool when responding to the difficulties presented and it is anticipated that the 2012 survey will similarly inform policy and practice and assist stakeholders in discharging their responsibilities in respect of these incomplete developments.

The data gathered as part of the survey will be collated and published in the autumn.

Household Charge

110. **Deputy Éamon Ó Cuív** asked the Minister for the Environment, Community and Local Government when he intends to make further regulations under the Local Government (Household Charge) Regulations similar to those made in 2012; if the category of estate that will be exempt from the household charge will be reviewed; and if he will make a statement on the matter. [32895/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Local Government (Household Charge) Act 2011 provides the legislative basis for the household charge. Under the Act, an owner of a residential property on the liability date of 1 January 2012 is liable to pay the household charge, unless otherwise exempted or entitled to claim a waiver. The household charge is on a self-assessment basis and it is a matter for an owner of a residential property on the liability date to determine if he or she has a liability

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and, if so, to declare that liability and pay the household charge. Section 4(4)(b) and section 4(6) of the Act provide that a waiver from the charge applies in 2012 and 2013 to properties in certain unfinished housing estates specified in a list prescribed by the Minister. As part of the process of preparing the National Housing Development Survey 2011, published by my Department in October 2011, local authorities provided details of all unfinished housing developments in their areas. Unfinished housing developments were divided into four categories as follows:

- Category one, where the development is still being actively completed by the developer, or where no serious public safety issues exist;
- Category two, where a receiver has been appointed;
- Category three, where a receiver has not been appointed and the developer is still in place but effectively inactive; and
- Category four, where the development has been effectively abandoned and is posing serious problems for residents.

Other relevant factors for the purposes of the categorisation process include, *inter alia*:

- the state of completion of roads, footpaths, public lighting facilities, piped water and sewerage facilities and open spaces or similar amenities within the development;
- the extent to which the development complies with the terms of applicable planning permission;
- the extent to which it complies with the provisions of the Building Control Acts 1990 and 2007;
- the provisions of the Local Government (Sanitary Services) Act 1964 as they pertain to dangerous places and dangerous structures within the meaning of the Act;
- the extent to which facilities within the development have been taken in charge by the local authority concerned and
- where there is an agreement regarding the maintenance of such facilities, the extent to which this agreement has been complied with.

In some cases a local authority may have found that conditions in respect of a certain phase of a development were relatively good and that, for example, no serious public safety issues could be identified. This phase of the development may have been categorised under category 1 or 2. Conversely, safety issues may have been identified in another phase of the same overall development, or development in that second phase may have been abandoned altogether, implying a category 3 or 4 identification for that phase.

This categorisation formed the basis for the list of those unfinished developments eligible for a waiver on the annual household charge.

Only households in developments in categories three and four are eligible for the waiver from payment of the household charge. The list of developments in which households are eligible for the waiver in 2012 is set out under the Local Government (Household Charge) Regulations 2012 and forms the complete list of such developments for this year. A revised list of estates will be prescribed for 2013 after which time the waiver for unfinished housing

developments will end. Throughout this period it is anticipated that the numbers of categories 3 and 4 developments will decrease as my Department continues to work with local authorities and other stakeholders to resolve outstanding issues, including through the Public Safety Initiative.

Unfinished Housing Developments

111. **Deputy Éamon Ó Cuív** asked the Minister for the Environment, Community and Local Government if it is intended to introduce legislation to force the developers or owners including receivers and liquidators to complete all unfinished houses in such estates or demolish them within a fixed time frame, in view of the anti-social behaviour these house attract; and if he will make a statement on the matter. [32896/12]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O’Sullivan): The issues faced by residents of unfinished housing developments are matters which my Department has been proactively addressing. I am chairing the National Co-ordination Committee on Unfinished Housing Developments to oversee implementation of the Report of the Advisory Group on Unfinished Housing Developments, together with the Government’s response to its recommendations. The Committee includes representatives from the Irish Banking Federation, local authorities, the Housing and Sustainable Communities Agency, NAMA, residents and the construction sector, and real progress is being made with regard to the public safety works required to improve the living conditions of existing residents on some unfinished estates. The Committee is meeting on a regular basis and intends to publish a report on overall progress in its first year of operation today.

The work of this Committee includes consideration of the long-term fate of empty or part-completed housing units. In this regard, I am satisfied that the powers available to local authorities are sufficient to enable them to ensure that necessary actions are carried through.

There has been limited demolition of unfinished developments. Notwithstanding this, my Department is aware that debtors and financial institutions, including NAMA, are considering the best long term solutions for their sites and in some cases this may include the removal of partially constructed or vacant buildings. This is a matter for those developers, receivers and financial institutions.

Also, work on the National Housing Development Survey 2012 is currently under way and in this context local authorities are re-examining all unfinished developments in their areas. The findings of this survey, which I expect to have published this autumn, will inform future decisions on the nature and scale of works to be carried out on individual developments by those responsible for their completion.

Burial Grounds

112. **Deputy Michael Healy-Rae** asked the Minister for the Environment, Community and Local Government his views on whether all local authorities in the country should be directed to install and provide toilets in graveyards, in the interest of people visiting graveyards, people working there and people attending masses and so on; and if he will make a statement on the matter. [32901/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The management and maintenance of burial grounds, including installation and provision of toilets in graveyards, is entirely a matter for each local authority concerned and one in which my Department has no direct function.

Departmental Funding

113. **Deputy Dara Calleary** asked the Minister for the Environment, Community and Local Government when he will expect to permit Pobal to enter into a contract with an organisation (details supplied) in County Mayo; and if he will provide funding of €41,925 as has been made available to the project by his Department; and if he will make a statement on the matter. [32957/12]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I understand that an application from the organisation in question is currently in the appraisal process and a recommendation will be made shortly. Any decision arising will be notified to the applicant as soon as possible.

Legislative Briefings

114. **Deputy Stephen S. Donnelly** asked the Minister for Justice and Equality if he will list all organisations and individuals who were briefed on the Personal Insolvency Bill between the Cabinet meeting on 26 June 2012 and the briefing for Members of the Houses of the Oireachtas on 29 June at 2.30 pm; and if he will make a statement on the matter. [32819/12]

Minister for Justice and Equality (Deputy Alan Shatter): Prior to the briefing offered to the members of the Oireachtas on Friday 29 June, the primary information exercise engaged in by my Department in regard to this very significant and complex reform Bill centred on the media briefing, both for print and broadcast, on the morning of Friday 29 June.

Following that media briefing, and in response to requests in that regard, my officials offered a short briefing to a number of relevant organisations who have a significant interest in or who had provided submissions on the Bill. These included the Citizens Information Board, the Free Legal Advice Centres (FLAC), New Beginning, the Phoenix Project, credit union representatives, St Vincent De Paul and a number of legal and accountancy companies. As many of the persons were present in a representative capacity, it would not be appropriate for me to name individuals.

The briefing offered to members of the Oireachtas followed on the afternoon of Friday 29 June.

Garda Reserve

115. **Deputy Patrick O'Donovan** asked the Minister for Justice and Equality his plans and the Garda management plans to increase the strength of the Garda reserve in the absence of recruitment to An Garda Síochána; and if he will make a statement on the matter. [32820/12]

Minister for Justice and Equality (Deputy Alan Shatter): The moratorium on Public Service Recruitment does not apply to members of the Garda Reserve, as they are volunteers, and recruitment to the Reserve is ongoing. The target strength of the Garda Reserve is 10% of the full time Force and I would like to assure the House that the Government are fully committed to its continued development. I have been informed by the Garda authorities that as of the 31 May, 2012, the latest date for which figures are readily available, the strength of the Garda Reserve was 918, with a further 225 in training.

Members of the Garda Reserve make a hugely valuable contribution to policing. I would like to place on record my appreciation of the members of the Reserve who give of their time on a voluntary basis and for their ongoing commitment to the Garda Síochána.

Garda Deployment

116. **Deputy Patrick O'Donovan** asked the Minister for Justice and Equality the number of an Garda Síochána serving in non-policing duties including clerical, communications and management by division; his plans to civilianise these roles to release personnel for policing duties; and if he will make a statement on the matter. [32821/12]

Minister for Justice and Equality (Deputy Alan Shatter): I have been informed by the Garda Commissioner that some 339 members of the Garda Síochána are in receipt of designated post or ex-gratia allowances which are paid to members exclusively engaged in administrative duties relating to their functions. The incumbents of the majority of these posts are Gardaí and Sergeants employed in District, Divisional and Regional Offices. The remainder are employed in branches throughout Garda Headquarters.

There are currently over 2,000 full-time-equivalent civilian support staff in the Garda Síochána. These staff provide vital support services in a wide range of areas, such as human resources, training and development, IT and telecommunications, finance and procurement, internal audit, research and analysis, accommodation and fleet management, scene-of-crime support and medical services. In doing so, they release highly trained Gardaí from administrative tasks to operational policing.

We will continue to maximise the number of civilian support staff in An Garda Síochána consistent with overall policy on numbers in the public service and taking into account the scope for the appropriate redeployment of staff from elsewhere in the public service as part of the reform process under the Croke Park Agreement.

Garda Reserve

117. **Deputy Patrick O'Donovan** asked the Minister for Justice and Equality his views on a situation in which retired or retiring members of an Garda Síochána become eligible to be members of the Garda Reserve, to assist in administrative and office duties and thereby release Garda personnel for policing duties and reduce the training cost of reservists; and if he will make a statement on the matter. [32822/12]

Minister for Justice and Equality (Deputy Alan Shatter): Entry to the Garda Reserve is governed by the Garda Síochána (Reserve Members) Regulations 2006. Regulation 4(4) of these Regulations provides that former members who on retirement received an 'exemplary', 'very good' or 'good' discharge from the Garda Síochána are automatically deemed to meet the entry requirements.

Departmental Staff

118. **Deputy Thomas P. Broughan** asked the Minister for Justice and Equality further to Parliamentary Question No 436 of the 26 June 2012, if personnel records in his Department are computerised; if a date of birth is a field on this system; if his Department conducts equality monitoring of competitions to ensure no unlawful discrimination such as ageism occurs; and if so, if the selection process used to select staff members to Brussels has been the subject to an equality audit; if he will detail both the weight that applied to the various short listing criteria; the way the marks were awarded for items; and if he will make a statement on the matter. [32823/12]

Minister for Justice and Equality (Deputy Alan Shatter): My Department, in common with most areas of the Civil Service, maintains personnel records of staff in an electronic format on the civil service wide system called HRMS. The date of birth of staff is, of course, held on

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the HRMS. My Department also maintains a hard copy personnel file in respect of every staff member.

My Department is committed to policies conducive to promoting equal opportunities for all its staff regardless of their age. My Department conducted this selection process in an open fashion, first seeking preliminary expressions of interest for relevant staff and then subsequently inviting those staff to submit formal applications. The age of applicants had no relevance to the selection process: an applicant's age was neither sought from staff on submitting an application, nor established in the processing of their application, nor included in the information provided to the selection board, nor were the members of the selection board otherwise advised of or instructed to take the age of applicants into account. Indeed, to have done so would have been inappropriate and not in keeping with promoting equal opportunities for all eligible staff. I can confirm that an equality audit was not carried out in regards to the selection process under question, nor is one considered necessary.

In respect of the CO and EO grades where short-listing was conducted, experienced more senior staff reviewed all applications received, awarded marks based on each criterion and a total mark per applicant was therefore available. Given the number of postings to be made, an appropriate number of applicants were called to the next phase in the process. The weights applicable to the relevant criteria are as follows;

Clerical Officer		Executive Officer	
Quality of Application	40	Quality of Application	40
Supervisor's assessment	40	Supervisor's assessment	40
Relevant experience and overall suitability assessed relative to the job/personal requirements set out for the post	100	Judgement/decision-making skills	40
Ability to work as part of a team	40	Communication skills	40
Ability to work on own initiative	40	Ability to work on own initiative and show commitment	40
Communication skills	40	Relevant experience and overall suitability assessed relative to the job/personal requirements set out for the post	100

The Deputy should be aware that the selection process was not a competitive promotion process, rather it was an assignment of staff, within their own grade, to a particular area of work. Given that this particular assignment was to a post outside the jurisdiction, the opportunity was opened up to all eligible staff in each grade to express an interest. More generally, if the Deputy is aware of any staff member who has a grievance about this process, those concerns might more appropriately be brought to the attention of my Department's HR Division.

Citizenship Ceremonies

119. **Deputy Sean Fleming** asked the Minister for Justice and Equality the fees payable by each of the 4000 new Irish citizens in respect of the swearing in ceremony at the National Convention Centre, Dublin; the amount of fees paid as part of the application process prior to same; the total amount payable from this process; the way these funds are utilised; and if he will make a statement on the matter. [32830/12]

Minister for Justice and Equality (Deputy Alan Shatter): In June 2011 I introduced formal citizenship ceremonies for the first time since the foundation of the State. The ceremonies allow candidates for citizenship make their declaration of fidelity to the Irish nation and loyalty

to the State and receive their certificate of naturalisation in a meaningful and dignified manner which befits the importance and solemnity of the occasion. The ceremonies are being provided at no extra cost to applicants. To date, 51 such ceremonies have been held at which almost 15,000 candidates have become Irish citizens under the new procedures and these ceremonies have been met with universal approval.

The prescribed fees to be paid by applicants on the issue of a certificate of naturalisation were last increased by the Irish Nationality and Citizenship (Fees) Regulations 2008, which came into effect on 1 August 2008. The standard certification fee is €950 while a reduced fee of €200 applies in the case of an application made on behalf of a minor or in certain circumstances when the application is made by a widow, widower or surviving civil partner of an Irish citizen. In the case of refugees and stateless persons no fee is charged.

The increases in certification fees were in line with inflation for the period 1993 to 2008. While the fees are designed to reflect the effort and cost involved in processing the different categories of applicant, the certification fees do not recoup the full cost of processing the applications. Naturalisation fees, as is the case with all such fees, are lodged to the central fund as an appropriation-in-aid.

In November 2011, I signed into law Statutory Instrument 569/11, which introduced an application fee of €175 for new applications for a certificate of naturalisation. It should be noted that the persons who have been granted citizenship at ceremonies to date would not have been required to pay an application fee as their applications were submitted before November 2011. The application fee was introduced to contribute towards the costs of processing those applications that do not attract any certification fee and to help reduce the proportion of invalid and ineligible applications being lodged. The Statutory Instrument also introduced a series of changes to the application forms, in particular to facilitate applicants who are the civil partners of Irish citizens. Prior to the enactment of these regulations no fee was paid on application and only the certification fee was paid when naturalisation was granted.

Anti-Social Behaviour

120. **Deputy Joanna Tuffy** asked the Minister for Justice and Equality the action he will take to tackle anti-social behaviour problems, including an increase in physical violence, on our streets; and if he will make a statement on the matter. [32832/12]

Minister for Justice and Equality (Deputy Alan Shatter): I am very conscious that anti-social behaviour causes great distress and the Programme for Government underscores our commitment to address this problem. Despite understandable public concern over recent incidents, it is important that the good work carried out by An Garda Síochána is recognised. The latest figures published by the CSO show that in the year to 31 March 2012 there was a reduction of over 8% in assault and related cases and over 14% in public order offences. Indeed, most categories of recorded crime fell in the period.

I share the Deputy's concern about the use of physical violence, including some extremely serious and disturbing incidents on the streets of Dublin in recent times. I am, of course, in regular contact with the Garda Commissioner regarding these matters and these contacts will continue.

It is clear that excessive drinking as well as drug use can fuel violence and it is essential that everything possible is done to prevent such incidents happening on our streets.

An Garda Síochána are using the strong legal powers available to them under the Public Order Acts and the Intoxicating Liquor Acts to keep our streets as safe as possible, including prosecutions where appropriate. These provisions deal with street violence and anti-social con-

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duct attributable to excessive drinking and Garda powers include the seizure of alcohol to prevent underage drinking in public places and to forestall public disorder or damage to property. Gardaí may also issue fixed charge notices for the offences of intoxication in a public place and disorderly conduct in a public place. These are a more efficient use of Garda resources and avoid court proceedings when an offender pays the penalty.

Garda resources are deployed where experience and analysis shows they are most needed. New Garda rostering arrangements have been introduced in recent weeks. As a result of these new arrangements, Gardaí can be on duty at the times of the day when they are most needed. This is particularly important in dealing with public order issues as it is generally on certain nights of the week and between certain hours that there is the greatest need for Garda patrols.

Dealing with anti-social behaviour is not simply about policing and I intend, in the coming months, to put in place new regulations to prohibit the below-cost selling of alcohol and also alcohol promotions which encourage excessive drinking.

Since my appointment as Minister, I have been doing everything possible to support the Gardaí in their work. While it is true that no area can be exempt from our current economic difficulties, huge resources are still made available to policing. The Garda Commissioner has been concentrating, with my full support, on making sure he is in a position to deploy the very dedicated men and women of An Garda Síochána as effectively as possible. The Commissioner is also very aware that I will give full consideration to any proposals for changes in the law which would help the Gardaí do their job better and more effectively.

Subsidiary Protection

121. **Deputy Finian McGrath** asked the Minister for Justice and Equality if he will support the case of a person (details supplied). [32837/12]

Minister for Justice and Equality (Deputy Alan Shatter): The person concerned entered the State on 17 October 2002. She registered with the Immigration authorities on 7 January 2003 and was given further permission to remain on student conditions. In May 2004 due to poor attendance at college she was refused further permission and since then has been in the State without the permission of the Minister. The person concerned gave birth to her son in the State on 15 March 2007.

On the 9 August 2011 an application for change of status pursuant to Section 4(7) of the Immigration Act, 2004 was submitted by the legal representative of the person concerned and her son. This application was refused and the persons concerned notified by letter dated 2 March 2012. Consequently, in accordance with Section 3 of the Immigration Act 1999, the person concerned and her son was notified, by letter dated 12 June, 2012, that the Minister proposed to make Deportation Orders in respect of them. They were given the options, to be exercised within 15 working days, of leaving the State voluntarily, of consenting to the making of Deportation Orders or of making representations to the Minister setting out the reasons why they should not have Deportation Orders made against them.

The position in the State of the persons concerned and her son will now be decided by reference to the provisions of Section 3 (6) of the Immigration Act 1999 (as amended) and Section 5 of the Refugee Act 1996 (as amended) on the prohibition of refoulement. All representations submitted will be considered before a final decision is made. This case is currently under consideration and a decision will be conveyed in writing to the persons concerned shortly.

Queries in relation to the status of individual immigration cases may be made directly to the INIS by e-mail using the Oireachtas Mail facility which has been specifically established for

this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from the INIS is, in the Deputy's view, inadequate or too long awaited.

Citizenship Applications

122. **Deputy Finian McGrath** asked the Minister for Justice and Equality the position regarding an application for citizenship in respect of a person (details supplied) in Dublin 3 [32852/12]

Minister for Justice and Equality (Deputy Alan Shatter): I am advised by the Citizenship Division of the Irish Naturalisation and Immigration Service (INIS) that there is no record of an application for a certificate of naturalisation from the person referred to in the Deputy's question.

It is open to any individual to lodge an application for citizenship if and when they are in a position to meet the statutory requirements as prescribed in the Irish Nationality and Citizenship Act 1956 as amended. The on-line Naturalisation Residency Calculator available on the INIS web-site at *www.inis.gov.ie* can be used as a guide to whether an individual satisfies the naturalisation residency conditions and, if not, give an indication of how long they should wait before making an application.

Queries in relation to the status of individual immigration cases may be made directly to INIS by e-mail using the Oireachtas Mail facility which has been specifically established for this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from INIS is, in the Deputy's view, inadequate or too long awaited.

Residency Permits

123. **Deputy Jack Wall** asked the Minister for Justice and Equality the position regarding an application for Stamp 4 status in respect of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [32854/12]

Minister for Justice and Equality (Deputy Alan Shatter): The person concerned entered the State on 19 December 2003 and was granted permission to remain until 19 March 2004. The person concerned has been in the State without the permission of the Minister since March 2004. Consequently, in accordance with Section 3 of the Immigration Act 1999, the person concerned was notified, by letter dated 14 May, 2009, that the then Minister proposed to make a Deportation Order in respect of her. She was given the options, to be exercised within 15 working days, of leaving the State voluntarily, of consenting to the making of a Deportation Order or of making representations to the Minister setting out the reasons why she should not have a Deportation Order made against her.

Representations have been received on behalf of the person concerned. The position in the State of the person concerned will now be decided by reference to the provisions of Section 3 (6) of the Immigration Act 1999 (as amended) and Section 5 of the Refugee Act 1996 (as amended) on the prohibition of refoulement. All representations submitted will be considered before a final decision is made. Once a decision has been made, this decision and the consequences of the decision will be conveyed in writing to the person concerned.

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Queries in relation to the status of individual immigration cases may be made directly to the INIS by e-mail using the Oireachtas Mail facility which has been specifically established for this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from the INIS is, in the Deputy's view, inadequate or too long awaited.

Garda Deployment

124. **Deputy Thomas P. Broughan** asked the Minister for Justice and Equality the number of gardaí by rank that were on duty for the three recent concerts at Croke Park, Dublin 3 in June 2012; and if he will make a statement on the matter. [32886/12]

Minister for Justice and Equality (Deputy Alan Shatter): Croke Park is situated in the Mountjoy Garda sub-District, under the remit of Chief Superintendent, DMR North Central. Meetings with the organisers of these events took place to ensure that appropriate measures were in place for the management of the events and to ensure the safety of patrons attending these events.

For security and operational reasons, it is generally not the policy to disclose the number of personnel on duty at any specific event. Local Garda Management liaise closely with the event-organisers when considering and determining the appropriate deployment of Garda resources at such events, on both public and non-public duties (personnel deployed on non-public duty are paid for by the event organisers, while those deployed on public duties are performing such duty as part of their ordinary tour of duty). Personnel deployed on such duties are regularly monitored to ensure optimal deployment.

Garda Equipment

125. **Deputy Thomas P. Broughan** asked the Minister for Justice and Equality the number of spare intoxilyser machines available to gardaí in case one machine is unable to work; and if he will make a statement on the matter. [32887/12]

Minister for Justice and Equality (Deputy Alan Shatter): As the Deputy will be aware, the Medical Bureau of Road Safety (MBRS), which is under the aegis of the Department of Transport, Tourism and Sport, has statutory responsibility for the testing, approval and supply of evidential breath testing machines and roadside breath screening devices to An Garda Síochána.

I am informed by the Garda authorities that there are currently 64 evidential breath testing (intoxilyser) machines allocated by the MBRS to Garda stations nationwide. There are an additional 1,014 roadside breath screening devices allocated across all Garda Divisions, which are used to assist Garda members in forming an opinion on whether a driver has consumed intoxicating liquor in excess of the legal limit.

In the event that any particular breath testing machine is not functioning correctly, An Garda Síochána contact the MRBS who arrange for its repair or temporary/permanent replacement.

The situation is closely monitored by senior Garda management and additional equipment is acquired when necessary. In that regard, the Deputy will be also be aware that An Garda Síochána has requested an additional 22 intoxilyser devices from the MBRS. The MBRS has indicated that the purchase and installation of the devices has been approved. An Garda Síoch-

ána and the MBRS are preparing an implementation plan for the installation of the additional evidential breath testing equipment and for the training of sufficient Garda personnel.

Garda Strength

126. **Deputy Mattie McGrath** asked the Minister for Justice and Equality the number of gardaí that are based in Clonmel Garda Station, County Tipperary; the number of gardaí that have been based in Clonmel Garda Station every year for the past 10 years; the current ratio of gardaí per population of Clonmel; the way this compares with other jurisdictions; the further way the garda per population rate of Clonmel compares to the garda per population rate of Thurles, County Tipperary; if the level of crime has increased in Clonmel over the past ten years; the way this relates to the reduction in garda numbers in Clonmel; if the level of crime has increased in Thurles over the past 10 years; the further way this relates to the Garda numbers in Thurles; and if he will make a statement on the matter. [32906/12]

Minister for Justice and Equality (Deputy Alan Shatter): The Deputy will be aware that the Commissioner is responsible for the detailed allocation of resources, including personnel, throughout the organisation and I have no function in the matter.

I have been informed by the Garda Commissioner that the personnel strength of Clonmel Garda Station on 31 December 2002 to 2011 and on 31 May 2012, the latest date for which figures are readily available, was as set out in the table hereunder:

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
39	40	69	41	48	51	52	55	51	52	47

The personnel strength of Thurles Garda Station on 31 May 2012 was 75. Both Thurles Garda Station and Clonmel Garda Station form part of the Tipperary Garda Division. The personnel strength of Tipperary Garda Division on the same date was 375. There are also 31 Garda Reserves and 35 Civilians attached to the Tipperary Garda Division. These resources are augmented, when appropriate, by Gardaí from national units such as the Garda National Drug Unit and the National Bureau of Criminal Investigation.

The population of the Clonmel and Thurles areas are available from the Central Statistics Office website at www.cso.ie. The following table shows selected crime statistics for the Tipperary Garda Division which are drawn from information which is also available on the CSO web site.

Selected Crime Statistics for Tipperary Garda Division — Source CSO Annual Reports

	2004	2005	2006	2007	2008	2009	2010	2011	2012*
Homicide offences	2	2	3	10	5	5	1	2	1
Sexual offences	40	109	61	37	40	48	93	57	15
Attempts/threats to murder, assaults,harassments and related offences	450	473	486	539	613	571	487	510	124
Robbery, extortion and hijacking offences	13	18	15	16	25	29	21	23	13
Burglary and related offences	598	741	715	584	599	677	603	742	197
Theft and related offences	1,275	1,185	1,338	1,416	1,398	1,389	1,578	1,376	368
Public order and other social code offences	1,782	2,021	2,372	2,529	1,673	1,624	1,551	1,367	287

*For 2012 statistics are only for the first quarter.

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Questions—

5 July 2012.

Written Answers

The Garda Síochána Act 2005 makes provision for the compilation and publication of crime statistics by the Central Statistics Office, as the national statistical agency, and the CSO has established a dedicated unit for this purpose. I have requested the CSO to provide statistics directly to the Deputy.

The allocation of resources is constantly monitored by local Garda management in the context of crime trends, policing needs and other operational strategies in place on a District, Divisional and Regional level. Tipperary Garda Division will be subject to this same level of monitoring to ensure that optimum use is made of Garda resources and the best possible Garda service is provided to the public.

Family Law Cases

127. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality if he will clarify the position whereby the Irish father of a child born here, whose mother holds a passport from another jurisdiction, will restrict the right of the child's mother to remove the child from this jurisdiction without the father's consent; and if he will make a statement on the matter. [32947/12]

Minister for Justice and Equality (Deputy Alan Shatter): A child's mother may not remove the child from the State without the consent of the father, if the father is a guardian of the child or has custody rights in respect of the child.

If a person removes a child from the State in breach of another person's custody rights, that other person can make an application under the 1980 Hague Convention on the Civil Aspects of International Child Abduction to have the child returned to them. The Convention is designed to ensure the prompt return of children who have been wrongfully removed from one contracting state to another, or wrongfully retained in another contracting state. It is based on the principle that the custody of the child should be decided by the courts in the state in which the child habitually resides. The Convention is in force in over 80 countries world-wide. Where a child is removed to or wrongfully retained in another EU state, the Brussels II *bis* regulation applies, and regulates the application of the Convention between EU member states. There is a network of Central Authorities established under the Convention for the purpose of assisting applicants. My Department operates as the Central Authority for Ireland and can be contacted for assistance at 01/4790200 or by e-mail internationalchildabduction@justice.ie.

Residency Permits

128. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality the basis on which it was determined that a person (details supplied) in County Dublin is not eligible by reason of duration of residency grounds; and if he will make a statement on the matter. [32949/12]

Minister for Justice and Equality (Deputy Alan Shatter): An application for a certificate of naturalisation from the person referred to in the Deputy's Question was received in the Citizenship Division of the Irish Naturalisation and Immigration Service (INIS) in October 2011.

On examination of the application submitted it was determined that the person in question did not meet that statutory residency requirements as set out in the Irish Nationality and Citizenship Act 1956, as amended. The person concerned was informed of this in a letter issued to her on 22 June 2012.

It is open to the individual referred to by the Deputy to lodge a further application for citizenship if and when they are in a position to meet the prescribed statutory requirements.

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The on-line Naturalisation Residency Calculator available on the INIS web-site at *www.inis.gov.ie* can be used as a guide to whether an individual satisfies the naturalisation residency conditions and, if not, give an indication of how long they should wait before making an application.

Queries in relation to the status of individual immigration cases may be made directly to the INIS by e-mail using the Oireachtas Mail facility which has been specifically established for this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from the INIS is, in the Deputy's view, inadequate or too long awaited.

Naturalisation Applications

129. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality further to Parliamentary Question No 514 of 19 June 2012, if as requested in the question, he will consider the possibility of updating the applicant's Stamp 4 thereby regularising his position in the interim period with particular reference to the most recent submissions made by the applicant, in view of the fact that such decisions have been made in similar circumstances; and if he will make a statement on the matter. [32950/12]

Minister for Justice and Equality (Deputy Alan Shatter): I refer the Deputy to my reply to Parliamentary Question No. 514 of Thursday, 19 June 2012. The position is unchanged since then. All recent representations submitted by the persons concerned will be considered before a final decision is made. Once a decision has been made, this decision and the consequences of the decision will be conveyed in writing to the persons concerned.

Queries in relation to the status of individual immigration cases may be made directly to the INIS by e-mail using the Oireachtas Mail facility which has been specifically established for this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from the INIS is, in the Deputy's view, inadequate or too long awaited.

Residency Permits

130. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality the correct procedure to be followed whereby a minor currently living outside the EU but under the legal joint guardianship of Irish citizens living in this country who may have to exercise the guardianship by way of bringing the child to this jurisdiction due to the state of the parents health; if a procedure should be by way of visa or other residency procedure; and if he will make a statement on the matter. [32951/12]

Minister for Justice and Equality (Deputy Alan Shatter): I am advised by officials in the Irish Naturalisation and Immigration Service (INIS) that they require more detailed information to be in a position to respond to the matters raise by the Deputy. Such additional information would include a copy of the guardianship agreement, the nationality of the child and parents, and medical reports in relation to the health of the parents.

I believe in the circumstances, it would be best for the people concerned to contact the General Immigration Division, INIS, 13/14 Burgh Quay, Dublin 2 outlining the full particulars of this case supported by the following documentation:

1. Full copies of any passports held by the child and his or her parents.
2. Name, Age, Nationality of the Child concerned and his or her parents.
3. Evidence of legal guardianship.
4. Medical report in relation to child's parents.

On receipt of the above information, INIS will be in a better position to advise the persons concerned in relation to this case.

Queries in relation to the status of individual immigration cases may be made directly to INIS by e-mail using the Oireachtas Mail facility which has been specifically established for this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from INIS is, in the Deputy's view, inadequate or too long awaited.

Visa Applications

131. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality if he will authorise by way of update of Stamp 4 or other visa or travel requirements in the case of a person (details supplied) in County Louth; and if he will make a statement on the matter. [32953/12]

Minister for Justice and Equality (Deputy Alan Shatter): An application has been received for permission for the person to leave the State prior to the completion of his application for asylum. I have granted permission in this case.

Residency Permits

132. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality if Stamp 4 will be updated while awaiting a decision in respect of their residency case and prevention of refoulement in the case of a person (details supplied) in Dublin 6; and if he will make a statement on the matter. [32954/12]

Minister for Justice and Equality (Deputy Alan Shatter): I am informed by the Irish Naturalisation and Immigration Service (INIS) that the person referred to by the Deputy was granted permission to remain for a period of five years on 5 July, 2006 on the basis of being the Spouse of an EU citizen, who was residing in the State and was exercising her EU Treaty Rights.

The grounds under which he was granted permission to remain in the State no longer apply, as his EU spouse is no longer residing in this State, exercising her EU Treaty Rights. Therefore, the permission to remain which was granted under the provisions of Directive 2004/38/EC and European Communities (Free Movement of Persons) Regulations 2006 and 2008 has now been revoked.

On 13 April, 2012 the person was informed that the Minister was proposing to make a Removal Order in respect of him under Directive 38/2004/EC and European Communities (Free Movement of Persons) Regulations 2006 and 2008. He was given the option, to be exercised within 15 working days, to make representations as to why a Removal Order should not be made against him. The person concerned has made representations which will be fully considered before a final decision is made. Once a decision has been made, this decision and the consequences of the decision will be conveyed in writing to the person concerned.

Queries in relation to the status of individual immigration cases may be made directly to the INIS by e-mail using the Oireachtas Mail facility which has been specifically established for

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this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from the INIS is, in the Deputy's view, inadequate or too long awaited.

Work Permits

133. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality if he will update Stamp 4 in the case of a person (details supplied) in County Kildare who has identified suitable employment which requires updated Stamp 4 to access same; if the procedure will be expedited; and if he will make a statement on the matter. [32955/12]

Minister for Justice and Equality (Deputy Alan Shatter): I am advised by officials in the Irish Naturalisation and Immigration Service (INIS) that the person concerned does not meet the qualifying criteria which would exempt him from work permit requirements. Applications for Long Term Residency are considered in respect of persons who have resided legally (endorsements in passport) for a period of 60 months or longer on the basis of work permit conditions.

It is noted that the person referred to by the Deputy has permission to remain on work permit conditions until the 6 January, 2013. If the person concerned wishes to take up new employment they must ensure that they obtain the appropriate work permit.

Queries in relation to the status of individual immigration cases may be made directly to INIS by e-mail using the Oireachtas Mail facility which has been specifically established for this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from INIS, in the Deputy's view, inadequate or too long awaited.

Residency Permits

134. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality the position regarding residency in the case of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [32956/12]

Minister for Justice and Equality (Deputy Alan Shatter): I am advised by officials in the Irish Naturalisation and Immigration Service (INIS) that the person referred to by the Deputy was granted permission to reside in the State on Stamp 4 conditions under the Long Term Residency scheme. This permission is valid until 08/06/2015 and therefore does not need to be reviewed at this time. When this current permission expires the person concerned should contact their local Immigration Officer to have it renewed.

Queries in relation to the status of individual immigration cases may be made directly to INIS by e-mail using the Oireachtas Mail facility which has been specifically established for this purpose. This service enables up to date information on such cases to be obtained without the need to seek information by way of the Parliamentary Questions process. The Deputy may consider using the e-mail service except in cases where the response from INIS is, in the Deputy's view, inadequate or too long awaited.

Agri-Environment Options Scheme

135. **Deputy Paul J. Connaughton** asked the Minister for Agriculture, Food and the Marine when an appeal hearing in relation to a rural environment protection scheme penalty imposed

in respect of a person (details supplied) in County Galway will be finalised; and if he will make a statement on the matter. [32831/12]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): The above named joined REPS 4 in January 2010 and has received payment for the first two years of his plan. The applicant was selected for inspection in 2011. On inspection it was found that bovines were not excluded from a watercourse on the farm and a 35% penalty was applied. The person named was notified in writing on 6 February 2012 of the application of the penalty and of his right of appeal. On 27 February 2012 the person named was informed in writing that as no appeal of the penalty was received by the Department the amount due would be deducted from his next REPS payment. The person named was also informed of his right to appeal to the Agricultural Appeals Office. An appeal has yet been received in the Agricultural Appeals Office.

Grant Aid

136. **Deputy Patrick O'Donovan** asked the Minister for Agriculture, Food and the Marine the financial grant assistance that is available in respect of a person (details supplied); and if he will make a statement on the matter. [32836/12]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): There is no grant aid available from my Department to assist the person concerned to re-open an abattoir or to update the existing facilities.

Single Payment Scheme

137. **Deputy Tom Fleming** asked the Minister for Agriculture, Food and the Marine the position regarding the single farm payment scheme 2011 in respect of a person (details supplied); and if he will expedite the payment [32856/12]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme / Disadvantaged Areas Scheme was received from the person named on 13 May 2011. During processing queries arose regarding the timing of the issuing of the herd number to the person named, who was a new applicant. These queries have now been resolved, with the 2011 Disadvantaged Areas payment due to be issued shortly.

In addition, the person named submitted a Single Payment Scheme application under Category B of the 2011 National Reserve, which caters for farmers who commenced farming after 15 May 2009. The application was successful and the person named was notified in writing on 29 May 2012 and payment issued on 28 June 2012.

EU Funding

138. **Deputy Gerald Nash** asked the Minister for Agriculture, Food and the Marine if the budget which may be left over from the rural broadband scheme totalling some €17million could be reallocated to help fund a new agri environment options scheme for farmers, especially in view of the risk of losing matching funding under the terms of European Agricultural Guarantee Fund; and if he will make a statement on the matter. [32884/12]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): The EU funding which is allocated to the Rural Broadband Scheme, which is the responsibility of the Department of Communications, Energy and Natural Resources, is provided under the European Economic Recovery Package (EERP). The EERP funding must be used for measures aimed at addressing new challenges which include climate change, biodiversity and water quality. All

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funding options for an Agri-environmental Options Scheme (AEOS) are being considered at present.

The reallocation of EERP funding to AEOS is also dependant on the provision of national matching funding for that scheme. I am actively considering the possibility of re-opening AEOS to allow for the submission of applications either on an amended basis from the existing scheme and/or on a limited scale, including the possibility of re-opening for applications later in the year. The full year cost of any new scheme will have to be met in 2013 and any decision to re-open AEOS will be taken in the context of consideration of the resources available and the need to remain within the agreed expenditure ceiling for my Department in 2013. I will make an announcement as soon as I have reached a decision on the situation.

Beef Imports

139. **Deputy Thomas P. Broughan** asked the Minister for Agriculture, Food and the Marine the quantity of beef imported to Ireland over each of the past five years; the country or countries of origin; and if he will make a statement on the matter. [32890/12]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): The following table, based on official CSO trade data, shows the volumes of beef imported into Ireland over the last five years and the main source countries during that time:

Beef imports into Ireland for the last five years

	2007 Tonnes	2008 Tonnes	2009 Tonnes	2010 Tonnes	2011 Tonnes
Total	28,718	32,600	34,261	40,300	45,530
<i>of which, from</i>					
GB and NI	17,151	20,844	21,029	28,985	35,895
Brazil	5,301	1,178	1,658	858	755
Netherlands	3,378	3,499	2,808	1,491	1,708
France	879	877	777	877	633
Germany	576	2,389	1,641	1,026	941
Denmark	274	946	394	175	120
Spain	176	515	490	768	953
Belgium	67	340	323	1,610	1,120
Poland	35	619	789	779	1028
Uruguay	0	598	2,806	1,782	478

Health Service Staff

140. **Deputy Thomas P. Broughan** asked the Minister for Children and Youth Affairs the number of social work team leaders post filled with acting team leaders; the number of principal worker posts filled with acting principal social workers; the number of acting positions that have been backfilled; and if she will make a statement on the matter. [32888/12]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): My Department has sought the information requested by the Deputy from the HSE. I will provide the information to the Deputy when it becomes available.

Health Promotion

141. **Deputy Terence Flanagan** asked the Minister for Health if he will include an organisation (details supplied) for the consultation process for the new Public Health Bill; and if he will make a statement on the matter. [32840/12]

Minister for Health (Deputy James Reilly): I am assuming the Deputy is referring to the consultation process conducted as part of the development of the Your Health is Your Wealth — Health and Wellbeing Framework 2012-2020. The first consultation invited general submissions whereas the second public consultation asked specific questions on a number of background documents that had been prepared by the working group responsible for developing the framework. A total of 66 submissions have been received in response to the second consultation and are currently being reviewed. The submissions will be published on the Department of Health's website. I will be submitting a memorandum on the framework to the Government later this month and hope to publish the report in the autumn. If the Deputy requires further clarification on this response he should contact my Department in this regard.

Health Service Executive Properties

142. **Deputy Terence Flanagan** asked the Minister for Health the reason for the delays in opening the Blanchardstown Hospice, Dublin; and if he will make a statement on the matter. [32855/12]

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.

Professional Qualifications

143. **Deputy Joanna Tuffy** asked the Minister for Health the procedures that are in place to give the appropriate recognition to persons who have qualified as physiotherapists in other EU countries; and if he will make a statement on the matter. [32864/12]

Minister for Health (Deputy James Reilly): Directive 2005/36/EC, on the recognition of professional qualifications, applies to all EEA nationals wishing to practise a regulated profession in an EEA Member State other than that in which they obtained their professional qualifications. Its intention is to make it easier for certain professionals to practise their professions in EEA countries other than their own but due safeguards are provided in the assessment of the qualification for public health and safety and consumer protection.

For the purposes of the Directive, a regulated profession is defined as a professional activity access to which is subject, directly or indirectly, by virtue of legislative, regulatory or administrative provisions to the possession of specific professional qualifications. Where statutory registration does not exist for a profession in Ireland, non-Irish qualifications are assessed for their equivalence to the Irish entry-level qualifications required to work in the Health Service Executive.

Under Statutory Instruments Nos. 139 and 166 of 2008, which transpose the Directive into Irish law, the Irish Society of Chartered Physiotherapists (ISCP) is the Competent Authority for physiotherapists in Ireland.

The Directive does not provide for automatic recognition of professional qualifications in physiotherapy obtained in another Member State; it provides for an assessment, on a case-by-case basis, of the qualifications of an applicant against those required to practise in the host member state. Persons who wish to have their qualifications recognised must make an application to the ISCP and provide relevant supporting documentation. If the activities covered by the profession in the home and the host member state are not comparable, then the qualifications cannot be recognised. If the activities are comparable but deficits in the qualifications

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are identified, subsequent post-qualification professional experience of the applicant must be considered. If deficits still remain, the host Member State must offer an applicant a compensation measure, a choice of completing an adaptation period or taking an aptitude test.

Applications must be acknowledged within one month and the applicant informed of any missing document. A final decision must be communicated to the applicant within four months of submission of a complete application. Persons should not seek employment in their professional capacity in the publicly-funded health service in Ireland unless and until their qualifications have been recognised.

Further information on the Directive is available on my Department's website

(<http://www.dohc.ie/public/foreignqualification/foreign-validation.html>). Further information relating to the recognition of physiotherapy qualifications in particular can be found on the ISCP website

(<http://www.iscp.ie/international-qualifications/qualification-recognition.html>).

Medical Cards

144. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health when a decision will be made on a medical card appeal in respect of a person (details supplied); and if he will make a statement on the matter. [32865/12]

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 Service Staff

145. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health if he will set out the manner in which the public service recruitment embargo is applied in the Health Service Executive; if he recognises, for example, that public advertisement for recruitment to posts within the HSE which are only open to existing HSE staff is unfair to otherwise qualified potential applicants; if suitable applicants from within the HSE are not found, the stage in the process applications from non-HSE staff are sought; and if he will make a statement on the matter. [32876/12]

Minister for Health (Deputy James Reilly): The health sector is subject to overall Government policy on recruitment and must make an appropriate contribution to the Government commitment to the reduce public service numbers. Therefore, the health sector must ensure that all its existing resources are used appropriately and every attempt is made to fill vacancies that arise through redeployment and transfer from existing resources. Only where the HSE is satisfied that no suitable internal candidates are available will it consider recruiting externally.

Alcohol Pricing

146. **Deputy Thomas P. Broughan** asked the Minister for Health when legislation will be introduced to facilitate the introduction of minimum alcohol pricing; and if he will make a statement on the matter. [32878/12]

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.

147. **Deputy Thomas P. Broughan** asked the Minister for Health if his preferred policy instrument in terms of combatting the misuse of alcohol especially by teenagers and young persons is for minimum alcohol pricing, increased tax on alcohol or the banning of below cost selling; and if he will make a statement on the matter. [32881/12]

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.

National Substance Misuse Strategy

148. **Deputy Joanna Tuffy** asked the Minister for Health the position regarding the recommendations of the National Substance Misuse Strategy Steering Group's report on alcohol; and when he will implement the recommendations; and if he will make a statement on the matter. [32882/12]

Minister for Health (Deputy James Reilly): The recommendations of the National Substance Misuse Strategy Steering Group on alcohol have encouraged public debate and officials are working on an Action Plan in advance of proposals being drafted for Government in the coming weeks.

General Practitioner Services

149. **Deputy Thomas P. Broughan** asked the Minister for Health the number of calls received from the D-Doc Services for 2010, 2011 and to date in 2012; the number of these calls resulted in a house visit; the number of drivers and vehicles allocated to same; the average reponse time to house visit calls; the average number of calls received per night; and if he will make a statement on the matter. [32891/12]

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.

Hospital Services

150. **Deputy Thomas P. Broughan** asked the Minister for Health the impact of the Special Delivery Unit in Beaumont Hospital, Dublin 9; and if he will make a statement on the matter. [32892/12]

Minister for Health (Deputy James Reilly): Improving access for patients to both un-scheduled and scheduled care in hospitals across the country is central to the role of the Special Delivery Unit which I established in my Department. Since the SDU become operational in September 2011, it has worked closely with a range of hospitals across the country including Beaumont. The hospital works closely with the SDU Liaison Officer and there are weekly meetings held with the management team of the hospital along with representation from management of the local community services. In addition to discussing current performance issues and trends, the Liaison Officer works with the hospital to improve patient pathways and develop and improve operational issues.

While the provision of funding is not a core function of the SDU, there are limited resources available to assist hospitals to meet its targets in relation to unscheduled and scheduled care. With regard to unscheduled care (Emergency Departments) funding was made available to

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Beaumont Hospital as part of the successful SDU initiative in 2011 to ensure that the number of patients waiting in ED was kept to a minimum over the Christmas and New Year periods.

A limited amount of funding has also been made available in 2012 to assist the hospitals to meet their targets in relation to trolley waits. In relation to Beaumont Hospital, funding related to opening additional bed capacity for short-periods and also to fund an initiative for hospital avoidance for older persons run by the Geriatricians, funding has also been made available for an initiative involving Community/Hospital Liaison, Weekend Liaison Nurse and Home Support to enable earlier discharge home and avoid hospital admissions.

To date the SDU interventions in relation to unscheduled care have resulted in a reduction in the number of patients waiting on trolleys in ED. In relation to Beaumont Hospital, up to 22 June 2012, there has been a reduction of 9% in the numbers waiting on trolleys when compared with the same period in 2011.

With regard to Scheduled Care (In-patient and Day Case Surgery) last year, I instructed all hospitals that no person should be waiting more than 12 months for surgery by the end of the year. The scheduled care access targets set for public hospitals for 2012 are that no adult should wait longer than 9 months for surgery, no child should wait more than 20 weeks for surgery and no person requiring a routine GI endoscopy should wait more than 13 weeks.

Beaumont reached the 2011 12 month target with some targeted assistance for a small number of cases from the NTPF. In this year the hospital is progressing towards the 2012 access targets assisted by a targeted programme of support agreed between Beaumont and the NTPF. This support is directed towards adult ENT, Urology and GI endoscopy procedures and also towards paediatric ENT and General surgery. These are the areas where the greatest challenges, in terms of faster access times for procedures, exist.

Medicinal Products

151. **Deputy Michael Healy-Rae** asked the Minister for Health his views on setting up an independent scientific enquiry to review the side effects caused by the drug Roaccutane; if he will interview users and their families who have experienced side effects from the use of the drug; if he will review the medical data; if he will report if present warnings should be significantly strengthened; his further views on the introduction of some form of psychiatric monitoring of patients throughout their treatment on Roaccutane; and if he will make a statement on the matter. [32897/12]

Minister of State at the Department of Health (Deputy Róisín Shortall): Roaccutane (active substance, isotretinoin) is authorised for treating severe forms of acne which have been resistant to other standard therapies. It should only be prescribed by or under the supervision of doctors with expertise in using the product and with a full understanding of the risks of therapy and the monitoring requirements.

Under European and Irish legislation, all medicinal products must be authorised before being marketed. Medicinal products marketed in Ireland must be authorised by the Irish Medicines Board (IMB). A determination on an application for authorisation of a medicine is based on a rigorous scientific assessment of the application against legal and regulatory requirements.

Roaccutane has been closely monitored at national and EU level since it was first authorised. It was most recently reviewed at EU level in April 2011 when further warnings regarding skin reactions were added to the product information for patients and their doctors. The risk of depression associated with use of isotretinoin was also reviewed at that time. However, the existing comprehensive information on the risk of depression associated with isotretinoin and the monitoring requirements provided on the product information were considered sufficient.

The inclusion of these, and other side effects and warnings, in the product information are on the basis of information on use of the product including reports of side effects from patients.

The information for patients and for their doctors includes detailed advice on the risks associated with use of Roaccutane and recommendations to minimise their occurrence. The package leaflet advises patients to tell their doctor if they have ever had any mental illness (including depression, suicidal behaviour or psychosis), or if they take medicines for any of these conditions. It also advises them to contact their doctor straight away if they have signs of any of these problems.

The information for doctors lists potential psychiatric disorders. It emphasises that particular care needs to be taken in relation to patients with a history of depression and that all patients should be monitored for signs of depression during their treatment with the product and referred for appropriate treatment if necessary.

The benefits of treatment are considered to outweigh the risks, when the product is used in accordance with the product information.

Long-Term Illness Scheme

152. **Deputy Michael McGrath** asked the Minister for Health his plans to extend the automatic entitlement to a general practitioner visit card to persons on the long term illness scheme; and if he will make a statement on the matter. [32930/12]

Minister of State at the Department of Health (Deputy Róisín Shortall): The Programme for Government commits to reforming the current public health system by introducing Universal Health Insurance with equal access to care for all. As part of this, the Government is committed to introducing, on a phased basis, GP care without fees within its first term of office. Primary legislation is required to give effect to Government commitment to introduce a universal GP service without fees.

Legislation to allow the Minister for Health to make regulations to extend access to GP services without fees to persons with prescribed illnesses is currently being drafted by the Attorney General's office and will be published shortly. Implementation dates and application details will be announced in due course.

Medical Cards

153. **Deputy Bernard J. Durkan** asked the Minister for Health if notwithstanding recent response a further review of entitlement to a medical card will be remained in the case of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [32939/12]

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.

Air Services

154. **Deputy Michael McCarthy** asked the Minister for Transport, Tourism and Sport the position regarding Ryanair's bid for Aer Lingus; when a decision on the offer will be made; and if he will make a statement on the matter. [32866/12]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): In an announcement to the Irish Stock Exchange on 19th June, the board of Ryanair announced its intention to make an all cash offer for 100% of the share capital of Aer Lingus. Under the Takeover Rules, Ryanair must issue its formal offer document to Aer Lingus shareholders by 17th July setting out in detail the terms of its offer. As the Government is a minority shareholder in Aer Lingus,

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under Irish Takeover Panel Rules, there are restrictions on what any member of the Government can say in relation to the proposed offer at this time. For the moment, like all shareholders, the Government will await the formal offer from Ryanair and also the response of the Board of Aer Lingus.

In considering the formal offer, when it is made, the Government will take account of four factors:

1. what is best for passengers in terms of connectivity and air fare;
2. what is best for taxpayers in terms of the price we can get for the stake;
3. what is best for the economy overall in terms of competitive access to services in and out of Ireland; and
4. the views of the regulatory authorities in relation to any bid.

Tourism Promotion

155. **Deputy Thomas P. Broughan** asked the Minister for Transport, Tourism and Sport the expenditure in 2011 and to date in 2012 in tourism marketing and promotional campaigns in Australia, China, India, Brazil, Japan and Canada; and if he will make a statement on the matter. [32889/12]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The matter raised is an operational one for Tourism Ireland Limited as the body responsible for promoting the island of Ireland as a visitor destination overseas. I have referred the Deputy's Question to Tourism Ireland for direct reply. Please advise my private office if you do not receive a reply within ten working days.

Road Improvement Schemes

156. **Deputy Michael Healy-Rae** asked the Minister for Transport, Tourism and Sport if he will support the call from Kerry County Council that a section of the R569, from Careys Cottage to Rosacroo Bridge, will be considered for funding under the 2013 specific improvement grants for regional and local roads; and if he will make a statement on the matter. [32898/12]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The improvement and maintenance of regional and local roads in its area, is a statutory function of each road authority 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 supplemented by State road grants.

It is open to Kerry County Council to prioritise this project and to submit it to the National Roads Authority (NRA) for consideration for funding under the 2013 Specific Improvement Grants Scheme (for regional and local roads) when applications are sought by them later in the year. The NRA will then make recommendations to my Department in relation to the 2013 grant allocations based on the applications received from all local authorities.