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DÁIL ÉIREANN

Dé Máirt, 06 Samhain 2012
Tuesday, 06 November 2012

Chuaigh an Leas-Cheann Comhairle i gceannas ar 2 p.m.

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Prayer.

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Ceisteanna - Questions

Priority Questions

Disadvantaged Areas Scheme Applications

87. Deputy Éamon Ó Cuív asked the Minister for Agriculture, Food and the Marine the number of farmers that were written to in relation to stocking density on their farms under the disadvantaged area scheme; the number of farmers that sought a derogation; the number of these applications that have been decided to date; the number in which a decision was made that a derogation has been granted and the number refused; the number of those refused who have appealed this decision; the number of those who have appealed who have had their appeal decided; the number of appeals that were successful and the number refused, with the figures broken down in each case between the less severely handicapped lowland and coastal areas, the more severely handicapped lowland and the mountain type grazing areas respectively; and if he will make a statement on the matter. [48449/12]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): My Department issued letters to 10,165 applicants under the 2011 disadvantaged areas scheme whose stocking density in 2011 was less than 0.3 livestock units per hectare, lu/ha. These letters informed farmers of their right to seek a derogation from the requirement of the 2012 disadvantaged areas scheme if they considered that they did not achieve a stocking density of 0.3 lu/ha or more in 2011 for reasons outside their control.

Grounds for the derogation include, among others, any of the following situations: a restriction on the stocking levels on the holding due to adherence to an agri-environment plan such as the rural environment protection scheme, REPS, the agri-environment options schemes, AEOS, or a National Parks and Wildlife Service, NPWS, plan; farming marginal land where the level of stock that can be maintained is restricted; illness or death in the family; an outbreak of animal
6 November 2012

disease in the herd; and the applicant is a new entrant to farming.

A copy of the application form was issued to all farmers written to by my Department in order to assist those applicants who wished to apply for a derogation. A tabular statement provides a breakdown of the applicants involved by the category of disadvantaged land declared, as requested by the Deputy.

<table>
<thead>
<tr>
<th>Category of Disadvantaged land</th>
<th>Number of applicants written to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mountain Type Grazing</td>
<td>5,333</td>
</tr>
<tr>
<td>More Severely Disadvantaged land</td>
<td>2,932</td>
</tr>
<tr>
<td>Less Severely Disadvantaged land</td>
<td>754</td>
</tr>
<tr>
<td>Combination of more than one category of Disadvantaged land</td>
<td>1,146</td>
</tr>
<tr>
<td>Total</td>
<td>10,165</td>
</tr>
</tbody>
</table>

To date, my Department has examined the applications from almost 7,400 of the 9,300 applications received for derogation. A tabular statement provides details of the decision made in each case broken down by category. The Deputy has the figures before him.

<table>
<thead>
<tr>
<th>Category of Disadvantaged land</th>
<th>Number of applications accepted</th>
<th>Number of applications rejected</th>
<th>Number of applications where additional information sought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mountain Type Grazing</td>
<td>3,497</td>
<td>639</td>
<td>143</td>
</tr>
<tr>
<td>More Severely Disadvantaged land</td>
<td>1,064</td>
<td>714</td>
<td>95</td>
</tr>
<tr>
<td>Less Severely Disadvantaged land</td>
<td>235</td>
<td>128</td>
<td>51</td>
</tr>
<tr>
<td>Combination of more than one category of Disadvantaged land</td>
<td>619</td>
<td>180</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>5,415</td>
<td>1,661</td>
<td>319</td>
</tr>
</tbody>
</table>

Additional information not given on the floor of the House.

To ensure that those applicants whose applications were not accepted by my Department were afforded an opportunity to appeal the decision, I established a disadvantaged areas scheme appeals committee comprising appeals officers from the agricultural appeals office and an independent chairman, Mr. Padraig Gibbons, to examine all appeals. To date, my Department has received almost 1,000 appeals and the appeals committee will shortly commence its review of all appeals. I assure the Deputy that these appeals will be dealt with as quickly as possible.

My Department is also continuing to process the remaining 1,900 applications for a derogation and applicants will be informed of the decision made in their cases as soon as their applications are processed or whether more information or documentation is needed before a
determination can be made on the case.

**Deputy Éamon Ó Cuív:** Would the Minister agree from the figures he has given that this has, as one would have expected, impacted disproportionately on hill areas where a stocking density of 1.5, or 0.3 as required last year, is in many cases not achievable or not even allowed by the Department? Would he agree, therefore, that this retrospective decision was fundamentally unfair?

**Deputy Simon Coveney:** I would not. In terms of the number of farmers seeking derogation and in the context of the number who applied, there is certainly a high number in mountain-type grazing areas. However, if one looks at the number of applications, 3,497 were accepted in mountain-type grazing areas and only 639 were rejected, so we are taking on board the realities that in mountain-type grazing situations, there is often good reason stocking rates need to be lower and we have granted people a derogation in those instances. It is true to say that more farmers have been affected by the change in criteria in mountainous areas but we have been far more generous in granting the derogation for those areas.

**Deputy Éamon Ó Cuív:** The Minister said he was generous in granting derogations.

**Deputy Simon Coveney:** It is not a question of generosity, it is a question of-----

**Deputy Éamon Ó Cuív:** Three people came to see me. Two of them were over 70 years of age and one was over 80 and all of them had medical problems. The over 80 year old has very serious medical problems, details of which were provided with the application for derogation. The derogation was refused and there is now an appeal. He said he seems to have been penalised for having been born on, and inheriting, a hill farm. He said he has also been penalised for being old and ill. Surely the disadvantaged payment is just that - a payment to compensate for farming on poor land.

Will the Minister justify why this decision, which has a disproportionate impact on those living on the hills and mountains, was made? I could go on and give examples of refusals of active farmers who had REPS plans, which limited the amount of stock. One cannot be at the ceiling on a hill farm because if one goes over the ceiling, the Department penalises one for overstocking and takes all the grants away. In the case of farmers farming to an AEOS plan or a REPS plan, what tolerance is there under the ceiling so they still qualify for the DAS and the AEOS? What is the tolerance, because there does not appear to be one?

**Deputy Simon Coveney:** There is a tolerance and that has been made clear to farmers. If one is required to have a low stocking rate, because of an environmental plan which one is required to adopt, whether a common framework plan, an AEOS plan, a REPS plan or otherwise, that takes precedence over the new criteria we set out last year for qualification. There is no lower limit on that. Whatever the commonage framework plan requires a farmer to abide by, in terms of stocking density, that takes precedence and it is taken into account in the derogation.

My understanding is that all of the farmers who were written to and who qualify for a derogation automatically, because they were in a commonage framework programme which required them to have a very low stocking rate, were dealt with quickly because there was no issue with them. If there are particular cases where farmers have been treated unfairly and do not qualify for the derogation under the qualification criteria, we have an appeals system which is independently chaired by somebody from the Deputy’s part of the country. I expect that appeals system to be fair and to ensure the kind of case he outlined can be taken into account.
88. **Deputy Michael Colreavy** asked the Minister for Agriculture, Food and the Marine his views on whether a flat rate payment under the reformed common agricultural policy would benefit most Irish farmers. [48738/12]

**Deputy Simon Coveney:** The modelling carried out by my Department has shown that a flat rate system, whereby a flat rate would be applied throughout the country without breaking the country up into different regions, would result in 74,000 farmers gaining under the single farm payment while 56,000 farmers would lose. That is if we were to adopt the Commission’s proposal and to designate Ireland as one big region in which one gives every farmer the same payment, which is the average payment of €270 per hectare. I believe that is very unlikely to happen. Even under the Commission’s proposal, the Commissioner would be expecting countries such as Ireland to break their country up into different regions and to apply flat rate payments per region.

People are having a go at me because of the position I have taken on behalf of Ireland in disagreeing with the Commission’s proposal. There is an idea that if we adopted the Commission’s proposal, every farmer in the country would get €270 per hectare. That is not an accurate reflection of reality.

Single farm payment should not be treated purely as an income support measure or some type of welfare support measure. It was never intended to be that. Single farm payment is about supporting sustainable food production on farmland across Europe. It is a recognition payment for farmers who must abide by all manner of rules, regulations, directives, animal husbandry constraints and so forth which other parts of the world do not apply with the same rigour as they are applied in the EU. The roles of pillar 1 and pillar 2 are very different. The decision I have made in terms of how I have positioned Ireland in the negotiations is not about the number of gainers or losers, but about the best interests of agriculture as a whole over the next seven years to ensure we remain productive and competitive and keep people in the business.

**Deputy Michael Colreavy:** I am not making an attack on the Minister with regard to this. Our questions are designed to probe whether we are seeking the best outcome for this country. There are a number of other things we must protect. We must protect the number of small family farms in this country. There is a great deal of spin about this at present. There is substantial support in the west and north west for greater movement and a fairer distribution of payments within that. Most small farmers would favour a more rapid move towards a fairer system than is contained in the Minister’s proposals. In 2011, 2,047 farmers on payments of €50,000 and more received more in total than the 52,000 farmers who received a single farm payment of €5,000. There is a patent imbalance there.

**An Leas-Cheann Comhairle:** Does the Deputy have a question?

**Deputy Michael Colreavy:** We argue that there should be a limit on the amount of money a person can receive. The Commission is talking about a limit of €300,000, which would not affect this country, but that should be a great deal lower. Many of the recipients of payments of €100,000 and more are not farmers at all but businesses.

There is a contradiction in the claims that somehow capping payments for a small number of large recipients would encourage them to cut down on production while increasing the payment
for those at the lower end would apparently have the same effect.

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

**Deputy Simon Coveney:** I agree with a number of the Deputy’s comments. On the distribution, the approach I have been advocating proposes the redistribution of approximately €80 million over the next round of CAP from people who have done well out of the pillar 1 distribution and farmers who have not done so well. The higher the payment, the more one loses. At the high end we are losing more than 20%. Farmers with lower payments may gain hundreds of percentage points. The position Ireland has advocated is unlikely to be the final compromise. The debate will carry on for six to eight months before we get it right.

I agree with the Deputy in respect of capping and the Sinn Féin proposal for a cap of €100,000, which I heard Deputy Martin Ferris raise, is a good one. The current Commission proposal is for capping to begin at payments over €150,000 and to cease after €300,000. The idea that farmers are getting payments of over €150,000 in the single farm payment, regardless of the size of the farm, is not defensible. I do not disagree with the point of view expressed by Deputy Colreavy. Ireland is strongly supporting the Commission proposal in respect of capping. Powerful countries strongly oppose the idea and it is worth noting that only six farmers in Ireland will be affected by the capping proposals. That is why in discussions we have focused on areas that affect tens of thousands of farmers.

**Deputy Michael Colreavy:** What steps will the Minister take in his negotiations? There is a major fear that pillar 2 payments will be the first to be reduced or eliminated in the event of the CAP budget being reduced. What steps will the Minister and his officials take to ensure we are not disadvantaged by the overall allocation between pillar 1 and pillar 2, particularly the latter?

**Deputy Simon Coveney:** I am very concerned about the overall allocation for pillar 2 payments. We have a clear outline of what the Commission is proposing in respect of redistribution of pillar 1 payments between countries. Ireland was a significant contributor to designing the model, which is called approximation. With regard to pillar 2, it is very unclear and people are talking about using objective criteria and historical application of pillar 2 moneys. I made the case very strongly that the idea that Ireland would lose on both pillars is something we cannot support. Unfortunately, when Heads of State meet towards the end of the month to agree the multi-annual financial framework, the seven-year budget for the EU, and the amount of money allocated for CAP for pillar 1 and pillar 2, many of the key decisions on the amount of money countries can access will be taken by Heads of State. That is why I will be going to Brussels with the Taoiseach for the negotiations. Even though most of the talk has been about pillar 1 because we have more detail about the proposals, for much of the country pillar 2 is just as important, if not more important, than pillar 1. When we calculate how farmers have done per hectare in different counties, many of the calculations take into account solely pillar 1 moneys, single farm payments. When we add pillar 2 moneys to the calculation, the figures are very different.

**Agriculture Schemes Expenditure**

89. **Deputy Tom Fleming** asked the Minister for Agriculture, Food and the Marine his views on the way that the various farm schemes will be funded in 2013 in view of the challenges (details supplied) facing many farmers. [48448/12]
Deputy Simon Coveney: The budget allocations for 2013 will be considered in the context of the gross expenditure ceilings allocated to all Departments for the period 2012-14 under the Government’s medium-term expenditure framework. The Government’s decision on expenditure ceilings was taken in order to strike a balance between needs and priorities in all Departments on a multi-annual basis, to meet the requirements of the overall fiscal commitments, which are firmly focused on returning the public finances to a sustainable path and to reduce the general Government deficit by the end of 2015. Budget 2013 will be framed in this framework.

The preparations for the 2013 Estimate are currently under way and all budget lines in my Department’s Vote are being examined critically as part of that process. Under the expenditure ceilings, the funding allocation for my Department has been reduced by €114 million in 2013 compared with this year. Very difficult choices will have to be made again in order to remain within the reduced allocation.

The detail of the Deputy’s question which refers to the difficulties farmers have faced this year is very much in my mind as we make these difficult choices, in order to protect farm schemes and farm income as well as we can. We had a constructive discussion with the Joint Committee on Agriculture, Food and the Marine on the difficult decisions relating to the budget and how we might be able to make savings in as fair a way as possible and continue to support farmers who are in financial difficulty because of a summer of appalling weather. I will continue to engage with the joint committee to that effect.

Deputy Tom Fleming: The future of Irish agriculture and the maintenance of the family farm is at a crossroads. This year has been challenging, with disastrous weather conditions, soaring costs of feed, fertiliser, fuel and energy and falling prices. At certain times this year cattle prices fell dramatically.

It is imperative that the forthcoming budget does not compound these difficulties, with agriculture again taking the brunt of the cuts. In the 2012 budget, cuts of 17% were imposed on farm schemes. These were hugely disproportionate compared to cuts of 3% or 4% across all Departments.

I am disappointed to hear that the Department’s allocation has been cut by €114. Between now and the finalising of the budget, the Minister may be able to go back to the table in that regard. I know he is working against all the odds and pulling against the tide. He is addressing matters as well as he can. He has brought forward the payment of the single farm payment and has endeavoured to maximise the amount of money available from a small fund. Nevertheless, I ask him to do his very best.

Deputy Simon Coveney: Within budgetary constraints, we have tried to respond as proactively as we can to what has been a disastrous summer. We did that with regard to slurry spreading dates. We reduced the closed period for most of the country by six weeks. We pushed back the deadline by a month and pulled the end date back by two weeks also. We have also relaxed the green cover requirements for people who have not been able to till fields. We brought forward a 50% advance of the single farm payment by six weeks. This has happened in the past but nevertheless it does not happen by itself. Disadvantaged area payments, and so on, are well ahead of schedule. I am conscious of the difficult environment in which many farmers are operating this year.

The reduction of €114 million in funding allocation should be no surprise to anyone. The
figures for expenditure ceilings that apply to different Departments were published the year before last and last year, and will be published again this year. I can only do one of two things. I can argue to increase the ceiling on the amount of money available to me for capital or current expenditure, where I consider there is a structural problem in the ceilings agreed. If I do that some other Department will have to lose money. Alternatively, within the savings I have to make I can be as clever as I can to ensure that we protect farm incomes above all else. We are doing that, primarily by trying to find ways to save money within the Department. I remind colleagues that in the last three years, my Department has reduced the cost of running itself by €70 million. We reduced staff numbers by 900 and the number of regional offices was reduced from 58 to 17. We are trying to target ourselves, first and foremost, to make savings, but we will not make €114 million of savings within the Department alone.

**Deputy Tom Fleming:** This will be the most demanding winter ever faced by farmers, particularly on the western seaboard, where we are bearing the brunt of Atlantic weather conditions. We have a significantly high amount of rainfall in Kerry. There are thousands of tonnes of fodder being brought down from the eastern seaboard, particularly from Wicklow. The Minister can imagine what it will be like in January or even next month for some of those farmers. We must re-examine the situation to reduce the possible negative impact.

Figures were published in the agricultural supplement of the *Irish Independent* today for per hectare payments for the single farm payment. The figure for Kerry was €178 per hectare, while for Cork, where the land is excellent, especially in the east of the county, the figure was €313 per hectare. There are huge variations between the west and the east coasts. The south-eastern counties got up to €340 per hectare while the figures per hectare for Donegal and Leitrim were €166 and €168. I support the call by Deputy Colreavy. We must have some balance and give the same opportunity to maintain small family farms to all farmers.

**Deputy Simon Coveney:** I understand those points. I was in Kerry a couple of days ago to speak to more than 300 farmers in Listowel to outline our approach to both pillars of the CAP. We had a constructive meeting.

I know Kerry and parts of west Cork were hit hardest by rainfall over the summer. Farm schemes are more important in years like this when they help to get farmers through difficulties caused by circumstances outside their control, like the weather. It is important, however, to balance what the Deputy said about single farm payments with pillar 2 payments. The vast majority of farmers in Kerry receive a disadvantaged area payment while the majority in Cork do not, under pillar 2. There are various ways to support farmers in terms of income supports. People must look at the full picture instead of drawing conclusions only from the single farm payment.

Having said that, there is still a major difference in the single farm payment between and even within counties. Some of the best farms in the country and some of the most challenging farming conditions exist in Kerry. That is why we propose to redistribute money under the single farm payment, but how far do we go? Do we bring everyone to an average in the one go or do we move everyone towards an average payment with a significant level of redistribution? My concern is that if we do it too quickly or extensively, we will put some very productive farmers out of business and that is not in anyone’s interest because we must keep herd numbers up to retain employment in the agricultural sector in factories, marts and dairy processing plants. We must look at the broader picture and not just the money that will be given out into farmers’ hands.
90. Deputy Éamon Ó Cuív asked the Minister for Agriculture, Food and the Marine if he will confirm that all decisions on Pillar 1 and 2 of the common agricultural policy will be made at the same time; when the details of the proposed Pillar 2 proposals are due to be published; and if he will make a statement on the matter. [48450/12]

Deputy Simon Coveney: I am glad this question was asked because there has not been enough discussion of pillar 2 and related decisions.

The likelihood is that there will be some element of sequencing in the CAP reform negotiations and not all decisions will be taken at the same time, although political agreement on a deal will most likely cover all of the key elements both for pillar 1 and for pillar 2.

As the Deputy will be aware, there are two separate and parallel negotiating processes in play on this dossier.

Certain elements of CAP reform, largely related to funding, are being dealt with as part of the negotiations on the multiannual financial framework for the EU budget. These elements will be decided by Heads of State and Government, and a special meeting of the European Council has been convened for 22 and 23 November for this purpose. That meeting may in fact go on for three or four days. The European Parliament must give its consent to any agreement reached.

In parallel, the European Agriculture and Fisheries Council will take the decisions on the other policy elements of CAP reform in full co-decision with the European Parliament. The Council is now scheduled to meet on 28 and 29 November and the intention of the Cyprus Presidency is to seek what is known as a “partial general approach” on all the CAP reform regulations at that meeting, in other words, the position of the Council to prepare for the discussions with Parliament.

The Commission published its proposals for pillar 2 of the Common Agricultural Policy in October of last year as part of a package of seven legislative proposals for reform of the CAP after 2013. While I can provide the Deputy with further information on these should he wish, I suspect his main concern relates to the amount of funding available for pillar 2 and the distribution of that funding. The Commission proposal is to provide €90.9 billion in funding for rural development over the seven year period from 2014 to 2020, and this forms part of the multi-annual financial framework, MFF, negotiations that will be up for decision by Heads of State and Government later this month. The draft regulation on rural development proposes that these funds will be distributed between member states on the basis of objective criteria and past performance. The Commission has yet to publish concrete proposals on distribution or to provide full details of the criteria and weightings it is planning to use.

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

I have been pressing the Commission for some time to come forward with concrete proposals for distribution of pillar 2 funds. I believe it is unrealistic to expect member states to sign up to proposals for the allocation of pillar 1 funds without knowing the Commission’s intentions on the second pillar. I have serious concerns that the envisaged use of a combination of past performance and objective criteria to determine distribution of pillar 2 funds will reduce our allocation. I believe an objective criteria approach cannot provide a solution that will address
the concerns of all member states and should be abandoned. Allocation of pillar 2 funds should be based on past performance only, as measured over the entire 2007 to 2013 rural development programming period. Any adjustment beyond that should use the same methodology as the Commission has proposed for pillar 1.

I am also pressing for pillar 1 and pillar 2 funds to be considered together, and for the pragmatic approach being employed for direct payments to be used for rural development as well. The latter would be consistent with the complementary nature of the two pillars within one common agricultural policy. In addition, no member state with below average pillar 2 payments per hectare should lose in any redistribution, and no member state should lose under both pillars. As Ireland receives lower than average payments per hectare for direct payment and rural development funds combined, I see no justification for any reduction.

**Deputy Éamon Ó Cuív:** I am sure the Minister would agree that the so-called objective criteria can be somewhat less than objective depending on how they are written. I am sure he does not accept that and will be trying to get these so-called objective criteria written in such a way that they will favour Ireland. Does the Minister accept that pillar 2 payments are of greater importance proportionately to areas of less fertile land? Can he confirm there will be a disadvantaged area scheme and a rural environment protection scheme under pillar 2? Will there be a mandatory minimum this time that must be used for Leader-type actions? In other words, the Leader-type actions will be taken out of this pillar 2 fund. On the previous occasion, a mandatory amount was required to be devoted to that type of non-farm activity. Can the Minister confirm if that will be the case this time and indicate what level is proposed?

Can the Minister give an absolute assurance to the House that in the event of Ireland being in the Presidency of the European Union when the final decisions are made on the CAP, no decision will be made on anything, in particular on pillar 1, until the decisions are made simultaneously? I do not mean they would all be put through on the nod on the final day, but real decision making should not take place on pillar 1 until we are absolutely clear on what is in pillar 2. Can the Minister confirm whether the Government will be able to provide the co-funding for the payments that will be provided by the European Union so that we can be assured of 100% drawdown of European money?

**Deputy Simon Coveney:** On the last question, I can assure the Deputy that it is my full intention that we are not leaving any money behind in Brussels, as farmers would say. Ireland has been one of the better countries in the EU at ensuring that has been and is the case, under previous governments and this one. There is one matter on which I cannot give the Deputy an assurance because it is a decision for Heads of State and Government, although I will be influencing the Irish position. The Heads of State and Government will decide the budget for pillar 1 and pillar 2 within the overall budget. The Heads of State and Government will also decide how that is distributed between member states. The build-up to the meeting of the Heads of State and Government will be very important for CAP and the overall budget we will get. That will not be a decision for Ministers for Agriculture. Our task, with the European Parliament, will be to decide the mechanisms for spending that money following decision on the matter by the Heads of State and Government.

I am working with the Taoiseach to ensure Ireland gets fair treatment in relation to pillar 2. I suspect that one of the reasons for the uncertainty and ambiguity around the amount of money to be allocated under pillar 2 is that this issue will be one of the negotiating tools of the overall multi-annual financial framework discussions. It should not be forgotten that the Common Ag-
Agricultural Policy represents only 38% of the EU budget and the Cohesion Fund and research and innovation fund are also big pots of money.

During the political negotiations on the allocation of the overall budget, which will take place in a few weeks time, I will try to ensure pillar 2 funding is not used as a bargaining chip to try to get agreement on other allocations, including Cohesion Funds, and to ensure Ireland does not lose out in this regard. We are working hard to ensure this will be the case.

On the disadvantaged areas scheme, I envisage there will be a future DAS, although eligibility and qualification for same may change somewhat. As regards a rural environment protection scheme, we will have to wait and see what money is available in that area. A minimum amount of money will be required for Leader-type schemes.

Deputy Éamon Ó Cuív: The Minister used the phrase “to try to ensure” in his reply, which gives enough wriggle room to turn a jumbo jet. Perhaps he will clarify whether it is the intention of the Minister for Public Expenditure and Reform to ensure he will succeed in his attempts to get the level of funding necessary to match the European funding?

Deputy Simon Coveney: It is the Taoiseach, rather than the Minister for Agriculture, Food and the Marine, who leads those negotiations.

Deputy Éamon Ó Cuív: I am speaking about Irish Exchequer funding to match European funding.

Deputy Simon Coveney: I apologise.

Deputy Éamon Ó Cuív: The Taoiseach also leads those discussions. As such, he can ensure the Minister for Agriculture, Food and the Marine gets the money. Rather than telling us he intends to try and all the rest of it, perhaps the Minister will say whether it is the position of the Minister for Public Expenditure and Reform that he will match the European funding provided, regardless of the amount involved.

I accept what the Minister had to say in regard to the multi-annual financial framework. What I asked, however, was whether the Minister can assure the House that if Ireland is in the chair at the time of the negotiations on the multi-annual financial framework, the decisions in regard to pillar 1 and pillar 2 will be made at the same time. In other words, there will be no conclusion of the negotiations on pillar 1 until such time as the situation in relation to pillar 2 has been clarified.

Deputy Simon Coveney: I am not sure whether the Deputy is seeking clarification around the amount of money we can spend or on how we can spend it. I cannot give any assurances on behalf of the Minister for Public Expenditure and Reform. He can speak for himself. My job is to ensure Ireland gets sufficient money and full drawdown under EU schemes.

Deputy Éamon Ó Cuív: Is there not Cabinet policy on the matter?

Deputy Simon Coveney: I intend to ensure we do so through the budgets which we will put together over the next few years.

On the matter of overall agreement on CAP and ensuring agreement on pillar 1 and pillar 2 is reached at the same time, I assume what the Deputy is seeking is that we do not have half-agreement on CAP in terms of agreement on pillar 1 allocations only. It is the intention of the
Irish Presidency to finalise the entire CAP package, pillars 1 and 2.

**Deputy Éamon Ó Cuív:** Will that occur at the same time?

**Deputy Simon Coveney:** Yes. We need to work on achieving a conclusion during Ireland’s Presidency, which will not be easy in terms of the amount of time available to us. We intend getting final agreement on pillars 1 and 2 at the same time, which it is hoped will be around May of next year.

**Deputy Éamon Ó Cuív:** Was a minimum amount sought for non-farm pillar 2?

**Deputy Simon Coveney:** Yes.

**Deputy Éamon Ó Cuív:** What is the percentage?

**Deputy Simon Coveney:** I think it is between 5% and 10%. I will forward the correct figure to the Deputy.

**Common Agricultural Policy**

91. **Deputy Michael Colreavy** asked the Minister for Agriculture, Food and the Marine the likely outcome of the common agricultural policy reform on Pillar 2 payments to farmers in disadvantaged areas. [48739/12]

**Deputy Simon Coveney:** The future system of payments to farmers in disadvantaged areas forms part of the wider negotiations on the reform of the common agricultural policy. As negotiations are still in progress, it is not possible to say with certainty what the outcome will be.

Under the Commission’s proposal less favoured areas, LFAs, which are known as disadvantaged areas in Ireland, will become known as areas facing natural or specific constraints, or ANCs. As I mentioned to Deputy Ó Cuív earlier, designation of the ANCs is proposed to be determined by eight soil and climatic criteria. These are grouped under four headings, namely, climate, climate and soil together, soil and terrain. They include low temperature, dryness, excess soil moisture, limited soil drainage, unfavourable texture and stoniness, shallow rooting depth, poor chemical properties and slope.

The Commission proposals are quite controversial and have not had an easy passage through the Council and the preparatory groups. This dossier precedes by some years the CAP reform proposals. Following criticisms from the Court of Auditors, the Commission made a proposal in 2005 for the use of common objective criteria for designating less favoured areas but the proposal was rejected by the Council. It was decided at that time to maintain the previous system and the Commission was mandated to review the scheme with a view to presenting a proposal for the future designation of LFAs. This review was under discussion in the Council for some time prior to the presentation of the CAP reform package and was incorporated into the package.

This is a very important issue for Ireland as the total area designated as disadvantaged is almost 75% of Ireland’s total land area. From an economic perspective the less favoured areas scheme is particularly significant, contributing to the support of in excess of 100,000 Irish farm families, whose ability to farm is restricted by the physical environment, in particular the im-
pact of the prevailing wet and cold climatic conditions in Ireland.

Additional information not given on the floor of the House.

At EU level, in overall terms I consider the Commission’s proposals of using bio-physical criteria to be laudable but I believe there is a need to broaden the scope of the proposed criteria and to give member states more flexibility in designating areas. My Department has conducted extensive analysis of the impact of using the eight criteria. The results show that while there is no major shift in the total area designated in Ireland, there is a considerable change within the totality, with areas not previously designated now included and other designated areas excluded. In some cases the designation is very difficult to justify. I am reluctant to provide the Deputy with details of the areas that might be affected because I am very conscious this is a protracted negotiation and at this point in time we are very far from a conclusion. I assure the Deputy, however, that I will seek additional flexibility in the designation process and in the timeline for the implementation of any changes to ensure there are no abrupt or significant alterations to the conditions of the current scheme.

It is clear to me that considerable further work will have to be done before we can agree a satisfactory outcome on this dossier. The intention is to complete this work within the timetable for CAP reform. As the incoming Presidency, Ireland will do its utmost to facilitate a successful outcome.

Deputy Michael Colreavy: I wish to raise several points which were not covered by the Minister’s reply. The perception exists that these schemes are not properly targeted, or at least there is a lack of clarity with regard to what precisely is being targeted. As I understand it, there is also a risk that the newer member states will place a big demand on Pillar 2 because they will be heavily dependent on these payments. Therefore, it is all the more necessary to protect Ireland’s pillar 2 allocation.

With regard to disadvantaged areas, I find it increasingly difficult to answer people who ask me what exactly are disadvantaged areas, and what exactly Europe and the Irish Government are trying to do. People farm land where, whether for environmental reasons or because of the nature of the land, it is not possible to have good stocking densities. People receive letters because they have fewer than 0.3 units per hectare and they ask me what is meant by disadvantaged status. What supports should be made available to those in this situation? Given the dissatisfaction with the new environmental programme are there any plans to introduce a broader scheme such as REPS? The Minister will agree that what we need to do is preserve family farming, and many people in the west and north-west are working land which is difficult to work and where high productivity is difficult.

Deputy Simon Coveney: The Commission wants to answer the Deputy’s question on what is disadvantaged and what is not. Instead of taking the approach used in the past, whereby the criteria were very general and a line was drawn splitting the country, biophysical criteria will be used and measured in a scientific way to qualify for a disadvantaged area payment. These criteria include soil type, moisture, temperature, depth and stoniness. In principle, we agree with this approach. The problem is in its practical implementation, which will not be easy because all of the 130,000 farms which could potentially qualify must be measured, which is very difficult to do. This has been kicked into the Common Agricultural Policy reform process, although it was an issue under discussion before that process began. It will be very divisive because many countries such as Ireland have many farms in disadvantaged areas or less fa-
voured areas. They want to retain the classification system because payments can be drawn down for those farms. Therefore, this is a very difficult political issue. If we do not address it, we will have to start breaking up parishes by separating farmers with disadvantaged land from those without it. We need to find a compromise that is both practical and workable and which will have the maximum number of farmers in Ireland receiving payments for having to farm in disadvantaged areas.

Other Questions

Agriculture Schemes Expenditure

92. Deputy Michael Moynihan asked the Minister for Agriculture, Food and the Marine the amount provided in the estimate for payment under the targeted agricultural modernisation scheme in 2012; the amount paid out under the scheme to date and the expected outturn expenditure under this scheme in 2012; and if he will make a statement on the matter. [48251/12]

(Deputy Simon Coveney): European Commission approval for the introduction of a number of targeted agricultural modernisation schemes, TAMS, which are designed to support productive on-farm investment in the agricultural sector, was received in March 2010. Priority was given to the bio-energy, poultry welfare and sow welfare schemes, which were launched by my Department during the first half of 2010. The sheep fencing and handling scheme opened for applications on 1 November 2010 while the dairy equipment and rainwater harvesting schemes were introduced in March 2011. All schemes operated on the basis of a series of tranches to ensure that approvals to commence work could be issued regularly to farmers. Where required, a selection process was used where a particular tranche was oversubscribed, and this has occurred particularly under the dairy equipment scheme, in respect of which demand for grant aid has been very significant.

I provided funding of €20 million in the Department’s capital envelope to meet expenditure under the various TAMS in 2012. Almost €12 million has been paid out to date. Expenditure is demand led and dependent on approved projects being completed and valid, and with documented claims being submitted by the farmers concerned. As farmers have two years under their grant approvals to complete the investment works concerned, it is not always possible to determine the calendar year in which the expenditure will arise. In those circumstances, actual expenditure in any one year is outside the control of the Department, but I expect that TAMS expenditure for this year as a whole will be of the order of €15 million.

Additional information not given on the floor of the House.

In anticipation of savings arising under the TAMS allocation for 2012, I have arranged for transfers of funding to other capital expenditure headings where additional funding is required, in particular to meet liabilities arising under the farm improvement scheme and the pre-TAMS sow welfare schemes. As a result, I expect that the overall savings in this general area are likely to be relatively modest.
I am especially conscious of the importance of TAMS as a vehicle for investment in on-farm enterprises to improve commercial viability and also to assist farmers to meet the new EU animal welfare requirements in regard to the poultry and pig sectors. To this end, I regularly review progress in regard to the level of demand and the allocation of funding under the various schemes to make best possible use of the resources available. Last week, I decided to extend the deadline for the submission of applications under the TAMS sow welfare scheme from the end of October 2012 to the end of January 2013 to help those farmers who have not yet been able to lodge valid applications under that scheme. The deadline for completion of work under the TAMS poultry welfare scheme was also extended by my Department until 28 September 2012. Over two thirds of the TAMS expenditure this year has taken place under this particular scheme.

Deputy Éamon Ó Cuív: The Minister’s civil servants seem very focused on answering all sorts of questions I did not ask, thereby wasting time. I did not ask for a description of the TAM scheme or when it was introduced. What I asked was very simple, namely, the amount of money provided in 2012, the amount paid out to date, which the Minister told me eventually, and the expected expenditure under the scheme, which the Minister also told me eventually. If I wanted a full description of the scheme, I would table a question to that effect.

Deputy Simon Coveney: The Deputy got his answer.

Deputy Éamon Ó Cuív: I did, but the Minister wasted a lot of time telling me what I already knew, namely, the background to the scheme. It is not the first time today that I got a long answer in which the Minister could not get to the meat of the question I tabled. The first answer was a case in point.

Why, according to the Minister’s figures, will only 75% of the money be spent? Why is the demand so low and why are payments so slow? How many applications has the Department received? Will they all be cleared by Christmas?

Deputy Simon Coveney: In anticipation of the savings arising from the TAMS allocation in 2012, I have arranged for the transfer of funding under other capital expenditure headings where additional funding is required, in particular to meet liabilities arising under the farm improvement scheme and the pre-TAMS sow welfare schemes. As a result, I expect the overall savings in this general area to be very modest.

We have approved increased expenditure under particular programmes, including the sow welfare schemes. In January next year, the tethering of sows will no longer be acceptable, which means breeding sows will have to be kept in loose housing arrangements. Significant investment is needed to meet that requirement and we are under pressure in this regard. For this reason, I have extended the targeted agricultural modernisation scheme in this area by providing additional funding and extending the deadline. This will ensure that as many pig farmers as possible qualify by the deadline of next January.

Deputy Éamon Ó Cuív: I assume the Department is aware of the number of approvals it has issued under the TAM scheme. How many of these will now carry over for payment into next year? In other words, in cases where the work has not yet been done and the farmer has not yet made the claim, what is the amount of approvals in value terms that will have to be paid out in 2013?

Deputy Simon Coveney: We made €20 million available this year for the scheme, €15 mil-
lion of which will have been spent before the end of December. I do not have the exact figure in terms of carryover into next year, but I will find that information for the Deputy. The reality, however, is that we do not know whether farmers will spend it next year. They have two years in which to do so and some may wait until the following year. The Deputy is seeking figures that are a moveable feast and will depend on when farmers decide to make the capital investment. The sow welfare aspect is different because farmers have a deadline with which they must comply. In the dairy area, however, farmers are planning investments in the build-up to the removal of quotas in April 2015 and they have two years to spend the money. We must have the flexibility in place to accommodate that.

Deputy Éamon Ó Cuív: Will the Minister get back to me with an answer on the amount of approvals on hand for which claims have not yet been received? He is quite right regarding the two-year timeframe. He forgot, however, to mention a third aspect, namely, that under every grant scheme ever created, there will be people who get approval but who, for one reason or another, never do the work and thus never claim the full grant. If I have the figure for the total amount of money approved that has not yet been claimed, I will be able to do the extrapolation myself.

Deputy Simon Coveney: I will try to get that information to the Deputy.

Transport Costs

93. Deputy Sean Fleming asked the Minister for Agriculture, Food and the Marine if in the context of Budget discussions, he has raised the issue of the cost of transport in the agricultural, food and forestry sectors with the Department of Finance; and if he will make a statement on the matter. [48262/12]

(Deputy Simon Coveney): The Government is aware that the cost of transport in Ireland remains high and that fuel costs are a major factor in the input costs of farmers. Ireland has to import a large quantity of its fuel for transport and, as such, we are subject to world oil prices and the risk of adverse exchange rate fluctuations. The price of oil can increase as a consequence, for example, of tensions in Gulf states, a fire on a major oil rig or speculation in futures markets. Transport costs are also a factor for our exporters. As an island nation, we have higher transport costs for our exported goods than many of our competitors.

Transport costs are primarily a matter for the Minister for Transport, Tourism and Sport and the Minister for Finance. Nevertheless, I have had regular contact with the latter concerning such costs in regard to agriculture and the cost of agricultural inputs in general. One of the measures introduced as a result of recent budget changes is a new double-income tax deduction in respect of the increased costs arising from the change in carbon tax. The Government gave a commitment to the farming sector in 2011 that it would not suffer further costs due to increases in carbon charges, and this relief from the carbon tax increase was given in fulfilment of that commitment last year. Farmers are also allowed to claim a flat-rate addition to the costs incurred by non-VAT-registered farmers based on their imputed VAT costs. Included in this calculation, which currently provides for a rebate of 5.2% in 2012, is the cost of fuel and farm machinery, including tractors. This is a further allowance to farmers on their fuel costs. In addition, the long-standing reduced rate for farm diesel remains in place. This is of significant benefit to farmers, who are not the only users of marked gas oil.
Although the global economic recession continues to impact seriously on Ireland’s finances, I assure the Deputy that we are aware of the challenge posed by high input costs for farmers. We will continue to bear these issues in mind in the framing of the upcoming budget.

Deputy Éamon Ó Cuív: I did not ask the Minister about on-farm diesel costs, which is a subject for another day. My question focussed explicitly on the agricultural industry - in other words, the cost of moving milk from the farm to the processor and on to the market. In addition, timber is a major cost issue because it is bulky and obviously it is provided to the food sector by the agricultural industry.

When the Government came into power it said it was about creating jobs. In opposition it emphasised the issue of competitiveness. We live on an island off another island, which is off the European mainland. Does the Minister accept that natural resource industries, such as forestry, food and agriculture generally, have particularly high transport costs? While we cannot do anything about world oil prices, the cost of the Government-imposed taxation on transport costs is having an effect on the competitiveness of Irish agriculture, food and forestry.

Deputy Simon Coveney: Of course it is. That is stating the obvious. If we were to reduce the cost of transport in any sector we would increase its competitiveness. However, the job of the Minister for Finance is to try to get the balance right between ensuring that we have enough income from the tax-take to meet our deficit challenge. Of course I would like it if we could dramatically reduce fuel taxes, but we do not have that luxury at the moment.

Ireland is a highly competitive country in terms of food production and exports. That is why we have seen food exports increasing over the last two years. We would like to become more competitive and we are continuing to give farming and agriculture special tax treatment on fuel costs, whether through carbon tax, green diesel or the VAT rebate. I hope we will continue to be able to do that, but whether we can extend those transport fuel cost reductions outside the immediate agricultural area is a decision for the Minister for Finance.

An Leas-Cheann Comhairle: I call on Deputy Ó Cuív and note that Deputy Wallace also wishes to contribute.

Deputy Éamon Ó Cuív: As Ministers said when in opposition, it is about choices. The Government could choose to try to stimulate the food and forestry sectors where transport is an enormous part of the input costs, and particularly so in forestry. I wish to ask the Minister two simple questions. First, has he suggested a rebate scheme to the Minister for Finance for auto-diesel for hauliers? This would have a particular significance for many indigenous industries, although it would not be of great advantage to somebody selling microchips.

Second, the Minister mentioned green diesel and the fact that farmers can use marked gas-oil on their farms for agricultural purposes. He twice mentioned that this seems to be some great concession but can he confirm that no consideration was given to changing the regime for marked gas-oil being used in the agricultural industry? Since the Minister has now created a doubt, can he also confirm that farmers will be able to continue to use marked gas-oil, and that the Government does not intended to add significantly to the cost of marked gas-oil, otherwise known as green diesel?

Deputy Mick Wallace: I am sure the Minister is well aware that the problems of the haulage industry are directly related to pressures on the agricultural industry.
I can tell the Minister for certain that for every lorry load of dry goods returning from Italy, a lorry load of meat went out in the first place, because most of the aforementioned dry goods usually are imported in refrigerated containers. At present-----

An Leas-Cheann Comhairle: Does the Deputy have a question?

Deputy Mick Wallace: I note that 35% of the fuel used by those hauliers was purchased outside of Ireland last year because of the lack of a rebate here. The Irish Road Haulage Association has done the maths on it and were the Government to introduce a system in which a rebate was in operation, it would make money from stopping the hauliers from buying so much diesel outside the country. There is money in it for the Government in doing this. Aside from the fact that diesel obviously is being laundered, I still think we must move to a position whereby only one colour is available. It is the only way to deal with those who are cheating with it.

Deputy Simon Coveney: The Minister for Finance is examining ways in which the Government can deal with the amount of diesel that is being laundered. It is a huge issue along Border counties in particular and there have been significant seizures this year to that effect. However, actually doing away with marked diesel or green diesel as farmers call it also creates huge problems, particularly in respect of the potential for diesel to be stolen from farmyards because diesel that is not marked becomes much more valuable and usable. Consequently, there is no easy solution to this issue. I note the Government has been working with its British counterpart to find more effective ways of marking diesel in order that it cannot be laundered. Hopefully, we can make progress with some new initiatives in that area.

The only person who is casting doubt on whether farmers will be able to continue to benefit from green diesel appears to be Deputy Ó Cuív. I have not cast any doubt on it. The Government has made a commitment in its programme for Government to support farmers with regard to fuel prices and will continue to do that. As for broader concerns coming from the haulage sector, I recognise the cost of fuel is causing significant strain on that sector at present. However, the question of what is to be done in this regard is not a decision for my Department. Nevertheless, I certainly will reflect these views in the budgetary discussions in the Cabinet.

Sheep Imports

94. Deputy Éamon Ó Cuív asked the Minister for Agriculture, Food and the Marine the number of sheep that were imported through the port of Larne in Northern Ireland in 2011 and to date in 2012 and transferred directly to meat plants here for slaughter on a weekly basis; and if he will make a statement on the matter. [48247/12]

Minister of State at the Department of Agriculture, Food and the Marine (Deputy Shane McEntee) (Deputy Shane McEntee): I thank the Deputy for asking the specific question because I ask myself in the same question five mornings a week as when one drives up to the lights at Slane, one sees loads of lamb coming down from Northern Ireland to our factories. However, the direct answer to the Deputy’s question is “No”. There are figures available to back this up and the single most important point is that it is not viable for lambs to be brought
from England or from Scotland directly down through Northern Ireland to the factories here, because the price difference is only €1.20 per lamb. Moreover, when compared with the figures from this time last year, the figures for this year’s kill indicate that 65,000 fewer lambs came down from Northern Ireland than was the case last year. In addition, there has been an increase of 7% in overall production here in the lamb trade due to the good prices. While one is disappointed that the price of lamb has not held up when compared with last year, it remains a lot better than was the case in the previous two years.

Our records show that no sheep were imported through Larne for direct slaughter in Ireland during the period in question. The Northern Ireland authorities have also confirmed that no such imports have occurred. Sheep slaughtering in Ireland for the year to date has increased by 10% or more than 182,300 head, to a maximum total of approximately 1.95 million. Throughout 2012, a higher demand from both the domestic and export markets was evenly matched with supplies, particularly during the peak periods of hogget and new season lamb supply. When compared with the highs of 2011, this year’s average price of €4.71 per kilogram is marginally back by 10 cent per kilogram on last year’s price. However, in an overall context, Irish sheep prices have performed consistently well throughout 2012 and are well above 2009 and 2010 prices.

The June sheep census results published by the Central Statistics Office in October indicate that total sheep numbers in Ireland increased by as much as 7% compared with a year earlier, reflecting renewed producer confidence in the sector as a result of firm lamb prices since 2010. The breeding flock had increased by 6%, year on year and the number of ewes under two years of age had increased by 12%, suggesting that further flock rebuilding is likely, which in turn may increase the supply of lambs on the market here. Other sheep numbers, which mainly consist of lambs from the 2012 crop, showed an increase of 7% when compared with June last year.

Additional information not given on floor of the House.

Lamb production in 2012 as a whole will be higher than last year and the census figures indicate that a further increase is possible in 2013.

On a positive note, sheepmeat exports to international markets almost doubled to 600 tonnes during the course of 2011. This generates a great confidence boost for Irish exporters. While almost 99% of our lamb exports are to the European Union, it is always beneficial to have a wide range of outlets available and to this end my Department, together with Bord Bia and the Department of Foreign Affairs and Trade, continues to work to secure access to more third-country outlets for Irish lamb. I announced the opening of the Singaporean and South African markets to Irish lamb over the summer. There is strong demand for all meats globally at present and my Department and I remain committed in our efforts to ensure that the Irish sheep sector is able to take full advantage of all of the opportunities that will arise as a result of this demand.

Deputy Éamon Ó Cuív: I accept what the Minister of State has said about prices for lowland sheep and lambs. Does he accept there is a crisis in the hill lamb market, that the traditional markets for light lambs do not appear to be open, obviously owing to the bad weather, and that there are very few store buyers in the market? Can the Department take action to deal with the issue with a view to getting a floor price for mountain lamb, although it is getting late in the season? Given that efforts have been made to open up the Libyan market to live exports, perhaps the Minister of State will give an update on those efforts and what is delaying the opening of that market? Is there anything more the Department can do to facilitate the opening of
Deputy Shane McEntee: During our trip to Westport I met the Galway, Roscommon and Mayo sheep farmers who are under pressure in respect of their store lambs because the people in my area are not buying them owing to a lack of grass. I encouraged them to take a leap of faith and put them inside because even though fodder and meal is dear, they may get a turn out of it, so to speak. I spoke today to a man who took in 165 lambs last year and offered not be paid for a couple of months. He cannot do that this year as he does not have the fodder.

I met the Connemara hill farmers group nine months ago. It has taken on a man through the JobBridge scheme to find markets for the lighter lamb referred to by the Deputy. At the sheep open day in Tuam, that group was actively seeking lighter lambs in the Deputy’s constituency and in other areas in the west. Those are the people we will support through Bord Bia and through some of the supermarket chains in the Deputy’s constituency which have taken in the lighter lamb. There is a problem with Portugal and Spain. The Connemara hill lamb producers is a great group, however, and I have no doubt hundreds of farmers will join them as lamb numbers increase.

Deputy Éamon Ó Cuív: My first job as co-op manager in Cornamona was to build a large sheep shed and put 2,000 sheep in it. We proved that the economics of feeding grass meal to sheep is not hugely profitable with the pure breed of mountain sheep. It would work much better with cross-bred sheep from the lower hills.

I agree with the Minister of State on the work being done by my successors in respect of Connemara hill lamb, but there is still a significant problem in selling plain mountain lamb on the market. Something must be done about it urgently. I urge the Minister of State to do whatever he can to allow this trade to continue in operation. This has been a challenge for the past 30 years. We must ascertain if there are other ways of ensuring the sustainability both of farming mountain sheep and of the market for it, because it appears the latter is up one year and down the next year. The market is volatile and that is a feature of it that has not changed in all the years I have been dealing with it.

I note what the Minister of State said about Portugal and Spain. I used to export sheep to Italy. I recall flying them live by jet to Italy in the late 1970s. I did not get an answer to my question on the Libyan market.

Deputy Shane McEntee: I am aware from the Minister that negotiations are taking place, and perhaps he will elaborate on that. In regard to the Libyan market, efforts have been made in recent months to open the live trade for the Friesian bull. Sheep are included in that. There must be suitable ships for exporting live animals, however, and the issue is being worked on and is close to a conclusion.

Deputy Simon Coveney: May I make a comment?

An Leas-Cheann Comhairle: We are over time.

Deputy Simon Coveney: We have been working with exporters who are considering the possibility of taking beef and, potentially, sheepmeat out of either Cork or Waterford. However, there is an issue in respect of accessing boats at an affordable price. The Department’s job is to ensure appropriate veterinary standards for those shipments. Two companies with a track record of live exports are actively seeking to export in the next six weeks.
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**Deputy Éamon Ó Cuív:** I submitted two questions, but I received a terse, one-line answer. Will the Minister provide me with a briefing on how the issue stands?

**Deputy Simon Coveney:** Yes.

**An Leas-Cheann Comhairle:** We must make some progress.

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**Dairy Sector**

95. **Deputy Micheál Martin** asked the Minister for Agriculture, Food and the Marine his views regarding reports of farmers who are supplying the liquid milk trade losing money due to pressure from the multiples; the action he will take to deal with this issue; and if he will make a statement on the matter. [48275/12]

**(Deputy Simon Coveney):** I am glad to see Deputy Martin showing interest in the liquid milk market.

**Deputy Éamon Ó Cuív:** It has a big effect in Cork.

**(Deputy Simon Coveney):** It certainly does. I see that Deputy Kelleher has also joined us for the discussion.

Prices paid for products in the marketplace are a function of a number of market forces and the negotiation of commercial contracts is essentially a matter for the contracting parties. The National Milk Agency, which operates under the aegis of my Department, was set up in 1994 to regulate the supply of milk for liquid consumption. All farmers supplying milk for liquid consumption in the winter months do so under contracts with processors that must be registered with the agency. The agency does not have a role in setting the retail price of milk, but farmers supplying milk in the winter months are paid a premium over the price paid to farmers who only produce milk in the spring-autumn period. This premium reflects the additional costs of producing milk in the winter months.

The programme for Government contains a specific commitment to enact fair trade legislation in the retail sector so as to ensure a balance between various players in the grocery goods sector. I assure the Deputy that this legislation will be produced by the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, before the end of the year or early next year. It will introduce a legally enforceable mandatory code of conduct between large multiples and the people from whom they source food and milk. The contracts will be respected.

There is a broader problem across Europe in terms of the percentage of the final retail price that farmers get for their produce, including liquid milk. Ten years ago, they would have got an average of 30% or more of the price, but they are now getting less than 20%. The Commission is examining this issue to try to find solutions. If Ireland tries to implement solutions on its own, retailers will simply source from elsewhere, which is not what we want.

**Deputy Éamon Ó Cuív:** I thank the Minister for his answer and look forward to the fair trade legislation, which is urgently needed. As the Minister knows, the Oireachtas committee intends to investigate not only the question of liquid milk, but also the wider issue. It is a major concern. Given the squeeze on liquid milk producers, we might need to import winter milk at some point. This would be a tragedy for what should be the dairy island. Will the Minister sup-
port the committee’s investigative efforts and will he undertake to give serious consideration to any proposal made by same?

Has the Minister raised this issue at European Union level and will there be a co-ordinated effort to deal with the power of the multiples? Most if not all of the major multiples are multinational companies. Will the Minister briefly outline the policy direction that Europe intends to take to limit what it views as competition between multiples but what I view as their control?

Deputy Simon Coveney: On the Deputy’s last question, he might well see supports trying to do that under pillar 2 of the Common Agricultural Policy, CAP, reform process. For example, producer groups would be supported so that farmers could negotiate prices collectively and more effectively. This should and could happen in the beef, sheepmeat and lamb sectors, where farmers should be negotiating in a more structured way. This is generally not as great an issue in the dairy markets, as farmers own their co-operatives and, therefore, have an input into pricing models. However, farmers are more exposed to the marketplace in terms of liquid milk.

The Commission is examining this issue, but there are no simple solutions. The idea that we could set margins or prices for any product is unrealistic, but we could certainly examine ways of examining the hand of primary food producers when they are negotiating a fair price for their produce.

Ireland’s competition Bill will primarily focus on ensuring that retailers honour contracts with food producers and that people are not exposed to the significant negotiating power of multiples.

Deputy Éamon Ó Cuív: I am disappointed by the Minister’s answer on the EU. It was quick to create a plethora of competition law. An effect of competition and below cost selling is that liquid milk producers are being squeezed to the point of not making any money. The EU could very simply introduce legal controls and regulations to avoid this becoming the end result of unbridled capitalism and competition between major multiples and multinationals.

During the Minister’s Presidency of the agricultural Council, will he ensure that this issue is addressed? It should be dealt with through the application of legal controls and European regulations. Thousands of them are passed every day. Could a single regulation to protect primary producers not be introduced as well? Without those producers, we would all go hungry in the long run.

Deputy Simon Coveney: I am not quite sure what the Deputy is seeking. Does he want the Commission to start setting milk prices across Europe?

Deputy Éamon Ó Cuív: No. I am seeking controls.

Deputy Simon Coveney: We must have a functioning, competitive marketplace. In this context we must find ways to increase the negotiating power of primary producers of food to ensure that they are not solely price takers when they go to market. To help us in this regard, the EU has proposed that the producer group model be supported. It is active in other parts of Europe but not as active in certain parts of Ireland’s agrifood sector. We can help to finance it, but there are no simple solutions unless we start setting margins and prices. That would fundamentally undermine the competitiveness of Irish producers.

Deputy Éamon Ó Cuív: Under competition law, there are rules against overdominance in
Deputy Billy Kelleher: Before I ask my questions, it is important that we put on the record of the House our heartfelt sympathy for the Black family. Yvonne Black has been widowed and two young children have had their father taken from them by a heinous, callous crime. It behoves everyone in the House to reject out of hand the flawed philosophy of violence and murder, as it sullies the Irish flag and rejects the will of the Irish people as expressed in the Good Friday Agreement. I call on everyone to condemn this cowardly, murderous barbarity.

I missed the press conference, but I assume that St. James’s Hospital has been announced as the selected site. Mr. Fergal Bowers brought it to our attention some time ago. Nevertheless, I welcome the announcement on the selection of a site for the national pediatric children’s hospital. We fully support it. All parties have agreed that a children’s hospital is required.

I wish to ask a few questions on this proposal. It has been indicated that the timeline will slip into 2017 or 2018. Could the House be given a definite timeline on when planning will begin? What resources and revenue streams will be required to fund the planning and construction phases? When does the Taoiseach envisage the project being completed?

In tandem with the development of the national pediatric hospital, there is a grave concern that the existing children’s hospitals could be downgraded. Will the Taoiseach confirm that a funding stream will be put in place to ensure that, while we are awaiting the national hospital’s construction, children’s services in the other hospitals will not be diminished?

The Taoiseach: It goes without saying that the House stands united in condemnation of the callous murder of David Black. I made the point at the North-South Ministerial Council meeting the other day, in the company of the Tánaiste and the First Minister and the Deputy First Minister of the Northern Ireland Assembly, that Yvonne Black had lost a husband, her children Kyle and Kyra had lost their father and Ulster had lost a hardworking citizen. We unreservedly condemn this. On behalf of the Government, I was happy to say that the working relationships between the Minister for Justice and Equality, Deputy Alan Shatter, and the Minister for Justice, David Forde, between the Garda Commissioner, Martin Callinan, and Chief Constable of the PSNI, Matt Baggott, and between the Garda and the PSNI are working exceptionally well at the very highest level.

I hope the perpetrators of this murder are brought before the courts and that justice is, and is seen to be, done. We do not want a return to this kind of callous tragedy and to this senseless kind of murder. All the agencies of this State will be at the disposal of the PSNI and the Northern Ireland authorities to ensure those who perpetrated this are brought to justice as quickly as possible. I thank Deputy Kelleher for raising this. He can take it that the capacity and information available to us is at the disposal of the authorities in Northern Ireland and vice versa applies.

At its meeting today, the Government confirmed that the decision is to build the national paediatric hospital on the site at St. James’s Hospital. The Minister for Health, Deputy Reilly, has been careful and realistic in his assessment of the timeline for completion of the children’s hospital facility in late 2017 or early 2018. Work can commence immediately in vacating rele-
vant temporary structures and buildings on the St. James’s Hospital site which currently provide clinical and non-clinical services. The proposed development site for the paediatric hospital can be available within six months with clearance, decanting and enabling works happening during 2013 and 2014. Construction of the new hospital can commence by 2015. Clearly, a design process and a procurement structure must be dealt with and the issue of planning permission and so on must be gone through. It is not a case of being able to give the Deputy a specific month by which the entity will be complete. Suffice it to say, I am glad clarity has been brought to the situation. The Government has made a very clear decision to build the national paediatric hospital on the St. James’s hospital site.

I thank everybody who provides care and attention to our children in all the medical facilities. I hope that, despite the great difference of opinion among many medical people at the very highest level, there will be buy-in to the decision of Government. The interest here is to provide the very best facilities for all the children of the island who will avail of the services and staff of the hospital once it is built.

The Deputy can take it that the Minister for Health and the Government are, and will always be, anxious to see that in the intervening period, facilities and resources are made available to the existing children’s hospital facilities in order that they can continue to provide the first class care and attention they have always provided despite inadequate resources on many occasions and despite cramped space and other conditions. It is in the country’s interest that the Government sees that happens, and it will happen.

**Deputy Billy Kelleher:** I thank the Taoiseach for his reply. I expected the Taoiseach, and I expect all other political leaders, to condemn out of hand the murder of David Black. I welcome the Taoiseach’s comments. I know this is cold comfort to Yvonne and her family.

On the issue of the children’s hospital, we have concerns. Philanthropy is a way to fund it and the sale of national lottery licence is another which has been earmarked. However, because of the difficult economic environment, there are major concerns, as expressed by some very senior paediatricians and others, that the downgrading of services in the current children’s hospitals will be used to fund the stream of resources required for this children’s hospital. We need a clear funding mechanism to be put in place in the context of budget 2013 and thereafter.

I refer to the concerns about the charitable status of the national paediatric development board and the issues raised. Will the charitable status of the development board and the guaranteed funding stream throughout the development of this hospital, as opposed to waiting year on year for funding to build this much-needed facility, be addressed as quickly as possible?

**The Taoiseach:** It goes without saying that the national paediatric hospital will not be built and opened in 2014 or 2015. Clearly, right through to the end of 2016, the Government will provide Exchequer funding, as has always been the case for facilities and medical personnel to provide care and attention to children who must avail of the facilities at the children’s hospitals. That goes without saying. The Deputy can take it that the wind down, as he calls it, of the children’s facilities will not happen in the sense that these facilities must be provided and funded parallel to the process of the design, planning, construction and fitting out of the new paediatric facility. It is not a case of, having made a decision to build a new national pediatric hospital, winding down current facilities. That would not be in the best interests of the medical people who work in them and, most important, the children and the services and facilities provided. The Minister for Health and the Government are very conscious of that.
Deputy Gerry Adams: “Pleased” is the wrong word but I am satisfied to once again put Sinn Féin’s position in opposition to the murder of David Black last week. I did so in the North immediately after we got news of his murder. As the Taoiseach will know, the Deputy First Minister set out in very graphic tones not just the Sinn Féin position, or his own position, but the position of the vast majority of people on this island. I join with the Taoiseach and Teachta Kelleher in once again extending our sympathy to, and solidarity with, the Black family.

I welcome today’s announcement in regard to the go-ahead for the construction of the new national children’s hospital. There will be questions to be asked as we get the detail, in particular about current services which are being starved of funding, but today I would like to deal with a really vexed issue, namely, the fact that senior bankers who were part of the financial crash in 2008 are still getting massive pensions. These banks were given big bailouts of the taxpayers’ money to fund their operations. We learned that this money, taken from the taxpayers for a project, was used to fund the pension of former CEO, Eugene Sheehy, for example. He got more than €0.5 million. It is little wonder there is a disconnect between citizens, who are in deep distress, and the elites in our society and that there is a contempt for many politicians as well. Mr. Colm Doherty already got €3 million of a pay-off and he will get a pension of €300,000 when he reaches 65 years, all funded by the taxpayer.

We have the awful situation - one could not make this up - of the Minister for Finance, Deputy Noonan, echoing exactly what the Fianna Fáil Minister said that he can do nothing about the pay or the pensions of bankers. The Taoiseach promised something different and said no more blank cheques. He may have seen last week that one of these CEOs treated the Oireachtas Joint Committee on Finance, Public Expenditure and Reform with contempt. He stonewalled and refused to answer questions. Again, this is a man who is paid over €830,000 per year and his bank has received €4 billion of taxpayers’ money. What is the Taoiseach doing about this? Will he introduce a levy to recoup the payment of these super-pensions and ensure taxpayers’ money is not used in this fraudulent way?

The Taoiseach: First, in response to the Deputy’s comment about the prison officer David Black, and in respect of the comment made by Deputy Kelleher, I have already responded publicly. I was beside the Deputy First Minister when he made his comments in Armagh unreservedly condemning the murder of David Black. He also made the point that the coming together of different elements of so-called dissidents with a warped mentality about the future of this island carries within itself the seeds of its own destruction. I hope the information available to the Deputy First Minister and the Northern Ireland authorities, together with assistance from the Garda in terms of whatever information is available from this side, will ensure that these people are brought before the courts as quickly as possible. That must be seen to be done.

With regard to the children’s hospital, there will be a debate on this in the House next Thursday. Deputy Adams will have an opportunity then to ask more detailed questions of the Minister for Health, who will be here for that debate.

On the question of pensions for former employees of the pillar banks, the programme for Government sets out the Government’s view that there should be a fundamental review of remuneration in banks that are subject to State support. That review is ongoing since the summer. Some additional assistance has recently been provided by Mercer to that review. The Deputy will have been notified of that by letter from the Minister for Finance some time ago. The Minister for Finance has set out clearly the legal constraints on him. The position is that these people retired from the banking sector prior to this Administration taking office. I understand
the chief executive of AIB has written to former senior executives in recent days asking them to make a voluntary decision in regard to the pensions they receive. It is important to note that this Government has gone further than any previous Government by including all elements of the pay package under the salary cap. The current chief executive of AIB, for example, is subject to the cap of €500,000. The remuneration of the chief executive of Permanent TSB is also subject to the same cap.

It is also important to note that the story here has not been true or clear in terms of what has been portrayed. The transfer of €1.1 billion of nominal loan assets to the AIB pension fund was not to fund the extraordinary and, in my view, utterly exorbitant level of pensions to a number of former senior personnel within the pillar banks. It was to deal with the deficit that was going to arise due to the fact that 2,500 people were taking voluntary retirement from the bank. If that transfer had not taken place, the consequence would have been compulsory redundancies, which is a very different position. In the meantime, the small number of former senior executives would have continued to receive the extraordinary level of pension remuneration they currently receive. The transfer of €1.1 billion of nominal loan assets, which if they were sold at market value would probably have yielded approximately €300 million, meant that the voluntary retirement of 2,500 staff could proceed. Hopefully, following the decision of the chief executive to write to these people, they might decide to make voluntary decisions about the levels of the pension they receive.

In respect of what will happen in the future, the Government has gone further than any previous Government. The Minister is constrained in this regard legally in that pensions are regarded in a particular way under the Constitution. I will not comment on the issue of fairness which the Government will address, in so far as it can, in the presentation of the budget early in December.

Deputy Gerry Adams: I agree with the Taoiseach that these are utterly exorbitant pensions. However, he has not told us what the Government will do about it. When Fianna Fáil was in power, it took a huge public outcry and much political pressure for it to introduce an 80% levy on bankers’ bonuses in 2010. At that time, the Opposition of the day was outraged by the failure of the Government to act. In fact, the current Minister for Health called at that time for a 99% levy. We were sent to this House to legislate; that is our job. It is not enough for the Taoiseach to say that we can do nothing about this and that the Minister for Finance is constrained. Legislation can be introduced, and it is up to the Taoiseach and his Government to do that.

Second, the other issue with these huge payments is the fact that these banks are being funded by the taxpayers. That is deeply offensive. These are banks that will not give medium and small businesses credit or mortgage relief to citizens who are in mortgage distress. Food kitchens are opening in small towns and cities throughout the State, yet some of our Ministers earn more than their counterparts in Europe. The Taoiseach earns more than whoever will be elected the new US President today. This has nothing to do with the budget, but with an emergency that has arisen. Will the Taoiseach commit to introducing a levy to deal with these utterly exorbitant payments, as he described them?

The Taoiseach: The Deputies are talking about two different things. A pension is a pension but a bonus is a bonus. What was raised in the House on many occasions was dealing with very high bonus payments. Pensions are treated differently and are in a different position legally. I have heard comments about the power of shareholders, under section 50 of the Pensions Act, to impose reductions on pensions. Individual shareholders do not have the power under the Pen-
Deputy Gerry Adams: The Government is the biggest shareholder.

The Taoiseach: The individual shareholder cannot apply for a section 50 reduction. The section permits a pension board, following an application by trustees, to direct those trustees to reduce benefits, if they are subject to active and deferred scheme members or pensioners currently in receipt of a pension.

Fairness is clearly an issue and it must be reflected in the budget, in so far as the Government can do that. The review of all levels of pay in the pillar banks is being carried out by the Minister and the Department of Finance. Additional information in that regard has been provided by Mercer. The Government has adhered to the caps that were set in place.

Deputy Pearse Doherty: It has not. Richie Boucher is paid far more than that.

The Taoiseach: It has, and the appointment of the chief executive of AIB was in line with that. I hear all the wonderful words being said by some people, but they allowed this to happen under their watch. Things are different now. I consider a pension of €500,000 to be truly extraordinary. There is a moral responsibility on individuals to deal with that. As I said, the chief executive has written to former senior executives. I do not know the contractual arrangements that were arrived at with many of these pensions, but that is a matter for examination.

Deputy Mattie McGrath: They did not fulfil the contracts.

The Taoiseach: I have pointed out to Deputy Adams the reflections regarding the bank’s capacity to meet its pensions.

That is why the €1.1 billion was transferred, to deal with the 2,500 people taking early retirement or voluntary redundancy. I do not expect the Government to follow that if there was a requirement for a second transfer of additional funds to deal with pension deficits that may arise in the case of senior executives who carry truly extraordinary levels of pension. It is a matter for the banks to deal with but I would not be supportive of a further similar transfer in the case of dealing with the pension deficit when they are already retired and in receipt of extraordinarily high levels of remuneration.

Deputy Shane Ross: I join the Taoiseach and Deputy Kelleher in condemning the vile murder of Mr. David Black in Northern Ireland and I express my sympathy to his family. This does not represent a return to the dark ages, but it is a horrible reminder of things that happened here a decade or so ago. No one in this House has any truck with that sort of activity. The message should go out loud and clear from the Chamber. There is unanimous support for the family and condemnation of the terrorists who brought about this awful crime.

Deputy Robert Dowds: Hear, hear.

Deputy Shane Ross: My question about banking pensions is a follow-on from the Taoiseach’s comments. When the Minister for Finance, Deputy Noonan, said he could do nothing about it, legally and technically he was correct. It would be interesting if the issue faced a challenge in the courts. If we cannot do anything about the past, why can we not do something about the current situation? Three prominent bankers appeared before the Oireachtas Joint Committee on Finance, Public Expenditure and Reform last week. One of them, Mr. Richie Boucher, receives €620,000 a year; another, Mr. Mike Aynsley of IBRC receives €866,000; and
the pauper of the pack, Mr. David Duffy, receives €500,000 per year.

The Government can do something. All three of the banks have remuneration committees that approve these outrageous salaries to bankers. Representatives of the Government sit on the remuneration committees in the form of public interest directors. The chairman of the Bank of Ireland remuneration committee is Mr. Joe Walsh, a former Minister with responsibility for agriculture. This means Mr. Walsh has approved the sum of €620,000 for Mr. Boucher and his pension. It also means Mr. Walsh approved the payment of approximately €400,000 per year, or €8,000 per week, to Mr. Archie Kane as governor of the Bank of Ireland. By proxy, the Government has approved it.

I ask the Taoiseach whether the public interest directors have any interest in the public. The public and the Government cannot possibly approve of these payments. I hope this is a constructive suggestion. The Taoiseach should consider calling in the public interest directors representing the Taoiseach, me and the people to tell them the Government will no longer tolerate payments of this kind and that it requires the heads of banks not to be paid a red cent more than the €169,000 paid to the Minister for Finance, who has responsibility for all banks.

Deputy Finian McGrath: Hear, hear.

The Taoiseach: The appointments made by this Government are within the cap, as outlined by the Minister for Finance. The chief executive of AIB is under the cap of €500,000 and remuneration of the Irish Life & Permanent chief executive is also in line with the cap. It is not open to the Minister to change contractual arrangements arrived at by a previous Administration. Deputy Shane Ross is well aware of that.

Deputy Mattie McGrath: The Government said it would do so.

The Taoiseach: Deputy Ross asked an interesting question about the role and responsibilities of the public interest directors. I have not met the public interest directors but recently in the Dáil I referred to my intention to look at the remit of the Cabinet sub-committee dealing with mortgage arrears and to expand it into banking in general.

Deputy Mattie McGrath: In what year?

The Taoiseach: Clearly a number of banking decisions must be made in the time ahead. It may be possible to see what the relationship between public interest directors and their role in respect of public interest can be in terms of communicating their views on what is happening at the boards of banks and to hear directly from the representatives of the people on the situation.

The appointments made by this Government are within the agreed cap. The chief executive of AIB has written to former senior executives with regard to the levels of the pensions they receive.

Deputy Joe Higgins: Let us ask the fox to bring back the hens it stole.

The Taoiseach: There is a moral responsibility on those who allegedly receive extraordinarily high levels of pension to do something about it. I hope they do.

Deputy Shane Ross: There should be a no tolerance policy for these salaries. I am sure the Taoiseach is aware, as is the Minister for Finance, that Mr. Boucher is paid nearly four times the salary of the Minister for Finance and over three times the salary of the Taoiseach. That is
not making a judgment on the Taoiseach’s salary, but it tells us a lot about what these people receive. These are rewards for failure.

The basic problem is the relationship between the Government and the banks. If the Government is so detached from them, and we constantly hear that there is nothing that can be done and that the banks must have a commercial mandate and operate independently, what do the public interest directors do if they do not sit on the remuneration committee and rubber-stamp outrageous amounts of pay? Does the Taoiseach have no influence on them? Can he not call them in and say there can be no more tolerance of these payments and that they are to stop now? At least three of them are ex-politicians. Is it not the view of the Taoiseach and does he not convey it to them in order that they can convey it to the boards in question to stop these outrageous payments? There is a direct line of accountability and the Taoiseach can start it by giving specific instructions that the payments are not to continue.

**The Taoiseach**: The Deputy’s question is whether we are entitled to change contractual arrangements arrived at, agreed and signed off on. The Government has made two appointments, both of which were subject to the approval of the Minister for Finance, and they are in line with the cap. I am not sure how the conditions of contractual arrangements previously arrived at are vested. In terms of the legal position on the level of pension paid, the Minister for Finance has set out the legal constraints imposed upon him. This is an issue of enormous concern to the hard-pressed and challenged public in these economic circumstances. I hope the persons in receipt of extraordinary pensions reflect on the issue of moral responsibility in these challenging times.

The Government will present the 2013 budget in the first week of December. It will try to reflect the budget in as equitable, affordable and fair a manner as possible. The issue Deputy Ross raises, quite rightly, as a matter of public concern is one on which we will reflect. I will reflect on the role and responsibilities of public interest directors in the banks in the context of the expansion of the remit of the Cabinet sub-committee dealing with mortgage arrears and banking in general.

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**Ceisteanna - Questions (Resumed)**

**Cabinet Committees**

1. **Deputy Micheál Martin** asked the Taoiseach when the Cabinet sub Committee on Economic Recovery and Jobs will next meet [41260/12]

2. **Deputy Micheál Martin** asked the Taoiseach if he will outline the role his Department has in the Economic Management Council. [41288/12]

3. **Deputy Micheál Martin** asked the Taoiseach if he has met the Cabinet sub Committee on Health recently. [41262/12]

4. **Deputy Micheál Martin** asked the Taoiseach if the Cabinet Committee on Public Services has met recently. [41264/12]

5. **Deputy Joe Higgins** asked the Taoiseach the number of Cabinet sub Committee meet-
ings that he has attended recently. [43030/12]

6. **Deputy Micheál Martin** asked the Taoiseach if the Cabinet Committee on Health has met recently. [44104/12]

7. **Deputy Gerry Adams** asked the Taoiseach when he last met with the Cabinet sub-Committee on Health. [44452/12]

8. **Deputy Gerry Adams** asked the Taoiseach how often the Cabinet sub-Committee on Health meets. [44453/12]

9. **Deputy Gerry Adams** asked the Taoiseach if the Economic Management Council has any plans to meet with the banks. [44454/12]

10. **Deputy Micheál Martin** asked the Taoiseach if he or his officials from his Department have attended a Cabinet Committee on Climate Change. [44457/12]

11. **Deputy Gerry Adams** asked the Taoiseach the number of occasions on which the Cabinet sub-Committee on Mortgage Arrears has met since its establishment; the dates of those meetings; and when it is next scheduled to meet. [47312/12]

12. **Deputy Gerry Adams** asked the Taoiseach when the Cabinet sub Committee on Mortgage Arrears is next scheduled to meet. [47409/12]

**The Taoiseach:** A Cheann Comhairle, I propose to take Questions Nos. 1 to 12, inclusive, together.

Yesterday I chaired meetings of the Cabinet committees on European affairs, economic recovery and jobs, climate change and the green economy, mortgage arrears and Irish and the Gaeltacht.

The last meeting of the Cabinet committee on economic infrastructure was held on 25 October and the committee on social policy last met on 1 October. The Cabinet committee on public service reform last met on 11 October. The Cabinet committee on health last met on 1 October and this was the sixth time it has met this year. It is scheduled to meet every two months but can meet more often as required. The Cabinet committee on economic recovery and jobs is expected to meet again in December. The Cabinet committee on mortgage arrears has met on eight occasions since its establishment in March 2012. It met on 14 March, 3 April, 24 April, 15 May, 5 June, 25 June, 19 July and 5 November. No date has been scheduled as yet for the next meeting. The Cabinet committee on climate change and the green economy has met on four occasions. In 2011, it met on 30 June and 20 December and in 2012 on 2 May and most recently yesterday, 5 November. I have chaired all four meetings and on each occasion have been accompanied by a senior official from my Department.

The Economic Management Council has met 32 times so far this year, most recently on 24 October and the next meeting is scheduled for tomorrow, 7 November. The Government has been working closely with the Irish banks to ensure that the banking sector supports economic recovery. As part of this ongoing process the members of the Economic Management Council last met with the banks on 26 June. I expect that members of the council will meet with the banks again later in the year.

The Economic Management Council has been established with the status of a Cabinet com-
mittee and has four members. They are the Taoiseach, the Tánaiste and Minister for Foreign Affairs and Trade, and the Ministers for Finance and Public Expenditure and Reform.

A second Secretary General has been appointed in my Department whose responsibilities include managing support for the council and who reports to the Tánaiste on matters relating to the council. Additional support for the council is provided from within the existing resources of my Department, working in close conjunction with staff from the Departments of Finance, Public Expenditure and Reform, and Foreign Affairs and Trade. Advisers to each of the members of the council attend meetings on a regular basis in line with precedent.

The council’s role is to manage the Government’s programme in respect of economic planning and budgetary matters; the economic recovery programme, including the representation of Ireland internationally in negotiations with the European Union, European Central Bank and International Monetary Fund troika; the integration of the work of Government Departments and agencies in these matters; and the co-ordination of banking policy.

**Deputy Seán Ó Fearghaíl:** I thank the Taoiseach for that response. One is impressed at the number of sub-committees the Taoiseach has established. What interaction takes place between those sub-committees? One suspects there is a degree of overlap between the operation of the Economic Management Council, the sub-committee on economic recovery and jobs and the sub-committee on mortgage arrears.

The Taoiseach previously indicated to the House that the Economic Management Council was seriously addressing the issue of mortgage arrears, yet we recently heard from Ms Fiona Muldoon of the Central Bank that the performance of the Irish banking sector is far from ideal or satisfactory. Ms Muldoon, strangely, described the Irish banks as acting like teenagers.

Does the Taoiseach share the concern of this side of the House that far too little is being done about the personal debt and mortgage problem? Some 23% of mortgage holders are either in arrears or have had their mortgages restructured following consultations with the banks. About 167,000 Irish families or individuals are affected.

One lauds the work done by the Minister for Justice and Equality on the Personal Insolvency Bill, but I suspect the Taoiseach would agree that the Bill on its own is not enough to solve the major problems that confront Irish mortgage holders and that the Government, through these committees, needs to be far more active in bringing forward solutions for mortgage holders, whether in Mayo, Dublin West, Kildare or wherever, and in offering some solution to families that are inordinately hard pressed by personal debt.

Was it within its terms of reference for the sub-committee on health to consider the controversial issues of primary care centres or the national children’s hospital? We welcome today’s decision by the Cabinet to select the St. James’s Hospital site. We will be keenly interested to see the background studies that led to this decision. I am sure the Government will be publishing the Dolphin report which will give us an understanding of the reasons behind the choice of that location. We were also interested to learn that the Tánaiste saw fit to get his own advice on that initiative. Was the Tánaiste in a position to bring his personal advice to the sub-committee on health? Was he able to bring his advisers to those meetings to participate in the process?

The European section of the Department of Foreign Affairs and Trade has been moved to the Taoiseach’s own Department. Nevertheless, questions to the Taoiseach on matters relating to Europe are automatically transferred to the Tánaiste and Minister for Foreign Affairs and
Trade. We have yet to see a major policy statement from the Taoiseach, the Tánaiste or the Government on reform of the European Union. Last week, the Taoiseach said, with regard to treaty changes and the budget, that his policy was to wait and see what comes up. When might the House hear a definitive statement on Ireland’s vision for the development of the EU budget and reform of the European Union?

An Ceann Comhairle: Before the Taoiseach replies, I remind the House that questions relating to the activities of individual Cabinet committees are not in order, as the activities of the committees are subject to Cabinet confidentiality. Hence the wording of the questions as to how often the committees have met rather than the content of what was discussed.

The Taoiseach: The role of the cabinet sub-committee on mortgage arrears was to oversee the effect of implementation, on a cross-departmental basis, of the Government’s response to the issue of mortgage arrears; to agree a detailed implementation plan for the recommendations of the interdepartmental report on mortgage arrears, which was published; to ensure appropriate priority was given to the delivery of this implementation plan across Departments and agencies; and to develop any further measures in relation to mortgage arrears required in light of the developments. Outside the sub-committee, we had a number of meetings with the banks where the issue of mortgage distress and arrears was discussed at some length.

Deputy Ó Fearghaíl is aware that the deputy governor of the Central Bank, Mr. Matthew Elderfield, regulates the operation of the banks. He has been clear and forthright in what he has required from them. Deputy Ó Fearghaíl is also aware that I wrote formally to the regulator last year to say that if he required any further legislative authority the Government would consider giving it to him.

4 o’clock

The regulator responded that he did not consider it necessary at this time to seek any further powers.

The Government’s work is focused on four areas, including resolution strategies by the banks in respect of mortgage arrears and distressed mortgages. This has fluctuated in terms of those who are unable to pay over the 90 days or the 30 days, as the case may be. The complex legislation dealing with the Insolvency Bill, starts Report Stage in the House today and, at the same time, there is the development in parallel to the Bill of the insolvency service of Ireland. The new director has already taken up office and has advertised for competent staff from the Department of Justice and Equality. He has the support of the Central Bank regarding the framework or the strategy he must put in place and in regard to responses to advertisements for accountants and legal personnel who will be required to do that. Third, and most importantly, the Government is focused on keeping families in their homes. What better news can a family have in challenged times where one or two might have lost a job or fallen on difficult times that a resolution has been arrived at or agreed in terms of their mortgage position? The banks did not have trained personnel in the last number of years to deal with these individual cases. That matter is now rectified. Banks have trained personnel to sit down with individuals who have a difficulty with their mortgage, be it arrears or a business that is thriving but is being pulled down by having entered the property market. Fourth, comprehensive advice and guidance is being provided by the Minister for Social Protection, along with the Citizens Advice Bureau. A comprehensive mortgage information and advice service available is online which addresses all those key issues and provides necessary support in advising people who have mortgage
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distress. This is available at www.keepingyourhome.ie. The mortgage arrears information helpline has been available since last July and the independent mortgage arrears advice service was launched by the Minister for Social Protection on 6 September.

Further, the Central Bank, as the regulator of credit institutions, asked all mortgage lenders to prepare and submit to it mortgage arrears resolution strategies and implementation plans. Following the receipt of those plans, the Central Bank commenced an in-depth engagement process with the lenders on their plans. It is not sufficient for banks merely to arrive at a solution by saying it is putting people on interest only arrangements or kicking matters down the line. That does not deal with the problem and they know that. It is a case of each lender having an effective strategy to deal with each individual circumstance because, as the Deputy knows from his constituency, his county and his business, all these circumstances are different. The fact is that banks now have trained personnel to deal with each individual case, be it restructuring of a small and medium enterprise loan, the case of a business that is being dragged down by property or a residential mortgage in distress or arrears. The banks had to refine their proposals and commit to the Central Bank to build on existing forbearance solutions so they can extend the range of options open for people to sort these things out. There are split mortgages and trade down mortgages, restructuring of mortgage repayments and forbearance. Those have been piloted by the banks. I am not happy it is moving fast enough, although when I speak to some bank personnel they point to several thousand of these mortgage holders having arrived at an agreeable solution with those involved. I am not happy that many of these are merely putting people on interest only payments for the next six or 12 months. We must arrive at a solution because they are still in the system. From that point of view, the regulator, whom I met yesterday at the Cabinet sub-committee dealing with this, is moving on to the different sectors that apply here and is dealing with the detail being presented to him by the banks that he requires as part of his regulatory responsibility. As I said to him, and repeated again recently, if the regulator needs further legal authority or provision of authority from Government, that will be available to him.

I like to think, and I said this to the banks, that they will be taking their programmes on to local radio stations all over the country to explain to people what new lending they have put in place in each county and how many mortgage problems they have sorted out on a monthly basis so the people are informed and do not hide from something that will come at them sooner or later and there is a facing up to the issue. Between the programmes provided by the Government, the plans that are in place and the requirements under the regulator’s responsibility at Central Bank level, everyone must sit down together as quickly as possible to arrive at a solution irrespective of what that might mean.

The insolvency agency will become operational on 1 February next year and that means there is now an incentive for the banks to deal with these issues because people in mortgage arrears or distressed businesses will have the opportunity to take a different course through the insolvency agency when it is established. The legislation must still go through Report and Final Stages and there are quite a number of amendments. The position is not as good as I would like it to be, but, out of all of the confusion and lack of clarity, things are now beginning to take shape. When I meet people who have serious problems with their mortgages, it is wonderful to have that pressure relieved and taken off them, that they can keep their homes and solutions have been arrived at. As the Deputy is aware, in a small number of cases, clearly the situation is impossible as far as the financial circumstances of a particular person might be.

**Deputy Joe Higgins:** I put it to the Taoiseach that the proposals the banks are insisting on
with regard to mortgage arrears are to the benefit of the banks at all times and not of the thousands of owner-occupiers who are in difficulty. The Taoiseach said during Leaders’ Questions that he would extend the remit of the Cabinet sub-committee on mortgage arrears into a more general approach to the banking sector. Last week, we got a lot of detailed insight from the senior executives of three of the main banks who appeared before the Joint Committee on Finance, Public Expenditure and Reform. AIB reported 34,000 mortgage accounts were subject to forbearance at June 2012. That is the strange language of banking; “forbearance” means mortgages in distress and people in distress trying to meet the payments or unable to meet them because their economic circumstances have changed. The so-called “solution” was that 66% of those owner-occupiers were put on interest only arrangements. That is highly unsatisfactory and merits the attention of the Cabinet sub-committee on mortgage arrears. What sort of perspective is it for an ordinary working person or pensioner who, to hold on to his or her home, a basic human right, is literally shackled to the bank, paying nothing but interest on mortgages that many people were forced to take out to get a roof over their heads or start a family because of the extortionate house prices at the time? For these people it is an eternal ball and chain of debt.

We need much more radical solutions. The next committee meeting should consider not this painful one-to-one consultation process the banks advised us they engage in, but rather a general write-down of the false value of homes to the real value and a calibration of the monthly mortgage repayments accordingly. At a stroke, that would lift a massive burden of debt from an entire generation of people and free up billions of euro that could then go into the real economy for jobs and services because people could spend in shops and on services which would be a big help in regenerating the crucified domestic economy. Since the Government has followed line by line the Fianna Fáil-Green Party Government approach of bailing out the authors of this economic and banking crisis, at huge cost to the people, why will there not be a similar predisposition for the tens of thousands of our people who are in this dreadful situation? Why does the Government keep them in the shackles of these financial institutions which, along with the developers and European speculators, caused the problem in the first instance?

An Ceann Comhairle: We have a difficulty here. The question the Deputy tabled was to ask the Taoiseach “the number of Cabinet sub-committee meetings that he has attended recently”. We are now talking about the whole area of mortgage relief. This is a matter not for Taoiseach’s questions but for individual Ministers. I am trying to be as lenient as possible but am getting myself into fierce trouble because one question can go on for 35 or 40 minutes. I will be more strict in future. We are not entitled to discuss what goes on at Cabinet committee meetings because they are subject to Cabinet confidentiality. I understand the Deputies wish to raise important issues, but I ask them to do so by way of a parliamentary question to the appropriate Minister if it is not the Taoiseach. I ask the Taoiseach to do the best he can.

The Taoiseach: A Cheann Comhairle, you are the boss and-----

An Ceann Comhairle: No, I am not. I am just adhering to Standing Orders.

The Taoiseach: I understand that.

An Ceann Comhairle: I am obliged to point these things out. It is not that I want to be awkward at all.

The Taoiseach: I appreciate that. In respect of the comments - the speech - made by
Deputy Higgins, I told Deputy Ó Fearghaíl that I do not regard it as being acceptable that the solution arrived at in restructuring mortgages in the majority of cases is merely to put them on interest-only payments for a period when the issue will come back again in any event. That is a recurring decimal, as it were, that keeps the pressure on people because they know their circumstances will not improve in the short term and, therefore, the problem still exists. Bearing in mind the Government’s plan for available options, there are requirements of the regulator and the Central Bank for banks to respond by sector and to give detailed reports on what is happening in the various sectors in terms of restructuring of business loans, splitting a mortgage and loan between a residence and a business where the business is being sucked down by virtue of the business person having entered the property market, and the capacity to have trade-down mortgages, split mortgages, restructuring of mortgage payments and forbearance. One cannot give a general absolution because somebody must pay for it all and the Deputy has not indicated who that might be.

The banks have been recapitalised at public expense. The Deputy is aware that the Government restructured the sector from six banks to two. They are recapitalised to the highest level. We are pursuing that discussion at European level where the Council made its decision on 29 June. That said, if Mr. and Mrs. Higgins from place X, for example, have a problem in terms of mortgage distress, mortgage arrears or whatever, general absolution will not reach that far. There must be a direct conversation and dialogue between the borrowers and the lender to arrive at a solution. As a solution, it is not good enough to put people’s mortgages on interest-only payments interminably. That does not deal with the requirement to repay the capital and the amount drawn down in the first place. We will be far more active in requiring banks to arrive at a solution that is real and will keep a roof over the heads of people in the majority of cases. The planned insolvency agency will offer a different route, and this acts as an incentive for banks to make these decisions in the near to medium term. I hope they do that.

I respect the Ceann Comhairle’s wishes about the nature of the questions.

Deputy Gerry Adams: I am somewhat anxious about how I should proceed, but I will-----

An Ceann Comhairle: You understand the position I am in, I hope.

Deputy Gerry Adams: Yes, absolutely. I do not take issue with what you said.

In raising these issues I understood the point was to try to get information and have some clarity around some of the matters involved. I tabled three questions on different issues: the Cabinet sub-committee on mortgage arrears, the Economic Management Council, and the Cabinet sub-committee on health. These are three major areas of work. As the conversation has taken a certain direction, I will start with the issue of mortgage arrears.

In response to a question from another Teachta, the Taoiseach said he was not that this was moving fast enough. When he announced the Cabinet sub-committee on mortgage arrears in March, he said more or less the same thing. He said he was frustrated that we had not been able to move as quickly as we wanted to tackle the mortgage crisis. Since then, we have learned that 160,000 families are in mortgage arrears.

I will make a number of suggestions if it is in order to do so. Has the Government - not the sub-committee - considered capping interest rates for those on variable rate mortgages to prevent the banks piling on even more pressure? Will the Taoiseach elaborate on expanding the remit of the Cabinet sub-committee on mortgage arrears, to which he referred?
There is considerable dependency on the part of the Government on the goodwill of the banks. While I was not at the committee meeting, I read the reports of the disdain with which a bank’s CEO treated the Joint Committee on Finance, Public Expenditure and Reform. He refused to answer on this very issue of mortgage arrears. He stonewalled the appropriate Oireachtas authority and he would not even confirm his salary. This is what we are dealing with.

While the Taoiseach might have outlined this in his preliminary answer, does he intend calling in the representatives of the banks again and, if so, when? In earlier references to the Personal Insolvency Bill, the Taoiseach said it would allow the banks to engage. Has he discussed any of this with the banks, and what has their response been thus far?

At the height of the Celtic tiger, Sinn Féin argued that the surplus wealth should be socialised and put into public services, schools, infrastructure and hospitals in a way that would sustain jobs. We were laughed out of it, dismissed and lampooned. There is no problem with socialising the debt, however. There is no problem with expecting ordinary taxpayers, working people, 500,000 unemployed people and the elderly to carry the burden. That is why these issues are so crucial in terms of how we come to tackle them. I would like to get some clarity from the Taoiseach as to whether it is reasonable to impose a cap on variable mortgage interest rates and engage with the banks to ensure they do what they are supposed to be doing now that they are mostly funded and owned by the taxpayer.

The Taoiseach: The Cabinet sub-committee on mortgage arrears was set up to deal with the issue of mortgage distress being caused to significant numbers of people throughout the country. It is not the case that the Government can direct the banks to do what it would wish. We want the two pillar banks, which were previously dysfunctional and have been downsized, to be able to return to engagement with the markets and thus to commercial banking. The sub-committee on mortgage arrears made a valuable input to the options prepared by Government for dealing with mortgage distress and arrears and to its communication with the regulator in the Central Bank, which expressed the urgency for him to require the banks to submit their plans to him for appropriate regulation and pointed out that should he require further powers of authority we would provide him with them. In terms of my wish to extend the remit of the sub-committee to other areas of banking, a number of major issues will need to be dealt with into the future, and I intend to address these.

At a European level - this relates to the point made earlier by Deputy Ó Fearghail - the European Council, which is made up of the Heads of State and Government of the 27 member countries, made a decision on 29 June requiring that the vicious circle of sovereign and bank debt be broken. This was a major change in direction. At its last meeting, the European Council put flesh on this principle by saying that nothing can be done about this until such time as the legal framework has been put in place. That legal framework is to be in place by 1 January next. The Ministers for Finance of the euro group were then mandated to discuss the conditions, operations, mechanics and modalities of how this will operate. I expect this will become effective during the course of 2013. However, this does not mean that Ireland’s particular circumstances, which have been recognised as being special because it was first out of the block and has already recapitalised its banks, cannot be worked on and brought to a conclusion which would reflect the decision of 29 June whereby Ireland’s financial position will be reviewed with a view to, as provided for in the wording of the Council decision, improving its debt sustainability. Deputy Adams will be aware that the Minister for Finance is pursuing the issue of the promissory notes through negotiation with the European Central Bank.
I was remiss in not replying fully to Deputy Ó Fearghaíl’s question on the health issue. The Dolphin report and all relevant documents in terms of claims for and against location of the hospital will be published. The planning papers dealt with by Mr. Martin and Mr. Clear, who were mandated by the Minister to reflect on the proposal, will also be published. In so far as our vision for Europe is concerned, our aim, through the Joint Committee on European Affairs and the Minister of State with responsibility for European Affairs, is to restore Ireland to being a respected member of the European Union, one which contributes to its future and prosperity. Ireland contributed cogently at the various meetings of officials and Ministers on the six pack, two pack, compact for jobs and so on, which is reflected in a particular way in the remarks of other leaders and agencies, be it the IMF or otherwise.

There have been seven or eight detailed analyses of Ireland’s performance thus far. The people are pragmatic and understand that sometimes hard decisions must be made in the common good. Our vision for Europe is for Ireland to work within the European Union to bring about the Single Market, prosperity under the digital market and to deal with the opportunities for countries to be run properly so that as an exporting nation other economies can buy our goods, which has been reflected in the double digit percentage exports in a number of areas. If every country was in a position to run its own economy well within the Union, its potential would be increased enormously.

It is hoped that during Ireland’s Presidency from 1 January next, with 1,500 to 1,600 meetings to be held, Government and all the agencies will work diligently to make progress on the decisions that need to be taken to increase trade prospects with places such as Canada, Japan and the US and to address the potential of the Single Market, digital market, data protection and all other areas wherein there is enormous scope. I hope that provides the Deputy with a flavour of the Government’s vision for the Union. There are currently 18.5 million unemployed in the European Union. This position will not improve unless politicians at leadership level make decisions that will impact on it. We hope to play our part in that.

Deputy Seán Ó Fearghaíl: May I ask a couple of brief supplementary questions?

An Ceann Comhairle: Yes but the Deputy must do so quickly as we have already spent 36 minutes on what are effectively statistical questions.

Deputy Seán Ó Fearghaíl: Notwithstanding what the Taoiseach had to say on the mortgage and personal debt situation, given that we are dealing with a pretty quantifiable number of people in terms of the 167,000 people in mortgage arrears, I believe there is a need for due diligence by the lending agencies in terms of the processing of cases individually. Has a timeframe been decided within which those who with some assistance can be helped with their mortgages and those who will never be able to bear the burden now upon them must be identified?

I thank the Taoiseach for his remarks in regard to the work of the sub-committee on health. I believe I was in order when I asked if the terms of reference of the sub-committee allowed for discussions around issues such as the children’s hospital, primary care centres, the withdrawal of discretionary medical cards, including discretionary medical cards for seriously ill children.

An Ceann Comhairle: That is not a matter relevant to these questions.

Deputy Seán Ó Fearghaíl: I wish the Government well with the Presidency and acknowledge the outstanding work being done by the Minister of State, Deputy Creighton, since she took up office in this portfolio. Does the Government intend to publish a statement on Ireland’s
position in regard to the European Union budget and future reform?

An Ceann Comhairle: The issues raised by the Deputy have nothing to do with the questions before us. I call Deputy Higgins on a brief supplementary in regard to the questions before us.

Deputy Joe Higgins: I hear the Ceann Comhairle.

An Ceann Comhairle: I hope so. If not, we will not reach the next question which the Deputy has tabled.

Deputy Joe Higgins: I will be brief.

An Ceann Comhairle: It is a pointless exercise.

Deputy Joe Higgins: It is not and I will tell the Ceann Comhairle why.

An Ceann Comhairle: It is a pointless exercise.

Deputy Joe Higgins: The Ceann Comhairle made the point about Cabinet confidentiality and sub-committees.

An Ceann Comhairle: That is correct.

Deputy Joe Higgins: I accept that. However, the Taoiseach is responsible to the Dáil for the workings of the Cabinet sub-committees. Therefore, it is quite in order that he should report on the general-----

An Ceann Comhairle: It is not in order that the Taoiseach report what he discusses at Cabinet sub-committees. That is a matter of Cabinet confidentiality.

Deputy Joe Higgins: That is the point I am making. The Taoiseach has a responsibility to report to the Dáil on the role of the sub-committees. In this regard, it is legitimate to ask about general policy points that should be-----

An Ceann Comhairle: The Deputy may think so but it is not. I will have a note drawn up and circulated to those who are interested in this issue. We will then know exactly where we all stand. That includes, with respect to the Taoiseach who has to reply to questions, the type of replies given. Despite having spent 29 minutes on these questions, which relate to when sub-committees last met and how often they meet, we have ended up discussing policy on mortgage arrears.

Deputy Joe Higgins: I am asking about the role which the Cabinet sub-committee could play in regard to these crucial issues. Questions to the Taoiseach will become meaningless if all we can do is ask how many times the committee met and when he says five times we say it should have met six times. It makes a nonsense of it and it is similar with regard to other matters. Unless a general approach to the huge crisis of owner-occupiers in grave difficulties is implemented there will be no relief for the thousands who are in difficulties. As the Taoiseach knows, mortgages of 40 years were taken out. People could have been ten years into such mortgages when the crash happened. Are they now to have ten years of paying interest only and then go on the treadmill for another 30 or 40 years of repayments? This is an impossibility. This is
The committee must discuss radical measures. It may go against the ethos and workings of capitalism but we are speaking about our people. The banks and financial institutions should be at the behest of the interests of society and not the other way around.

The Taoiseach: To answer Deputy Ó Fearghaíl, the banks now know the circumstances which apply in the vast majority of cases where mortgages were taken out. However, what Deputy Higgins said is not true because one cannot apply generality to all of these cases. There are all individual circumstances and they must be dealt with individually. I came across a case recently where a person with a very good job died. The couple had built an enormous house and it will not be possible to meet repayments on it because the big salary is gone. In other cases small businesses or enterprises were running very well but during the course of the Celtic tiger the owner may have become involved in purchasing a property in Spain or another country and now finds it is dragging down the business. This is a very different circumstance to the previous case. Banks now know the scale in each sector of what must be done. They tell us they have trained their personnel to speak with these people and work out solutions. I would like to see far more comprehensive solutions than putting people on interest only payments for a while. I hope this can apply.

With regard to the Cabinet sub-committee on health, the overseeing role of the sub-committee allows for issues to be discussed, such as how to deal with the backlog of 58,000 medical cards which built up; the process and progress made on dealing with the drugs companies to reach a deal worth more than €400 million over three years; the legislation prepared on risk equalisation; the €125 million secured from the private health insurers for beds in public hospitals; the development of chronic disease management programmes; the provision of the vaccination programme for girls against the human papilloma virus, HPV, in sixth year in secondary school with 48,000 children vaccinated to date; and the commencement of legislation to eliminate restrictions on GPs wishing to obtain contracts to treat public patients under the general medical services scheme. All of these issues are of concern to people every day and can be discussed by the Cabinet sub-committee on health. Without infringing confidentiality, the issues of the day can be raised there. The sub-committee can focus in a very timely way on issues which might in the normal course of events drag on for a very long time. I find that instead of meeting once a quarter or twice a year as they used to, when one requires Cabinet sub-committees to meet more often one gets results. The sub-committees have the potential to focus on an issue, release the pressure, make a decision and move on. The decision made by the Government today on the paediatric hospital threaded its way through information provided to the Cabinet sub-committee.

Programme for Government

13. Deputy Gerry Adams asked the Taoiseach the plans he has to review the progress made with the implementation of the Programme for Government. [41492/12]

14. Deputy Joe Higgins asked the Taoiseach the steps he will take to review the progress of the implementation of the Programme for Government. [44570/12]

15. Deputy Gerry Adams asked the Taoiseach his plans to publish a progress report on the implementation of the Programme for Government. [47410/12]

16. Deputy Micheál Martin asked the Taoiseach the number of his staff that are allocated
to the Programme for Government Office in his Department; and if he will make a statement on
the matter. [48016/12]

**The Taoiseach:** I propose to take together Questions Nos. 13 to 16, inclusive.

Last March, the Tánaiste and I launched the Programme for Government Annual Progress
Report 2012 which set out the Government’s work and achievements in its first year in office.
It is my intention to publish a second progress report next March, which will review progress
made by Government during its second year.

Earlier this year all Departments published their strategy statements for the period 2011-14.
These demonstrate that every Department is clear on which commitments it has responsibility
for and is fully focussed on working towards delivering them in turn.

The programme for Government office established in my Department is fully engaged with
all Departments in monitoring progress on all the commitments contained in the programme.
The office comprises three staff together with an intern from the JobBridge programme.

The programme for Government 2011-2016 is a five year plan. The pace of delivery will
vary for each commitment. Many commitments have already been delivered in full and there
are others where substantial work is under way. Some will take longer and will be implemented
over the lifetime of the Government. While there remains much to be done, I am satisfied that
good progress is being made and there will be much to report on next March.

**Deputy Gerry Adams:** I welcome the fact that a progress report will be made in March.
However, if we take stock here, we have dealt with mortgage distress and education but the two
big issues affecting people are health and jobs. The Taoiseach promised universal health insur-
ance with equal access to care for all. A White Paper was to be published in the Government’s
first term. An implementation group was established in February but there does not seem to
have been much progress since then. We still do not have legislation for free GP care for those
with a long-term illness. A particularly sensitive and urgent issue, given the news about sui-
cide, is the fact that the Government promised to ring-fence €35 million for mental health and
414 new posts but the money was not ring-fenced and the 414 posts have not been delivered.
The Taoiseach also promised additional funding for the elderly and to provide more home care
packages and residential places. Instead 1 million home health hours have been sliced and 900
beds in public nursing homes are being closed. I could go on but I am conscious of the time
restraints.

The programme for Government rightly identified jobs as one of the major challenges fac-
ing the Government. Earlier the Taoiseach spoke about us being praised for the progress we
have made, but 500,000 people are unemployed. The first annual review last March trumpeted
progress made in the jobs crisis such as the establishment of NewERA and the strategic invest-
ment fund, but after 18 months in office the Government still has not introduced legislation to
put NewERA, whatever its merits or demerits, on a statutory footing. A year after the strategic
investment fund was announced we still do not have legislation to give effect to it. Despite
what Sinn Féin has constantly said, the Government has not brought forward a stimulus pack-
age. We have nowhere near the 60,000 additional education and training places promised in the
programme for Government.

In the progress report will the Taoiseach bring forward a specific focused report on health?
Do the commitments in the programme for Government on jobs still stand? When will legisla-
tion be brought forward on NewERA and the strategic investment fund? When will the 60,000 promised education and training places be delivered?

The Taoiseach: This is a five-year programme and we are just over 18 months into the lifetime of the Government.

The proposal to introduce universal health insurance is a specific commitment of the Government to be delivered towards the end of the first term of its life. Page 43 states:

In the first term of this Government, the foundations will be laid for the introduction of Universal Hospital Care Insurance:

- The legislative basis for UHI will be enacted.
- Public hospitals will be given autonomy from the HSE.
- The HSE’s function of purchasing care for uninsured patients will be given to a Hospital Care Purchase Agency which will combine with the National Treatment Purchase Fund to purchase care for the uninsured over this transition period.

That was never going to be introduced in the first 18 months of this Administration. It is a commitment that will be carried through but it will not be realised until the back end of the lifetime of this Administration.

This is the first occasion on which any Government has ring-fenced money for mental health services. Specific responsibility has been given to the Minister of State, Deputy Kathleen Lynch, in this area, and she is doing a superb job. Recruitment is in train and the successful candidates will take up positions next year. Clearly, the tragedy of suicide is very close to the Minister of State’s heart. She is working very hard with the relevant groups and voluntary organisations throughout the country.

The work on legislation for NewERA is ongoing. The Government announced a stimulus fund of €2.5 billion in respect of the public private partnership system, covering transport, schools, health, justice and the major development at the Grangegorman campus in Dublin Central. Deputy Adams is aware that PPPs normally take 15 to 18 months to get up and running. There is quite a deal of administrative material to go through before they become a reality. I expect there may be developments on some of the major routes around the country that are ready to proceed in so far as tenders have been received and contracts awarded.

The programme for Government is a five year programme overseen by my Department. As of the end of September, 111 of the 620 commitments in the programme have been honoured, substantial progress has been made on 144, there is ongoing implementation in the case of 37, some progress has been made on 220, and action is required on a further 108. Some of the commitments that have been dealt with include the opening of the new cystic fibrosis unit at St Vincent’s Hospital, which was long-awaited and much required. The report of the forum on patronage and pluralism in the primary sector, which is of interest to parents throughout the country, has been completed. Other commitments that have been dealt with include the development of the national intellectual property protocol, the publication of the national carer’s strategy, the register of residential property prices, which is of interest to everybody, and the report of the commission on credit unions.

There are other commitments in respect of which an end is almost in sight. In this regard,
I hope the children’s rights referendum will be piloted through successfully by the Minister for Children and Youth Affairs on Saturday. I hope as many people as possible vote “Yes”. The highly complex personal insolvency legislation is to be enacted. Other commitments include the review of the White Paper on Irish Aid, the enactment of legislation to protect small building subcontractors, which matter was raised in the House on many occasions, the establishment of the shared HR service for the Civil Service and making high-speed broadband more accessible. The Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, is overseeing the last commitment in respect of more than 200 schools nationwide. These are the figures.

Next March, we hope to have a further progress report. At today’s Cabinet meeting, I advised every Minister that while they will be very busy between now and the end of the year, and even busier in the first six months of next year, I expect them to delegate responsibility through their Secretaries General and senior public servants to ensure the commitments for which they are responsible will be worked upon in order that we will be able to make available a further progress report next March. The report can be debated in the House.

Deputy Joe Higgins: Does the Taoiseach agree that when he reviews the progress made on the implementation of the programme for Government, he will have to acknowledge that, unfortunately, any job strategy he envisaged has been a spectacular failure? What is his view on the fact that there are 33,000 fewer jobs now than at the end of last year, some 87,000 have emigrated in the past 12 months, the highest figure since the 1800s, and the unemployment rate is 15.1% according to EUROSTAT? Does the Taoiseach agree, therefore, that a very serious review is needed and that it should conclude that the policies of bailout and austerity must be jettisoned in favour of a different and completely radical policy of public investment to lead to job creation? Can the Taoiseach not see that continuing with the policies of the previous Government represents a disastrous failure for our people? It is not a question of reading out a list of algebraic details on what has been done but a question of the lives and quality of life of the people and the future for young people. On these grounds, a complete change of policy is called for. Does the Taoiseach not realise this?

The Taoiseach: I do not accept that at all. In the past 12 months, more than 17,000 jobs have been created in the private sector. While a live register figure of more than 430,000, including those working part-time, is much too high, the Deputy will acknowledge that there has been a change in the order of 12,500 every month on the live register since the beginning of the year. This demonstrates the movement within the labour market. Unfortunately, the people in question are replaced by others, which is not satisfactory. The Government introduced a levy to allow for a reduction in VAT in the hospitality sector, resulting in the creation of 7,000 jobs there. Many hoteliers have informed me that they have had the best year for many years because they have changed their programmes and have produced real opportunities for customers to avail of bargains. Our approach is the reason we managed to have the troika’s memorandum of understanding changed to exempt 330,000 from the requirement to pay the universal social charge. It is why almost 10,000 jobs have been created under the JobBridge scheme, which is one of the best of its kind in Europe. It is driven by the private sector, working together with the Department of Social Protection. We introduced the partial loan credit guarantee scheme for small and medium-sized enterprises and the microfinance agency for very small operators, and we paid the PRSI for employers who take on a person who is on the dole. Our approach makes it easier for employers to take on staff for short-term work - at Christmas, for example - without those staff losing their existing benefits or medical cards. One can return seamlessly to availing
of social protection when the short-term contract has expired.

We continue to work with the relevant agencies on drafting legislation for NewERA. The potential to sell some State assets is being assessed with a view to having sustainable employment. In dealing with social protection fraud, we expect that, by the end of next year, 600,000 biometric cards will have been produced to end the perception that every person who is, unfortunately, in receipt of social protection is engaged in some sort of scam. The majority of people I know who are on social protection want to work. The Government must emphasise this in order to cut out the red tape and administration and make it easier for employers to take on new employees. The new Intreo service, which I had the privilege of launching with the Minister for Social Protection, Deputy Joan Burton, in Sligo recently, means those on social protection will not just be treated as statistics drawing money. They will have an opportunity to contribute and follow a career and lifestyle. They will have an opportunity to change direction and get a job.

Deputy Joe Higgins: Austerity is failing the domestic economy.

The Taoiseach: It is a question of providing education for employment, not just education for education’s sake. I do not accept the Deputy’s argument at all. On the contrary, the entire focus of Government has been to shift away from the type of picture he paints.

Deputy Seán Ó Fearghaíl: I welcome the Taoiseach’s promise to publish a review in March. I hope it will be deserving of classification in the non-fiction category of our bookshelves. The Government rightly gave a strong commitment in the programme for Government in the area of education, including a commitment to protect and enhance the educational experience of children. In the aftermath of that declaration, the Taoiseach cannot deny that there have been several occasions of considerable disappointment in this regard. The first was when the Minister for Education and Skills, Deputy Ruairí Quinn, broke his written pledge to third level students in regard to fees. On the next occasion, funding to schools under the Delivering Equality of Opportunities in Schools, DEIS, programme was brought into question. Special needs assistants then found themselves coming under challenge and, in addition, the guidance counsel system across the country was at least undermined if not in fact decimated. The Minister for Children and Youth Affairs is very conscious of the critical role guidance counsellors play in our schools, particularly in light of the tragic deaths in recent weeks of very young teenagers as a result of cyberbullying. There was never a greater need for funding to be concentrated in this area.

Another issue of concern in the area of education relates to the processing of third level grant applications, with students throughout the country arriving at politicians’ constituency clinics to report delays. We wish the new Student Universal Support Ireland, SUSI, service well. I am sure it will work effectively in the future but, in the meantime, 48,000 of the 66,000 students who applied for a grant are still awaiting a decision. In accordance with the commitments given in the programme for Government, does the Taoiseach envisage additional resources being allocated to the processing system as a matter of urgency? Students should not have to wait until the end of this year to receive their grant. Some will be forced to drop out of third level education, where we all want them to remain, because the funding that is so essential to them is not forthcoming.

Deputy Gerry Adams: The Taoiseach indicated that some of the commitments in the programme for Government will not be dealt with until the end of what he described as the Government’s “first term”. That was interesting, fair play to him. While it might be fair enough in normal times to put some issues back over the four or five-year term of a Government, these are
not normal times. There are priorities to deal with, some of which I have itemised. I also asked the Taoiseach if he will bring forward a progress report on the health sector. It is the one sector that affects every single family in this State.

I endorse the Taoiseach’s call for people to vote “Yes” in the referendum on children. I have, however, two concerns arising from my own experience of canvassing on the issue. It is clear that some people will vote “No” because they justifiably do not have any trust in the way the State is treating and has treated children. While acknowledge that reality, I applaud the work of the Minister in seeking to change it.

An Ceann Comhairle: The Deputy is straying from the questions we are discussing.

Deputy Gerry Adams: The other concern is that some people will vote “No” because they want to give the Government a black eye. I take this opportunity to appeal to those voters not to do so.

The Taoiseach: On the Deputy’s last point, I thank all the Members of the House, with the exception of one, for their support for the referendum on children.

Deputy Michael Healy-Rae: Who is the Member who does not support it?

The Taoiseach: This is a separate matter from any difficulties we might have in terms of political views on the economy or anything else. I recently met a young woman in Blanchardstown who spoke with courage and passion about the defilement of her body, mind and soul by her swimming coach. Her courage and strength was so far-reaching that nobody who heard her, irrespective of their political views and how we in this House might differ, could vote against a referendum that provides protection and a recognition of responsibility and rights for children. I hope people will get out and vote, having taken the opportunity to reflect on the information given to them by the independent referendum commission and all of the political parties and Members - all but one of them, I understand - who support the referendum proposal.

Deputy Michael Healy-Rae: Come on, Taoiseach, who is this person?

The Taoiseach: The amendment will insert a specific article in Bunreacht na hÉireann setting out a new standard for this country whereby children will be both seen and heard and where their rights and their protection will be vindicated by the State. However, neither I, Deputy Adams nor the Minister can make that change to the Constitution. It is the people’s Constitution and I hope they take that decision strongly on Saturday.

In the area of health, the programme for Government, from items 321 down to 410, sets out a range of issues that must be dealt with. The Department of Health, which is now under the leadership of the Minister, Deputy James Reilly, and the Ministers of State, Deputy Kathleen Lynch and Alex White, was a jungle for many years, with no clarity as to where the whole process was headed. We are now, at least, getting clarity in a number of areas-----

Deputy Gerry Adams: Not in regard to primary care centres.

The Taoiseach: -----which will, in turn, lead to great change for the benefit of the people of this island, old and young, as we move towards introducing universal health insurance. I recognise that health is an issue which causes great difficulties, in any country, for Ministers. We hope to do the very best we can, working with everybody and in the interests of everybody, before the progress report in March, which will include a special section on health.
Deputy Michael Healy-Rae: Will the Taoiseach name the person who opposes the referendum?

The Taoiseach: I heard a comment about it, but I cannot say for sure.

Written Answers follow Adjournment.

Order of Business

The Taoiseach: It is proposed to take No. a15, motion re ministerial rota for parliamentary questions; No. 15, motion re leave to introduce a Supplementary Estimate - Vote 35; No. 16, motion re referral of Supplementary Estimate to select committee - Vote 35; No. 20, Fiscal Responsibility Bill 2012 - Order for Report, Report and Final Stages; and No. 21, Personal Insolvency Bill 2012 - Order for Report, Report and Final Stages.

It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 9 p.m. tonight and shall adjourn not later than 10 p.m.; Nos. a15, 15 and - subject to the agreement of No. 15 - No. 16, referral to select committee, shall be decided without debate and any divisions demanded on Nos. 15 and 16 shall be taken forthwith; and in the event that a division is in progress at the time fixed for taking Private Members’ business, which shall be No. 72, motion re pensions and retirement lump sums, Standing Order 121(3) shall not apply and Private Members’ business shall, if not previously concluded, adjourn after 90 minutes. No. 20 shall, if not previously concluded, adjourn at 7 p.m.

An Ceann Comhairle: There are three proposals to be put to the House. Is the proposal that the Dáil shall sit later than 9 p.m. agreed to? Agreed. Is the proposal for dealing with Nos. a15, 15 and 16 agreed to? Agreed. Is the proposal for dealing with Private Members’ business agreed to? Agreed.

Deputy Billy Kelleher: The appalling murder of the prison officer, Mr. David Black, comes after continued monitoring of the activities of dissident republicans in Northern Ireland. In recent days we have seen protests outside PSNI headquarters by several senior members of Sinn Féin and members of the INLA regarding concerns about politically motivated arrests. Is it not time, in these circumstances, for a debate in this House on Northern Ireland, with a particular emphasis on policing? It would be very disturbing if senior members of Sinn Féin, who are members of the policing board, have no trust in the PSNI to carry out its duties-----

An Ceann Comhairle: I suggest that the Deputy raise this matter with the Whips.

Deputy Billy Kelleher: ----particularly given that its investigation involved the murder of a man in 2005, seven years after the Irish people took ownership of the situation in this country in the context of the Good Friday Agreement. Can we have a substantial debate on the issue of policing and the general upsurge in dissident violence in the North?

An Ceann Comhairle: Will the Taoiseach indicate whether this proposal can be referred to the Whips?

The Taoiseach: Yes. We have no objection to such a debate.

Deputy Gerry Adams: I am happy to have a member of Sinn Féin brief Teachta Kelleher
on issues in the North. We can keep him very much up to date.

**Deputy Billy Kelleher:** I could brief Deputy Adams on a few issues down here.

**Deputy Gerry Adams:** I totally support the protest the other day at PSNI headquarters-----

**An Ceann Comhairle:** Does Deputy Adams have a question on the Order of Business?

*5 o’clock*

**Deputy Gerry Adams:** I want to ask about two forthcoming reports. The first concerns the framework for the development of smaller hospitals. When will that be published? The Taoiseach may know there is great concern about such hospitals and sometimes there are many ráflaí going about which causes great anxiety, for example, the ending of 24-hour accident and emergency in a number of hospitals. There are concerns about Our Lady of Lourdes Hospital, which is in my constituency, being put under further pressure because of worries that services will be reduced in Navan. The same rumour is current across the south east about the down-grading of Waterford Regional Hospital. If this report is published, these concerns can be laid to rest, assuming they are not substantiated. When will the report be published, le do thoil?

**The Taoiseach:** Quite a deal of work has been done on this. From talking to Deputies and other public representatives from all parties from around the country, I find that the medical politics applied between hospitals is sometimes much more Machiavellian or vicious than actually applies between politicians themselves. Common sense and pragmatism are needed concerning the best thing to do in providing hospital treatment and other health facilities for the people.

**Deputy Richard Boyd Barrett:** Stop cutting.

**The Taoiseach:** The Minister for Health is engaging locally and regionally with hospital interest groups. I expect that report is a few weeks away, although I cannot provide an exact date. It is something that is under active consideration.

**Deputy Seán Ó Fearghaíl:** In January, the Minister for the Environment, Community and Local Government indicated his intention to publish a climate change Bill. He said he would bring the heads of such a Bill to the Joint Committee on Environment, Culture and the Gaeltacht in the second quarter of this year. Can the Taoiseach say what progress has been made in this regard? Can the committee look forward to receiving the heads of the Bill on time?

**The Taoiseach:** It is a while away yet. It is not required until next year. In the meantime, as the Deputy knows, we have signed on for particular climate change targets for 2020, including low carbon emissions levels. I have requested each Department to produce its own sectoral roadmap by February or March next year, indicating their steps towards achieving these overall targets. It is impossible to set down what one’s actual targets will be from 2020 to 2050, which is a bit far ahead of us. Ireland’s opportunity to produce so much more food in future must be taken into account in the balance of how to get this right. The legislation will be introduced next year.

**Deputy Dessie Ellis:** The Taoiseach will be aware that Focus Ireland issued a report today on the rental supplement scheme. Rental supplement was cut in the most recent budget and may be cut further in the next one. HSE welfare officers have handled the administration of this matter.
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**An Ceann Comhairle:** Where is the Deputy going?

**Deputy Dessie Ellis:** The Minister has said that this will be passed over to local authorities, but when will this happen? When will the legislation be published? We need real reform and debate on the issue of rental subsidies. We are in danger of creating a new homeless cohort because landlords refuse to take on people. They also refuse to continue the rental supplement because of these cuts.

**The Taoiseach:** I think this will be included in the housing Bill next year. Clearly, the Department of Social Protection has an input into this matter. If that is not the case, I will confirm it to the Deputy. It is my understanding, however, that the measure will come along next year.

**Deputy Mattie McGrath:** I wish to ask the Taoiseach about the Transport (CIE Borrowings) Bill. I am concerned about a situation in Tipperary regarding junction XC-147 on the Cork to Dublin railway line.

**An Ceann Comhairle:** That is a matter for a parliamentary question, if ever there was one.

**Deputy Mattie McGrath:** I believe the compulsory purchase order powers have been abused, in that the rights of a farmer to hold on to his property have been abused.

**An Ceann Comhairle:** That is not in order. What is the name of the Bill?

**Deputy Mattie McGrath:** The Transport (CIE Borrowings) Bill.

**An Ceann Comhairle:** When will we be getting that Bill, Taoiseach?

**The Taoiseach:** It was published as a Seanad Bill on 26 October 2012.

**Deputy Mattie McGrath:** When will it be in this House?

**An Ceann Comhairle:** It will be coming in here after the Seanad.

**The Taoiseach:** The Deputy should check his screen.

**Deputy Pearse Doherty:** On three separate occasions I have raised an issue concerning pending legislation in this House. I would appreciate it if I could get an answer today. I asked the Taoiseach as far back as February, and I again asked the Tánaiste about it last month. It is about a commitment in the programme for Government to introduce legislation to publish the 1926 census. The last time I raised this matter, I wished The Gathering initiative well. Earlier today, the former ambassador for cultural affairs, Mr. Gabriel Byrne, criticised the Government and said the initiative was a scam. He said the Government was only interested in the shake-down of the Irish diaspora. The 1926 census was supposed to be published so that those coming here for The Gathering in 2013 could trace their roots. When will this legislation be published? Can the Taoiseach give confidence to the Irish diaspora that he means more than simply having a shake-down to take the last few pounds from them?

**The Taoiseach:** With respect to our very eminent former ambassador for culture, Mr. Gabriel Byrne, I disagree with him when he says that all Ireland is interested in is a shake-down of people coming here. The Irish-American diaspora represents about half our worldwide diaspora. This is a credible national proposition to invite people back here in 2013, not just for the traditional purpose of hoping they will spend money, but to have an enjoyable and beneficial experience. Those who wish to find out where their antecedents came from should have that
I do not have the publication date for the 1926 census, but there is a considerable cost involved. The Department is dealing with two main issues. One is to put in place the necessary statutory power to enable the project to proceed, while taking account of the current 100-year confidentiality rule under which the Central Statistics Office collects its data. In other words, one is not supposed to publish the data until 100 years have passed.

The second issue is to find a method of funding the project in the absence of Exchequer funding. I am advised by the Department that the 1901 and 1911 census projects cost just under €5 million and that they were funded by the Exchequer. The 1926 census project is estimated to cost a multiple of this figure. Obviously, the Department is examining the possibility of its options in this regard.

I disagree with our eminent former ambassador for culture. I cannot give the Deputy an exact date as to when the census will be published.

An Ceann Comhairle: I call Deputy Niall Collins.

Deputy Pearse Doherty: On a point of order-----

An Ceann Comhairle: There is no point of order.

Deputy Pearse Doherty: I ask for your assistance, a Cheann Comhairle. On three separate occasions I was told that the information would be provided to me, which it has not been.

The Taoiseach: This is the fourth one.

Deputy Pearse Doherty: When will the legislation be brought forward? The Minister has said it was approved by Cabinet as far back as March. Will it be brought forward this year or next year?

An Ceann Comhairle: Hold on a second. The Taoiseach has answered the question.

Deputy Pearse Doherty: He has not answered that one.

An Ceann Comhairle: The Deputy should table a parliamentary question in order that he can get a detailed answer.

Deputy Pearse Doherty: It has been put off time and again.

The Taoiseach: I can give the Deputy the details in order that he can read them at his leisure.

Deputy Pearse Doherty: That is the fourth time the Taoiseach has said that.

The Taoiseach: Four times.

Deputy Niall Collins: Unfortunately, cyber bullying has been cited as the cause of many young people’s suicides, including quite recently. I have raised with the Taoiseach the criminal justice (cybercrime) Bill, but that legislation concerns attacks on computer IT systems in large corporations. Has the Taoiseach any plans for legislation to deal with the issue of cyber bullying which is affecting so many young people?. I know it is not a straightforward issue and is, in fact, quite a complex one to deal with because many websites are hosted outside the country.
We need a roadmap to deal with the matter.

The Taoiseach: This issue is clearly of great concern to many people, arising from recent tragic events. The heads of this Bill have been cleared, but it is exceptionally complex. Work on it is ongoing but I cannot give the Deputy a date when it will be published. Events are taking their tragic toll, however. I would urge the many young people who may be contacted in this way not to be afraid to talk to those responsible in authority to follow through on these things in order that tragedies can be prevented. As soon as the complexities are ironed out, the Bill can be dealt with.

Deputy Michael Healy-Rae: I refer to the Construction Contracts Bill, which was initiated in the Seanad by Senator Feargal Quinn. The Taoiseach will be aware that, last week, the N86 road in County Kerry had to be closed by subcontractors who had an issue with regard to payment.

An Ceann Comhairle: Deputy, what happened to the Bill?

Deputy Michael Healy-Rae: This highlighted the need for the urgent introduction of this Bill and for the measures to be put in place to ensure that subcontractors will be paid by main contractors who get substantial State contracts.

Second, I believe the Taoiseach should name the one reactor-----

An Ceann Comhairle: Not on the Order of Business anyway.

The Taoiseach: Who?

An Ceann Comhairle: The Deputy should have a chat with him afterwards but not on the Order of Business.

Deputy Michael Healy-Rae: The Member to whom the Taoiseach alluded earlier. He stated there was one Member in the Chamber in whom he was disappointed.

The Taoiseach: The Deputy is a true Kerry forward in the way he could slip through the defence. The aforementioned Bill is on Committee Stage in this House. Obviously, the Minister of State, Deputy Brian Hayes, will pilot it through. I think the one speaks for itself.

Deputy Bernard J. Durkan: On promised legislation, the Taoiseach should indicate the progress to date in bringing the bail Bill before the House. It has been mooted for quite a long time, as has the criminal law human trafficking amendment Bill and the criminal law sexual offences Bill. Where have they been scheduled? Have they been rescheduled or have the heads been cleared?

An Ceann Comhairle: The Taoiseach, on three items of legislation.

The Taoiseach: The Bill in respect of human trafficking is scheduled for next year, as is the criminal law sexual offences Bill. I apologise but I do not have a date to hand in respect of the bail Bill but I will follow it up for the Deputy.

Deputy Bernard J. Durkan: I thank the Taoiseach.

Deputy Richard Boyd Barrett: I refer to the new requirements for teachers working in VECs to be members of the Teaching Council. While this is proper regulation that has been
An Ceann Comhairle: Not on the Order of Business.

Deputy Richard Boyd Barrett: -----now are faced with the loss of their jobs because they cannot join the Teaching Council, which will not accept them as members.

An Ceann Comhairle: Is legislation involved here Deputy?

Deputy Richard Boyd Barrett: Is the Government considering legislation to deal with this anomaly-----

An Ceann Comhairle: Is there promised legislation?

Deputy Richard Boyd Barrett: -----who worked for years in VECs and now face job losses because-----

An Ceann Comhairle: The Deputy should table a parliamentary question.

Deputy Richard Boyd Barrett: I did so but I cannot get an answer. Moreover, I have tabled it 16 times as a Topical Issue and I cannot get it on the agenda.

An Ceann Comhairle: The Deputy did not put it in 16 times. Hold on a second.

Deputy Richard Boyd Barrett: I did actually.

The Taoiseach: The Minister for Education and Skills is in Brussels today. I will ensure he is contacted on his return and he will send-----

An Ceann Comhairle: It is a parliamentary question.

The Taoiseach: -----Deputy Boyd Barrett a reply for his very own self.

The Taoiseach: I thank the Taoiseach.

Deputy Brendan Ryan: Following the report by the pyrite panel and the extensive debate held in this House on the subject three weeks ago, have proposals yet come before the Cabinet on how to deal with this important and urgent matter?

An Ceann Comhairle: Is there promised legislation in this regard?

The Taoiseach: The Minister for the Environment, Community and Local Government is working on this matter. I assure the Deputy that some progress has been made and hopefully, when the matter is finalised, he will report to the House on it.

Deputy Robert Troy: Two weeks ago, in light of the huge uncertainty among residents in the midlands region regarding the impending industrial wind farms in a residential area, I asked whether the Taoiseach could confirm whether the wind farm legislation initiated in the Seanad will come before the Dáil. What level of consultation has the Minister, Deputy Rabbitte, held with his counterpart in the United Kingdom? Has the Minister met the commercial companies in this regard? Earlier, my colleague, Deputy Ó Fearghaíl asked about the climate change Bill and the Taoiseach indicated it would come before the Dáil in March 2013. Will this issue be dealt with by way of the climate change Bill? Will the issue be dealt with under the auspices of
the structural roadmap the Taoiseach has asked each Department to submit to him? How does he propose to deal with this issue to alleviate the fears of the people living in the midlands.

An Ceann Comhairle: We cannot discuss the content of legislation.

The Taoiseach: The Bill to which the Deputy referred in respect of wind farms was a Private Members’ Bill. What I stated regarding the climate change Bill was that the legislation is due before the end of next year but that each Department has been required to send in sectoral roadmaps by March of next year as to how they intend to deal with their contribution towards meeting the targets for 2020, which have been negotiated, signed off on and agreed by Ireland and other countries.

Public Health (Tobacco) (Amendment) Bill 2012: First Stage

Deputy Michael McGrath: I move:

That leave be granted to introduce a Bill entitled an Act to amend the Public Health (Tobacco) Act 2002 to regulate the retail packaging and appearance of tobacco products in order to improve public health and to discourage the use of tobacco products and for related purposes.

An Ceann Comhairle: Is the Bill opposed?

Deputy Emmet Stagg: No.

Question put and agreed to.

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

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

Question put and agreed to.

Civil Registration (Amendment) (Domestic Registration of Death Records) Bill 2012:

First Stage

Deputy Seán Kyne: I move:

That leave be granted to introduce a Bill entitled an Act to provide for the registration in the State’s vital record registration system of resident citizens’ deaths that occur outside the State.

An Ceann Comhairle: Is the Bill opposed?

Deputy Emmet Stagg: No.

Question put and agreed to.

An Ceann Comhairle: Since this is a Private Members’ Bill, Second Stage must, under Standing Orders, be taken in Private Members’ time.
Deputy Seán Kyne: I move: “That the Bill be taken in Private Members’ time.”

Question put and agreed to.

Ministerial Rota for Parliamentary Questions: Motion

Deputy Emmet Stagg: I move:

That, notwithstanding anything in the Order of the Dáil of 9 March 2011, setting out the rota in which Questions to members of the Government are to be asked, Questions for oral answer, following those next set down to the Minister for Health, shall be set down to Ministers in the following temporary sequence:

- Minister for Social Protection
- Tánaiste and Minister for Foreign Affairs and Trade
- Minister for Finance
- Minister for Education and Skills
- Minister for Public Expenditure and Reform
- Minister for Jobs, Enterprise and Innovation
- Minister for Transport, Tourism and Sport

whereupon the sequence established by the Order of 9 March 2011 shall continue with Questions to the Minister for Arts, Heritage and the Gaeltacht.

Question put and agreed to.

Estimates for Public Services 2012: Motion

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): I move:

That leave be given by the Dáil to introduce the following Supplementary Estimate for the service of the year ending on the 31st day of December, 2012:

Vote 35 — Army Pensions (Supplementary Estimate).

Question put and agreed.

Estimates for Public Services 2012: Referral to Select Committee

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): I move:
That, subject to leave being given to introduce the following Supplementary Estimate for the service of the year ending on 31st December 2012, the Supplementary Estimate be referred to the Select Committee on Justice, Defence and Equality, pursuant to Standing Orders 82A(3)(c) and 159(3) and paragraph (8) of the Orders of Reference of Select Committees, which shall report back to the Dáil by no later than 8 November:-

Vote 35 — Army Pensions (Supplementary Estimate).

Question put and agreed to.

Topical Issue Matters

An Ceann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Gerald Nash - the need to revisit the decision to wind down the charitable lotteries scheme; (2) Deputy Seamus Healy - the need to approve the cancer drug zytiga for inclusion under the medical card scheme; (3) Deputy Mary Lou McDonald - the cost implication for the Exchequer of a new external recruitment process to fill 28 positions in the Dublin Fire Brigade when new recruits could instead be directly hired from the Dublin Fire Brigade panel; (4) Deputy Ann Phelan - the establishment of a DNA database in respect of indigenous ash plants; (5) Deputy Robert Dowds - the reduction in the number of convictions for white-collar crime in recent years; (6) Deputy Regina Doherty - the need to create a hardship fund for those who cannot afford new digital boxes following the switch-over; (7) Deputy Ciara Conway - the need to resist any plans to downgrade services at Waterford Regional Hospital; (8) Deputies Derek Nolan and Charlie McConalogue - the need to address the backlog of payments from the student universal support scheme; (9) Deputy Brendan Ryan - the need to assess coastal erosion at The Burrow, Portrane, County Dublin; (10) Deputy Finian McGrath - cuts to disability services; (11) Deputy Paudie Coffey - the proposed reconfiguration of the hospital networks; (12) Deputy Noel Harrington - the imminent closure by the Courts Service of the court houses in Kinsale, Skibbereen and Clonakilty, County Cork; (13) Deputy Paschal Donohoe - the steps that can be taken to ensure that banks pass on the additional mortgage interest relief; (14) Deputy Dara Calleary - the future of the Defence Forces Reserve base in Ballina, County Mayo; (15) Deputy Jonathan O’Brien - the impact of funding cuts to the COPE Foundation, Montenotte, Cork; (16) Deputy John Halligan - the possible reconfiguration of hospital services in the south east; (17) Deputies Michael McNamara and Alan Farrell - the need to ensure accuracy of the database of payments made under the household charge in view of its use for the payment of any future property tax; (18) Deputy Dan Neville - the report of the Ombudsman for Children on bullying; (19) Deputy Aine Collins - the need to maintain a nationwide post office service; (20) Deputy Robert Troy - the need for an update on the working group on bullying and the implementation of new policies; (21) Deputy Patrick O’Donovan - the need for the Department of Social Protection to update its processing system for payments; (22) Deputy Patrick Nulty - the need to ensure the future of the student assistance fund; (23) Deputy Seán Kyne - the need to maintain the air service to the Aran Islands; (24) Deputy Billy Kelleher - the possible reconfiguration of hospital services in the south east; (25) Deputy Michael McGrath - the need to amend the financial emergency measures in the public interest legislation to reduce the pension entitlements of retired bank executives in the covered institutions; (26) Deputy Ciarán Lynch - the details to be included in the residential property price register; (27) Deputy Caomhghín Ó Caoláin - the reconfiguration of hospital services in the south east; (28) Deputy Kevin Humphreys - the pos-
sible co-location of the National Maternity Hospital, Holles Street with St. Vincent’s hospital, on the Elm Park site; (29) Deputy Mattie McGrath - the difficulties being experienced by customers of banks; (30) Deputy Richard Boyd Barrett - the new Teaching Council regulations and the impact on teachers in VEC schools; (31) Deputy James Bannon - the need to provide additional temporary accommodation at Lanesboro Community College, Longford; and (32) Deputy Mick Wallace - current tax policy and the provision of foreign aid.

The matters raised by Deputies Michael McNamara and Alan Farrell; Mary Lou McDonald; Robert Dowds; and Derek Nolan and Charlie McConalogue have been selected for discussion.

Topical Issue Debate

Household Charge

**Deputy Michael McNamara:** I thank the Leas-Cheann Comhairle. Perhaps he will tell me when I have reached my two minute limit. It will not come as news to the Minister for the Environment, Community and Local Government, Deputy Hogan, that the household charge is necessary and nor will it come as news to him that the household charge is not universally popular. In respect of the latter, I do not suppose the household charge differs from any other form of taxation while, with regard to the former, the Minister will be aware the Government inherited a memorandum of economic and financial policies signed by the previous Government and voted on by every backbench supporter of the that Government, which included a commitment to introduce a new residential property tax. Furthermore, the memorandum of understanding on specific economic policy conditionality, dated 8 December 2010, contained a list of actions to be completed by the end of the third quarter of 2011. These included a commitment that the Government would ensure that effective measures were in place to cap the contribution of the local government sector to general Government borrowing at an acceptable level. In that context, the current Administration introduced a household charge of €100 to fund vital local services. Nevertheless, the manner in which this charge is being collected is making it even more unpopular than it already was and perhaps more unpopular than it needs to be.

At 70% compliance, County Clare has one of the higher compliance levels in the country. Consequently, 70% of the approximately 55,000 households in County Clare have paid, which means that approximately 16,500 households have not paid. It is highly disconcerting for those who have paid it to see equal services still being provided for those who have not paid it. However, it is even more disconcerting for those who have paid it to receive letters asking them to pay it or asking them to provide proof of having paid it to the very authority to which they brought the cheques.

**An Leas-Cheann Comhairle:** I must ask the Deputy to conclude shortly.

**Deputy Michael McNamara:** Notwithstanding that only 16,500 households have not paid the charge, 33,000 letters issued last week at a cost to Clare County Council of €15,000, including letters to many who had paid and letters to people who are deceased and long deceased in many instances. People are rightly aggrieved at the manner in which the charge is being ad-
Deputy Alan Farrell: I thank the Ceann Comhairle for the opportunity to raise the issue. Like my colleague who has clearly outlined the issue, I too share the concerns of the Deputy in respect of the very real resource issues that are being used up in this matter and the real difficulties in which some local authorities find themselves as a result of spending money they do not have. I am concerned at the figures provided to me as of Friday afternoon indicating that just under 1.1 million people have paid the household charge or have registered for the exemption but potentially tens of thousands of individuals will be issued with letters or have been issued with letters who have already paid. If I use the example of www.checktheregister.ie and the various local authority websites where one can go on-line and type in one’s name and address and find oneself relatively simply, surely after 11 months of the charge being in place the Local Government Management Agency and the local authorities could collate the information a little better. It is disappointing, as my colleague mentioned, that after 11 months we are still dealing with ghost addresses, replicated addresses and such abnormalities within a system that has been generated since January, and letters issued to households who paid within the specified time. One gentleman stopped me on the street and then telephoned me to say that he paid on 3 January and showed me the printout of the receipt which showed the time of payment. That is disappointing. I urge the Minister, the Local Government Management Agency, the various local government agencies and the Department to come up with a more practical solution for the several hundred thousand individuals who owe the State the legitimate sum of €127 arising out of legislation passed in the House in a democratic fashion.

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): In addressing this matter we should begin with first principles. Ireland is committed, under the EU-IMF programme, to the introduction of a property tax. We must put the funding of locally-delivered services on a sound financial footing, improve accountability and better align the cost of providing services with the demand for such services, as Deputy McNamara has rightly pointed out. It was considered, in light of the complex issues involved, that a local property tax would take time to introduce and accordingly to meet the requirements of the EU-IMF programme, the Government decided to introduce a household charge in 2012 as an interim measure.

This was done via the Local Government (Household Charge) Act 2011. 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 funds local services delivered by local government, services upon which many people depend. However, a sizable number of liable property owners are failing to discharge their legal obligations. Non-compliance by liable owners means reduced resources for local authorities to use to support communities and places a greater burden on those owners who do pay the charge, that is, their neighbours, colleagues and friends. A bureau is in place in the Local Government Management Agency to administer the charge on a shared service-agency basis for all local authorities. The legislation places collection of the charge under the care and management of local authorities. It is a matter for local authorities to use their local knowledge and judgment in issuing reminders to households, and local authorities have been working with the bureau to do so.

For my part I expect the local government system actively to pursue those liable owners who are simply refusing to pay. I fully support the local authorities in seeking to encourage
There was no comprehensive database of residential properties and owners prior to the household charge being introduced. It is a sad reflection on the State that we could not say who owned property. The collection of the household charge via self-assessment declaration provides for the collation of such information in relation to residential property. This work is an essential element for the effective implementation of the local government tax in 2013 and it is in everybody’s interest that this work continues.

Local authorities are continuing to identify undeclared properties through appropriate data sharing provisions outlined in the 2011 Act. Strenuous efforts have been made to match self-declared information with other datasets and in refining the resulting data. The letters being issued by local authorities are based on information provided by the Property Registration Authority. Such datasets are imperfect. As Deputy McNamara is aware from his legal background in some cases the information may not have been updated with the most relevant or recent details. In other cases address formats vary from dataset to dataset. As a consequence of names and addresses having been entered and recorded differently in computer systems, and of the same addresses appearing in different formats from dataset to dataset, members of the public have received letters from local authorities in error. I appreciate that the receipt of a letter in such circumstances is an irritation to those who have already paid. The Local Government Management Agency has had great difficulty in getting access in good information and has had to spend a considerable amount of time in dealing with other public bodies to get agreement and protocols in places to comply with the Data Protection Act to ensure people’s rights and responsibilities and privileged information is not made available to, perhaps, competitors particularly in the public utilities.

Any person who has received a letter in error need only contact the Household Charge Bureau - I recognise it causes inconvenience to do so - and the issue will be dealt with. Similarly, liable owners who are experiencing other difficulties should contact their local authority or the bureau.

Deputy Michael McNamara: I do not disagree with anything the Minister has said but it is more than an irritation to receive those letters: for some it is a source of worry. My parents received such a letter and were very worried that they had a tax liability. I know several people who are upset because they received letters in respect of people who had died. There is a register of births, marriages and deaths in the country. I wonder whether that is one of the databases that has been cross-referenced. There is also the issue of letters being sent to many people in the same household when, of course, there is only one household charge to be paid, in instances where even that one has been paid.

The Minister mentioned my legal background. On that basis I would be interested to find out what was the legal basis for compelling finance officers in local authorities across the country. I do not expect the Minister has an answer to that question now but perhaps the legal basis for instructing local government officials to send out these letters could be outlined by way of a letter at a later date. Furthermore, I understand that councils were instructed by correspondence on 2 July that three letters were to issue and the dates on which they were to issue. The first letters have gone out and, as Deputy Farrell pointed out, have caused annoyance, worry and grief in many instances. Perhaps these errors could be amended and rectified in advance of the second and third batch of letters going out.
Deputy Alan Farrell: I thank the Minister for his comprehensive response. I wish to make two points. The first is a remark made by the chief executive of the Local Government Management Agency last week that householders who do not notify the agency - this is on the assumption that they are receiving a letter in error - will receive a second letter and technically could face a penalty. Clearly, if an individual has paid his or her household charge he or she will not face a penalty but I am confused and concerned as to the use of the word “technically” in the statement which would suggest that a person would have a liability even if they have paid, just because the system is not as it should be. I agree with the Minister that in 2012 it is a damning indictment of recent governments that we do not have a full record of home ownership. The second is the number of households who will continue to receive letters incorrectly. The Local Government Management Agency estimates that 400,000 letters are to issue, with some 10% to receive that letter in error.

Deputy Phil Hogan: I thank those who have made the contribution. Some 67% of people have paid this new charge, the highest level of compliance ever. I want to put on record my appreciation of the fact that, despite the provocation by and protests of individuals, the people of Ireland want to be legally compliant.

There is no easy way to put heads together and cross-check data. The Property Registration Authority, PRA, the Land Registry, ESB, Bord Gáis and other utilities are available to the Local Government Management Agency, LGMA, albeit approximately four months later than expected, to help in discharging its responsibility to send out accurate information. By law, this charge is in the care of the local authorities. They should have screened the list better to ensure that, for example, entire estates did not receive letters if just one or two residents had not paid. Better administrative practices could have limited some of the irritation to which I referred and which was felt by Deputy McNamara’s parents. The local authorities’ management of the charge is important.

Deputy Farrell asked about people who were technically liable. If the LGMA is not told that someone has paid, how is it supposed to know whether it has sent out letters in error? This self-assessment scheme is voluntary and many people have shown goodwill and complied with the law. Unfortunately, we are indulging on their patience once again. It is an irritant, but we are trying to ensure a clean database that is fully operational in terms of data sets for the future local property tax. Notwithstanding the fact that it is an irritant to receive a bill when payment has already been made, it is necessary to ensure a proper and accurate database.

Fire Service

Deputy Mary Lou McDonald: As the Minister is probably aware, a panel was established by the Dublin Fire Brigade in 2007. Thousands of individuals were interviewed and went through standard recruitment procedures and tests. Some 190 people were placed on the panel. In total, the recruitment process cost €300,000. Of the 190 people placed, 83 were formally recruited into the system.

In February 2012, the panel was scrapped. In a letter to one of the recruits who had been on the panel, the fire service executive manager, Mr. Gerry Geraghty, stated that the panel had been scrapped due to the difficult economic circumstances. Mr. Geraghty stated, “The decision to terminate the Panel was not taken lightly and we understand the time and effort put in by applicants. Unfortunately Dublin Fire Brigade, like all public services, have been particularly..."
affected by the economic downturn”. As such, the panel was abandoned.

More recently, Dublin City Council management has agreed to fill 53 of the city’s 80 outstanding vacancies within the terms of the Croke Park agreement. Undoubtedly, the gaps in the service need to be filled. However, it is astonishing that management has decided to embark on a new external recruitment procedure to fill 28 of the 53 vacancies. Given the fact that €300,000 of public money has already been spent to establish a panel of qualified, able and willing people interested in serving as firefighters, it is baffling that management would take it upon itself to open a new process. I have called on Dublin City Council’s management to review this decision, to abandon any notion of another costly recruitment drive and to offer the 28 places to the 100 persons remaining on the old panel.

When the Minister rises, I suspect his reply will be to the effect that this is a matter for Dublin City Council and that he can do nothing about it. Given the amount of public money spent to date, I urge him to play a hands-on role. Capable and qualified recruits have been identified to undertake this important work. In these difficult economic circumstances, to cite Mr. Geraghty, there is no excuse or rationale for Dublin City Council being allowed to spend more taxpayers’ money on another recruitment process.

Deputy Phil Hogan: As the Deputy knows, I do not expect anyone, be that person a Minister or not, to micromanage local authority services. I expect management to do that in every local authority area. The provision of fire services is a matter for Dublin City Council as a fire authority under the Fire Services Act 1981. The Deputy is asking me to interfere on the one hand and, on the other, to devolve power and responsibility so that local authorities can do their business properly.

Under section 159 of the Local Government Act 2001, each county and city manager is responsible for staffing and organisational arrangements. While overall staffing requests are sanctioned by the Department, the issue raised is a matter for Dublin City Council. It has been raised previously and I understand where Deputy McDonald is coming from, but the panel had been in place for four years and was only terminated at the end of last year. That is quite a long time to have a panel. Other people who want the chance to be employed by Dublin City Council as fire officers should expect to have the opportunity to apply for those posts.

Notwithstanding the moratorium that has been in place for some time, Dublin City Council has received sanction to fill 53 posts. However, my Department has not yet received a formal sanction request for the 28 posts to which the Deputy referred. All Dublin City Council requests to date have been sanctioned. Perhaps the Deputy might be able to inquire into this matter in her representations to Dublin City Council.

For operational purposes, there is a sharing of services between a number of fire authorities in Dublin. The Dublin Fire Brigade, staffed by 876 full-time firefighters, provides a fire and emergency response service to some 1.2 million people. While local authority staffing levels have been reducing across the country, the number of Dublin Fire Brigade personnel has been protected.

Deputy Mary Lou McDonald: I suspected the Minister would say that.

Deputy Phil Hogan: The Deputy was right.

Deputy Mary Lou McDonald: I am not asking him to micromanage anything - far from
it. However, I note that the Minister has no problem with wading in as and when it suits him.

**Deputy Phil Hogan:** Such as when?

**Deputy Mary Lou McDonald:** In this instance, the Minister does not need to micromanage or investigate anything. He knows the facts. Some €300,000 has already been spent on a recruitment process and a panel was established that, as the Minister rightly pointed out, was in place for many years. Will the Minister intervene and write to, telephone or make a friendly suggestion to the management concerned to the effect that it is not prudent and does not represent a good use of public money to set up an alternative recruitment process? It is that straightforward.

My information is that, of the 53 posts, 28 will be filled by an external recruitment process. I am interested to learn that the Department has not received a formal approach in this regard. The Minister should have a conversation or write a letter to the management concerned. Bear in mind that those who went through the very rigorous procedure to get on the panel had a legitimate expectation that as and when vacancies arose they would be considered and placed. They have had that expectation dashed. In a two-fold way, the Minister said he cannot stand over, and that they should not stand over, further spending of public moneys and that at a minimum those already on the panel should be given the option to go forward for these positions. This is not about micro-management but about asking the Minister to be a common sense kind of Cabinet Minister.

**Deputy Phil Hogan:** I am sure there will be sufficient recognition of the fact that, notwithstanding the massive reduction in staffing in various local authority services, the staffing levels of the Dublin fire service is protected. In terms of the overall numbers deployed for fire services in Dublin, we are protecting the numbers so that should be considered in this.

**Deputy Mary Lou McDonald:** That is not my question.

**Deputy Phil Hogan:** I am coming to the Deputy’s question but she has not acknowledged the fact that we are in a bailout----

**Deputy Mary Lou McDonald:** We could have a very long debate on that issue and on the adequacy of cover.

**Deputy Phil Hogan:** We are in a recession and in a bailout programme and the Deputy should acknowledge the fact that fire services in Dublin and staffing are being protected. We work very closely with local authorities in regard to the overall numbers. People who were on the panel can apply for these posts, as can others. Four years is long enough to have a panel. I encourage the people who were on the panel originally to apply for these posts.

In the context of a moratorium on public service numbers, Dublin City Council is doing exceptionally well to get sanction for further numbers in respect of a very important service, namely, the fire service.

**White Collar Crime**

**Deputy Robert Dowds:** I express my disappointment that the Minister for Justice and Equality is not here because this issue started off as an oral question which was incorrectly
Deputy Phil Hogan: I beg the indulgence of the Deputy to explain that the Minister for Justice and Equality was attending the funeral of Mr. David Black in Northern Ireland.

Deputy Robert Dowds: I thank the Minister. I express my apologies.

An Leas-Cheann Comhairle: The Minister, Deputy Hogan, is taking this issue.

Deputy Robert Dowds: I appreciate that this topical issue has been chosen. Following several parliamentary questions and some media attention on the matter, statistics from the CSO show that there has been a significant drop in the number of convictions for white collar crime since 2003. Given everything that has happened over those years, I find it disturbing and have raised this as a topical issue because the people deserve an answer as to why this has happened and an assurance that people who engage in white collar crime are pursued and punished with the full force of the law.

The statistics provided by the CSO show that for a certain number of white collar crimes, specifically fraud, deception and false pretence offences, falsification of accounts, offences under the Companies Act, offences under the Investment Intermediaries Act, offences under the Stock Exchange Act, money laundering, embezzlement, fraud against the European Union and corruption involving public officeholders, the conviction rate has halved over the past decade.

I am sure the Minister will agree this is alarming. He may say there is a discrepancy in the way crimes are recorded and that there may be a time lag but I do not believe this argument stands up. Even after one takes this into account, it still does not explain why the conviction rate has fallen so much in seven years. For example, the average conviction rate for the three years to 2010 is less than half the conviction rate in 2004.

An article in The Sunday Business Post in early October put it in even blunter terms in that almost nine out of every ten white collar crimes committed in Ireland in recent years failed to result in a conviction. It went on to show, based on these figures, that white collar crime is growing in Ireland but convictions are falling. Again, I must stress that the average conviction rate for the three years to 2010 was less than half of what it was in 2004. This needs to be tackled urgently.

As the Minister knows, the people are seething that so much white collar crime goes unpunished while, at the same time, ordinary criminals go to prison for stealing from supermarkets and for burglaries. I put it to the Minister that it would be very good for the public and for our democracy for it to be shown that white collar crime is pursued and punished with the same rigor of the law as any other form of theft or crime. From these figures, it is clear that this is not happening.

We cannot have one law for the rich and another for the poor. I know the Minister for Justice and Equality agrees with this general contention of mine and I welcome the fact he recently ushered in new legislation to strengthen the hand of the Garda in tackling white collar crime. I also know that we, as legislators, cannot interfere with the Office the Director of Public Prosecutions or the operation of the courts but for the sake of justice and to re-establish faith in our judicial system, we must see greater levels of conviction for white collar crime.

When one thinks about it, if the conviction rate for other forms of crime was as low as it is
for white collar crime, there would most likely be anarchy on the streets with criminals running entire areas at a whim. Is it any wonder that Ireland was described as the wild west of European finance during the bubble? Based on these figures, it should not surprise anyone. Let us put an end to this and ensure that those who commit white collar crime are in fear of the law, are pursued by the law and punished by the law just as every other criminal should be.

Deputy Phil Hogan: Again, I apologise on behalf of the Minister for Justice and Equality who was at a very important and sad event in Northern Ireland today.

Deputy Robert Dowds: I understand that.

Deputy Phil Hogan: On behalf of the Minister, I thank Deputy Dowds for raising this important matter and assure him the Minister attaches the highest priority to the investigation and detection of white collar crime and to ensuring that An Garda Síochána has available to it the necessary legislative and other supports to this end. I, too, share Deputy Dowds’s genuine concern regarding this matter.

Within eight weeks of taking up office, the Minister moved urgently to draft additional legislation which was enacted on 2 August last year as the Criminal Justice Act 2011. This Act provides vital assistance to An Garda Síochána in the completion of current white collar crime investigations as well as providing assistance to it for investigations to be undertaken in the future.

Moreover, the Minister is being briefed on an ongoing basis by the Garda Commissioner on the progress of the major white collar crime investigations which are underway. The Minister has sought and received assurance at all times that the necessary resources and expertise are available to An Garda Síochána to effectively investigate these matters.

As Deputy Dowds will be aware, charges have been brought against a number of persons under the Companies Act 1963 arising from the investigations into Anglo Irish Bank. Further directions are awaited from the Director of Public Prosecutions in regard to the other strands of the investigation. A full Garda team remains assigned to the investigation to conduct necessary follow up and other inquiries. The Deputy will appreciate that the important thing now is that nothing be said which would in any way risk the possibility of prejudicing any current or future criminal proceedings.

The Minister is aware that the Deputy has previously raised the question of conviction rates in the context of white collar crime and believes that great care should be taken in comparing conviction rates between different years. The investigation, detection and prosecution of any offence may take a number of years. This is particularly so where the crime may be complex, as is often the case in fraud and white collar crime offences. Accordingly, the initial conviction rate for any given year will inevitably appear lower than the eventual rate.

In particular, the figures produced by the CSO should not be read as a final picture with respect to all investigations or prosecutions but rather a snapshot of proceedings at a particular point in time. The most recent published figures for detections and convictions in 2010 are a snapshot of the position as it stood in October 2011 and more detections and convictions will naturally have occurred since then.

The investigation and detection of fraud offences poses particular challenges for investigators when compared with crimes against the person and this is the general experience interna-
tionally. In the case of a once-off fraud committed against a consumer, the offence may only become apparent to the victim some time after the event and there may be very little information to help identify the culprits. In the case of online frauds, those responsible may be located overseas. In regard to more complex fraud and financial investigations, the sheer volume of material to be investigated means that it takes much longer to bring these offences to trial than with some other crime categories.

However, the Minister would note that according to the latest CSO figures, 51% of all fraud offences recorded in 2010 had been detected by October 2011 and in those cases where proceedings had commenced, there had already been convictions in 46% of instances. While our crime recording systems are not directly comparable, it is illustrative of the challenges faced to note that the detection rate for fraud offences in England and Wales for 2010-11 is given as 24%.

Notwithstanding these challenges, the Minister is determined that perpetrators be brought to justice. He has taken concrete steps to ensure that An Garda Síochána has the necessary supports to carry out such investigations and has made it clear that any additional legislative proposals the Garda Commissioner may have in this regard will be positively considered.

Deputy Robert Dowds: I accept that the Minister for Justice and Equality takes this subject seriously and, as was said in the reply, that he will ensure the relevant authorities have adequate resources to tackle white collar crime effectively. However, an issue came to my attention today. I have asked a number of people how many accountants, solicitors and barristers are working for the Garda fraud squad. People have offered various guesses but the answer is none. This is a matter of great concern. It is commonsense that if one wishes the Garda to be effective in tackling white collar crime, it must have the appropriate expertise. This must be addressed. I am glad to see the Minister, Deputy Hogan, taking notes as it is important that they are passed on to the Minister, Deputy Alan Shatter.

It is important that this expertise is made available to the fraud squad so it can effectively tackle white collar crime. If it does not have such expertise, it will be unable to bring these criminals to justice. I accept the Minister’s statement that it is much more difficult to tackle this type of crime than other forms of crime. In an effort to be constructive and helpful, has the Minister given consideration to the suggestion put forward by Mr. Frank Daly, chairman of the Solicitors Disciplinary Tribunal? He gave me the information about the lack of accountants, solicitors and barristers in the Garda fraud squad. He has suggested that, considering there are large numbers of unemployed or under-employed solicitors and barristers, they should be recruited to the fraud squad or the Office of the Director of Corporate Enforcement to deal with the increasing incidence and complexity of white collar crime. It is a good and constructive suggestion and it should be seriously considered. If the Minister could strengthen the hand of the Garda in tackling white collar crime, he would be doing a tremendous service to the Irish people and the Republic. I know that would be his general intention.

Deputy Phil Hogan: The Minister attaches high priority to the investigation of white collar crime and he has taken concrete steps in the short time since being appointed Minister to ensure the Garda Síochána has the legislative and other tools to deal with this effectively. I also indicated that the latest Central Statistics Office data do not reflect a decline in the effectiveness of Garda investigations. There is a time lag in respect of getting the statistics in line with what is happening. However, I accept what Deputy Dowds said about the professional expertise that is required to deal with white collar crime. I will bring the matter to the Minister’s attention to
see if it is possible for people with a legal or accountancy background, or whatever professional supports are required, to have their skills brought to bear to deal effectively with these crimes. It will bring fairness into the system, as people do not wish to differentiate between petty crime and the very serious white collar crime outlined by the Deputy.

**Student Grant Scheme Payments**

**Deputy Derek Nolan:** I thank the Ceann Comhairle for allowing me to raise this issue. The Student Universal Support Ireland, SUSI, scheme was launched this year. It was an innovative and welcome move to establish what is effectively a one-stop-shop for grant applications, where the application can be made quickly and on-line. However, there have been some teething difficulties with the start-up and implementation of that system for support and grant applications.

Some of the people who have called to my office to outline the issues that are affecting them have been waiting a long time for information and, indeed, payment of their grant. It is now November and, as most people who have attended university or any third level institution know, the costs mainly occur in September when one must pay a deposit for accommodation and pay for books, clothes, stationery and so forth to get started. This is particularly the case for first years because they are starting in a completely new realm of education. Some of the delays are causing real hardship in terms of paying for rent, fuel bills, books and so forth. It is putting huge pressure on student assistance funds, as I have seen at National University of Ireland, NUI, Galway and the Galway-Mayo Institute of Technology, GMIT.

The Minister of State, Deputy Seán Sherlock, is a graduate of the wonderful university NUI Galway and he will be aware that the university caters for a large part of the west, which is more disadvantaged than the east and therefore has a greater number of students dependent on grants to fund their university education. The same is true for GMIT. As a representative of a very student orientated city, I ask that the delays taking place, which are causing such hardship in Galway and across the country, be tackled by the Department and the Minister’s office to ensure that everything is done to alleviate the problems and clear the backlog. Account should be taken of the hardship being suffered by students at a very traumatic time for many, when they have just left home for a new experience in a new educational environment. This money is badly needed. The people who receive grants are, by definition, from backgrounds of lower economic means so they need the money even more.

**Deputy Charlie McConalogue:** I thank the Ceann Comhairle for ensuring this very important topic was put on the Dáil’s agenda. At the outset, I will refer to what the Minister for Education and Skills, Deputy Ruairí Quinn, said when he launched the new central grants authority, SUSI, on 12 June last. He told us the process is quick and easy, that students did not have to decide on their college course before applying and that they would be informed much more quickly on the outcome of their application. He pointed out that many students had been obliged to wait for lengthy periods for their grants in the past and faced undue hardship as a result of such delays. Now, he said, once the application was approved, students would receive monthly electronic fund transfers into their bank accounts during the academic year. He said it was an excellent example of public sector reform, and that these reforms would ensure better customer service for all students who rely on grants.

Where is the Minister today and where has he been for the last number of weeks, when this new grants authority he established failed to deliver? Students across the country have been
left without grants and, in fact, are wondering whether they will receive them. We regularly see
the Minister stepping up to the podium when there is a big announcement or launch to be made.
However, where is he when we require follow through and delivery of his big announcements?
Unfortunately, of the 66,000 students that applied there are 50,000 still waiting to hear whether
they will even be awarded the grant, let alone be paid. Where has the Minister been during
these months while this crisis has been growing? He is nowhere to be seen or heard. I welcome
the Minister of State, Deputy Seán Sherlock, but it is unfortunate that the Minister is not here.
I do not mind if he is abroad because he has not been seen for months to deal with this issue. It
is past time that there was some action on it.

In his first comments on this issue yesterday, in correspondence to Deputies, the Minister
informed us that he is establishing a contact line for Deputies to contact SUSI about grant ap-
plications. The first time we have heard from him, therefore, is when his backbenchers are
getting on his back about what is happening here. His response is to set up a telephone line for
them. What about the 50,000 students throughout the country who do not know whether they
are going to get a grant and, given the way this has been handled, who will very likely still not
receive it until after Christmas? I hope the Minister of State will have some news about how
this problem will be resolved quickly. The Minister telling us he feels bad about it will not be
much consolation for the 50,000 students who are currently trying to put themselves through
college and who cannot even get an answer as to whether they will receive a grant.

6 o’clock

Minister of State at the Department of Education and Skills (Deputy Sean Sherlock): I
am responding on behalf of the Minister for Education and Skills, Deputy Quinn, who is travel-
ling to Brussels on Government business. I thank the Deputies for raising this important matter.
A new, fully centralised student grant application system was launched on 11 June and is being
operated by a central grant awarding authority, the Student Universal Support Ireland, which is
known by the wonderful acronym SUSI and which has been established as a unit of the city of
Dublin VEC. Until last year, students applied to 66 local authorities and VECs for grant assis-
tance. This is the first time the centralised approach has been taken in the history of the State.
Deputies are aware of the difficulties with which these bodies had been dealing with the major
increase in numbers applying for student grants in recent years. The new facility automates
and replaces the previous manual application arrangements with a centralised online system
application for all new grant applications nationwide from this academic year onwards. The
system has been designed in such a way as to guide students interactively through the applica-
tion process. Under the old system, the majority of third level students were paid by cheque,
a costly and inefficient way of making payments. Under SUSI, students will be paid monthly
directly into their bank accounts. This leads to all SUSI grant applicants in an institution receiv-
ing payments in the same way, by electronic funds transfer.

SUSI has received in excess of 66,000 completed applications for student grants this year.
Some 18,000 applications are complete, including 9,000 applications that have been refused
and 9,000 applications that have been awarded or awarded pending submission of final course
details by the student. In addition, SUSI is awaiting documentation from students for 21,000
applications. The remaining 27,000 applications are on hand for processing. SUSI is aiming
to award and pay all successful applicants before the end of December, which represents a
significant improvement on the previous system in many parts of the country. To date, some
6,528 new students have been awarded maintenance or fees only grants. A maintenance grant
has been awarded to 2,190 students, and some 3,729 students are awaiting a maintenance pay-
The payment of the student grant is contingent on the supply of bank account details by the student, together with confirmation of registration from the institution attended. Payments for new students commenced on 19 October, and SUSI will continue to run weekly payments during November to ensure students receive their first payments as soon as possible. It is inevitable that a late rush of applications will cause delays in a student grant processing system and the subsequent payment of student grants. My Department is continuing to monitor the situation in close consultation with SUSI, which is working with the Union of Students in Ireland to encourage students to submit outstanding documentation. SUSI is also constantly seeking to improve the information available online and from its helpdesk, e-mail and telephone services.

Deputy Derek Nolan: I welcome the statement by the Minister of State that SUSI intends to have all payments finished by December. It is a positive note and one in which people can have confidence. I ask that the Minister of State gives an assurance that the December deadline will be adhered to and monitored to ensure SUSI is on course. Some 27,000 applications still on hand amounts to 40% of all applications that have not yet been touched. From what I am hearing, it takes a long time for people to be asked for further information. I understand the system is new and has teething difficulties, but people are experiencing major difficulties and it is imperative we stick to the deadline of having every payment completed by Christmas.

Deputy Charlie McConalogue: I thank the Minister of State for his response, which he made in a calm manner. No amount of sweet talking will change the reality students are facing. The Minister of State outlined that 18,000 decisions have been made on the 66,000 applications, with 9,000 refused and 9,000 people informed that the grants they applied for will be paid. Not all of the 9,000 have been paid. I resent how the Minister of State is trying to put the blame on students. He told us that 21,000 of the remainder are awaiting documentation. I put it to the Minister of State that it is not the fault of the students. The system set up by the Minister of State and the Minister for Education and Skills is unable to deal with the job it has been given. In many cases, students were not informed until very recently of the additional documentation required. What is the Minister of State saying about the rest, apart from the 21,000 awaiting documentation? All that is happening is that the applications are being checked. The Minister of State expects 40% of them to be sent back to students because of incomplete documentation. That tells us it is not the students’ fault but the fault of the Minister for Education and Skills, Deputy Quinn, who is nowhere to be found as the problem is turning into a crisis.

Deputy Nolan and I are being told the applications may be processed by Christmas. How will the applications be processed by Christmas if the Minister of State is expecting 40% of those yet to be checked will be sent back? This is a mess and the feeble response from the Minister of State and the response of the senior Minister, going hiding, gives me little confidence the problem will be sorted out. The Minister of State should sit down with the senior Minister and get this under control as quickly as possible. Students are scraping by in college and their futures in college are in jeopardy because of the way the Government has handled this. I hope for a stronger response and a plan to get grants to students as quickly as possible.

Deputy Sean Sherlock: SUSI is awaiting documentation on 21,000 applications. Some 15,000 students have not responded to requests for documentation and a further 6,000 have submitted incomplete documentation. I acknowledge the remaining 27,000 applications are on hand for processing-----

Deputy Charlie McConalogue: The Minister will send back 40%.
Deputy Sean Sherlock: No amount of rhetorical flourish, rhetoric or nonsense from a Fianna Fáil Deputy will change the fact that SUSI has the administrative responsibility for the area.

Deputy Charlie McConalogue: Is it nonsense? It would suit the Minister of State better to sort out the problem.

Deputy Sean Sherlock: There was broad political support for the idea of having one centralised system because of the lag times, which were even later within the 66 local authorities heretofore. In the first year of the roll-out of the new system, one always gets glitches-----

Deputy Charlie McConalogue: It was never as bad as it is now.

Deputy Sean Sherlock: -----but the main point is that students eligible for grants will be paid. There is no question about it. The Department brought in the USI as a stakeholder in the process to act as a moderator on www.boards.ie to engage with students through the process.

Deputy Charlie McConalogue: More staff should have been brought in to deal with it.

Deputy Sean Sherlock: I take the points made by the Deputies that 27,000 applications are outstanding and should be expedited. An additional 20 staff members are processing the documentation received from students, and extra staff have also been assigned to SUSI head office to work on continually improving the processes and speeding up processing times. I ask for common sense to deal with this calmly and rationally, not to seek to score political points. The system will change and, unless the Deputy opposite is saying we should unravel the system and go back to the 66 local authorities, we should continue to improve the system. That is what we are doing.

Fiscal Responsibility Bill 2012: Order for Report Stage


Question put and agreed to.

Fiscal Responsibility Bill 2012: Report Stage

An Leas-Cheann Comhairle: Amendments Nos. 1 to 4, inclusive, proposed by Deputy Pearse Doherty, are in conflict with the principle of the Bill and must be ruled out of order, in accordance with Standing Order 131.

Amendments Nos. 5 to 10, inclusive, are related and will be discussed together.

Amendments Nos. 1 to 4, inclusive, not moved.

Deputy Pearse Doherty: I move amendment No. 5:

In page 7, between lines 4 and 5, to insert the following:

“(a) prioritise the generation of economic growth, job creation and delivery of high quality public services, “.
6 November 2012

Ba mhaith liom mo mí-shásamh a chur in iúl nach bhfuil leasaithe a 1 to dtí a 4, go huile, ábalta a bheith glactha.

Téann an Bill go dtí croílár na gcinnithe a bhéas an Rialtas, nó Rialtas ar bith sa todhcháí, ag déanamh. Ceann des na fadbanna móra atá ag Sinn Féin leis an mBille go gceanglaíonn sé, ní hamhain lámha an Rialtais ach lámha pholaíteoirí sa todhcháí a bhéas tofa ag muintir na hÉireann le cinnithe a dhéanamh a rachas chun sochar do gnáth dhaoine na hÉireann.

Leagann an Bille síos rialacha iontach dian. Nil fadhb mhóir ag Sinn Féin le cuid mhóir des na rialacha, a fhad is go bhfuilimid ag baint amach na rialacha sin agus ag glacadh ar bord na himpleachtaí atá á baint amach ag na rialach sin ar sochaí na tire, go háirithe ar fhostaíocht, ar ioncaim leasú shoisialta, ar an tseirbhís poiblí agus ar ghnáth dhaoine na tire. Ba chóir dúinn a bheith ábalta imeacht ón mbealach sin, na rialacha a chur i bhfeidhm, má tá siad ag déanamh dona do gheilleagar nó do ghnáth dhaoine na tire.

Is é atá i leasú Uimh. a 5, ná go gcuireann sé isteach san mBille go gcaithfimid an geilleagar a fhás agus go go gcaithfimid tús àsé a thabhaith do fhostaíocht a ghnóthú agus seirbhís poiblí den árd scoth a chur ar fáil nuair atá an Rialtas ag tarraingt plean fá choinne na spriocanna atá leagtha síos san mBille a bhaint amach.

The essence of amendment No. 5, which is taken together with amendments Nos. 6 to 10, inclusive, is that when the Government is required to draft a plan aimed at meeting the deficit targets contained in the Bill it would take into account issues such as generating growth, promoting job creating and delivering high quality public services. The importance of this cannot be overstated.

The Bill ties the hands of the Government, and of future Governments, to a set of strict rules of budgetary discipline, structural balances and so on. It does not, however, take cognisance of the impact that chasing these rules and implementing them at all costs would have on the wider society. The amendment seeks to place an onus of the Government, when it recognises that there may be a difficulty in reaching the targets set down in the Bill, to develop a plan that will outline how the targets will be met. It obliges the Government, along with other factors, to take on board the issues of stimulating economic growth, promoting job creation and delivering high quality public services.

This issue was discussed on Committee Stage. It beggars belief that the Minister for Finance will not accept a proposal to set this down as a condition. Why is the Minister for Finance afraid to say that when a future government develops a plan to reduce our deficit to be in line with the criteria contained in the austerity treaty, such a plan should take cognisance of the effect it will have on unemployment or on the economy? If such a legislative requirement had been in place in 2008, when we got into this crisis, we would not have seen the disastrous consequences for the economy. Every economic growth target laid down by the previous Government has been missed. If former Ministers were to be believed, we should have been out of the mess a long time ago and at a fraction of the cost we now face. How many corners did we turn during that period? We have lost track of them. In reality, unemployment increased from 4% to almost 15%, even with the emigration valve opened fully and 87,000 people, particularly young people, leaving the country last year. If, when the previous Government was developing the troika programme, there had been a legislative requirement to measures its impact on economic growth, employment and delivery of high quality public services, we might have had a very different programme which could have assisted us in reaching the targets in a fairer and,
in some cases, speedier way. Instead of trying to cut our way to recovery we might have grown towards recovery.

Cuireann leasú a 6 coinneál ar an Rialtas impleachtaí sóisialta a ghlaodh ar bord nuair atá sé ag déileáil leis an bplean. Amendment No. 6 seeks to strengthen the requirement on Government to include these important social and economic indicators in any plan. It is a follow-on from amendment No. 5.

Amendment No. 7 seeks to broaden the scope of the plan to include an impact assessment of any proposed measures on key social indicators, such as income equality, social inclusion and poverty reduction. These areas have been allowed to go amiss by successive Governments and levels of poverty have been increasing.

I commend the Society of St. Vincent de Paul for its survey and statistical analysis of the disposable income people have left at the end of the month. In the last seven days, there has been much talk about some of the culprits who got us into the current economic mess and the fact that they are sitting at home with their feet up and enjoying pensions of half a million euro. Former taoisigh have massive pensions. A number of Taoisigh who were involved in the heart of the crisis are sitting back and lecturing the rest of the world on how to run economies and getting huge dividends from the taxpayer in the form of massive gold-plated pensions. At the same time, the Society of St. Vincent de Paul tells us that 1.8 million people have less than €100 of disposable income at the end of the month. That is a figure we should repeat time and time again. Real people live in a different reality from the types of pensions that were discussed in the Chamber earlier today and which former Members of the House enjoy upon retirement. Real people face hardships and are vulnerable and scared as they look to the first week in December to see what other forms of misery will be visited upon them by the Government. This amendment places an obligation to carry out equality and anti-poverty impact assessments.

All political parties profess to be supporters of equality and to tackling issues such as poverty. They profess to support policies that will have the least adverse impact on the least well off. The best way to implement such policies is to have these types of impact assessments so that measures can be independently scrutinised. A Minister for Finance should be prepared to say what his proposals are and what he plans to do to reach the targets we will have signed up to if the Bill is passed. He should also be prepared to say what impact his proposals will have on the least well-off section of society.

This amendment does not compel the Government to take a different path. It simply states that if the Government introduces a plan to reduce the deficit to comply with the rules within the legislation, there is an onus and responsibility to set out in clear terms how the plan will impact on different sections of society and how it will be equality-proofed. It does not place any onus on the Government not to follow the plan but it is important at least when it is devising the plan that it is fully aware of its impact on vulnerable sections of society.
The key aspect to this amendment is that the Houses of the Oireachtas will have the power to scrutinise and approve or reject any plan brought forward by Government to reach the targets set out in the legislation. We have heard a lot about Oireachtas reform and the important role the Opposition parties must play in legislation, and the Government has taken some good initiatives in this area, but there is much more that must be done. This is a fundamental issue. If the Commission addresses a warning to the State to say there is a failure to comply with the budgetary rule which constitutes a significant deviation, the Government must within two months prepare and lay before Dáil Éireann a plan specifying what must be done to secure compliance with the budgetary rule. The budgetary rule will be binding on the State if the legislation is passed. If the Commission says we are not likely to meet the rule and issues a warning to the State, the Government must devise a plan. What will that plan entail? The legislation spells it out, stating the plan shall specify the period over which compliance with the budgetary rule can be achieved. That is very like the troika agreement, where we have a three year plan, a four year plan or a two year plan.

The second point in the plan states that if the period is longer than a year, annual targets must be met to move towards such compliance, again like the troika plan where there is a certain target to meet each year until the overall target is met. The third aspect of the plan is that the size and nature of revenue and expenditure measures that are to be taken to secure such compliance must be specified. Again, that is similar to the troika plan, which lays down the amount of tax revenue that must be raised, the cuts that must be made and savings sought in a particular year.

The fourth point that must be outlined in the plan if this legislation is passed is how any revenue and expenditure measures that are to be taken will relate to different subsectors of the general Government. It goes further than outlining the savings that must be made, or the taxes that must be raised - it must outline the subsectors, another aspect that also exists in the troika plan, including carbon taxes, property taxes and cuts to social welfare and health. It is similar in nature and design to the sort of troika plan the Government is implementing. The plan also, however, must take on any recommendations made to the State under the stability and growth pact in the period over which compliance with the budgetary rule is to be achieved and the size of measures to be taken to secure such compliance under the current stability programme. It must encompass any direction given to us by the Commission on matters it has raised.

This plan, therefore, is very like the troika plan. No one can say for certain if we will ever have to develop such a plan, please God this Government will change direction and we will see economic growth when we would be able to reach the budgetary rules and debt rules within the prescribed time frame. There is, however, a likelihood, and we must be conscious of what we are agreeing in this House, that if the targets are not met, the Government must develop this sort of plan within two months and then lay it before these Houses. The amendment does not say the Government should not draw up the plan, it states very simply that when developing that plan, when it has been agreed in Cabinet and meets the conditions laid down in this Bill and is in compliance with the austerity treaty, it must be brought before the Houses of the Oireachtas, debated, improved and voted upon. It is unacceptable that such a plan would be devised in a
Cabinet office without Dáil scrutiny. Laying a plan before the Dáil is very different from the plan being debated and voted upon. This amendment seeks that provision for a debate, it does not restrict the Government in any way bar having a democratic debate while scrutinising these measures.

If we have learned anything from the economic crisis it is that there was a lack of scrutiny and debate and those in power failed to listen to alternative voices. The Government almost always has a majority so, de facto, unless some backbenchers jump ship, the plan will be carried but this amendment would allow the elected representatives of the citizens in the State to have the opportunity to discuss, debate and vote on such a plan.

Amendment No. 10 allows the Government to derogate from the debt and deficit rules if it believes it is doing so for the best social and economic interests of the State. In doing so, it also places a requirement on the State to explain why this is the case. This goes back to my earlier comments. The structural deficit and budgetary rules are not the issue, the key issue is that we are laying down rules when we do not know what the Irish economy will look like in future. We are being forced to put in place rules that we know could have a negative social and economic impact on the State but because they are legally binding, if we do not do so the legislation contains penalties and punishments that can be imposed.

It would be folly for us not to have an opt-out clause that would allow the Government to derogate from the debt and deficit rules in such circumstances. While the legislation makes provision for special circumstances, they are not clear. It is my interpretation of the Bill that those are not the types of exceptional circumstances we are discussing. The exceptional circumstances are more likely to relate to natural disasters and such issues. However, this is where the Government can prove to the House and the Commission that the debt and deficit rules would have a negative social and economic impact on the State and therefore can seek a derogation from them. I commend the amendments to the House.

Deputy Michael McGrath: I welcome the opportunity to contribute to Report Stage of the Fiscal Responsibility Bill. I did not have much success with the amendments I tabled on Committee Stage and so did not repeat them again on Report Stage. However, I wish to make some comments on the amendments tabled by Deputy Pearse Doherty, many of which relate to the plan the Government is required to introduce under the correction mechanism to comply with the budgetary rule. Amendment No. 5 would provide that such a plan would “prioritise the generation of economic growth, job creation and delivery of high quality public services”. In many respects it is a statement of the obvious because those should be objectives that any democratically elected Government in this State would pursue and I would expect that to be the case. I have no objection to providing specifically for such a plan to include recognition of that. Amendment No. 6 is consequential on amendment No. 5.

Amendment No. 7 proposes that such a plan would “outline how revenue and expenditure measures will contribute to the objectives of greater income equality, social inclusion and poverty reduction”. My philosophy and the philosophy of my party on income equality is that the objective of Government should be to give individuals and families the means by which they can advance themselves and can over a period of time improve their income-earning capacity while at the same time having a floor or a backstop through the social protection system to ensure at least a minimum standard of living is provided for every individual and family in the country should they require it. There is much talk about the objective of income equality - I have a different philosophy. We should give everyone the opportunity to improve their own prospects
and improve their income earning capabilities while at the same time having a necessary safety valve through the social protection system, which is essential. I do not believe anybody in this House would disagree with the references to social inclusion and poverty reduction.

Regarding amendment No 8, much depends on the level of detail in the plan that would be introduced in the event of the correction mechanism being triggered. Deputy Doherty read out sections 6(2)(c) and 6(2)(d), which will require an extensive level of detail in terms of the revenue-raising elements and the expenditure reductions that would be provided for in such a plan. I note the Minister’s comments on Committee Stage about the need to provide equality and anti-poverty impact assessments in respect of every element of that. However, in a broad sense it is an objective that we should aspire to achieve and I support the amendment in that respect.

The Minister should seriously consider accepting amendment No 9. While the Bill as drafted requires the Government to prepare and lay before Dáil Éireann such a plan under the corrective mechanism to achieve the budgetary rule, the legitimacy of any such plan would be enhanced if it were put to a vote of Dáil Éireann. As a backbench Deputy in the previous Government when the programme was negotiated with the troika, I was one of the Deputies who pushed the issue quite strongly in our parliamentary party that the deal and the programme agreed should be put to a vote of the House, as it ultimately was. Others called for a vote by referendum but I felt at the time that the particular deal required the consent of the elected Members of this House. That was ultimately forthcoming and it was the right thing to do. I believe amendment No 9 should be accepted.

Amendment No 10 appears to presume that the Government considers non-compliance with the budgetary rule to be in the best social and economic interests of the citizens and the State, which presumably will not be the case at all times. I would be interested to hear the Minister’s comments in that regard.

In general terms, my party will support the Bill when the final vote on it is taken. As a country we have no option, whether it be under a troika agreement or under the fiscal stability rules, to get to a point where we are only spending what we take in by way of revenue. Even the most recent Exchequer returns up to the end of October indicate that the cost of servicing the national debt stood at just over €6 billion, which meant more than €1 in €5 that we received by way of revenue went to service the debt alone. Ultimately, if we do not get on top of the deficit situation, an ever-increasing proportion of our tax take will go towards servicing the national debt, which means less money available for the provision of essential public services and less money available by way of social welfare support for families who need it. Ultimately, we need to reach that point and the Bill essentially implements the will of the people by way of their consent to the fiscal stability treaty and putting the Fiscal Advisory Council on a statutory basis.

Deputy Richard Boyd Barrett: As the Minister knows, both People Before Profit and the United Left Alliance are utterly opposed to this Bill and the commitments into which it locks this country essentially to pay off the gambling debts of banks and bondholders across Europe for years to come in a way that we believe will amount to a near death sentence for the economy in the medium term and really choke off any possibility of serious economic recovery. We believe that is even more the case given the admission now by bodies such as the IMF that the narrow focus of austerity and meeting debt and deficit targets has had a far worse effect on the economy in this country and in Europe generally than they projected and anticipated previously. Crucially, the IMF has admitted it has had a far worse impact than the Government was willing to admit during the course of the referendum campaign.
It is folly in the extreme to plough ahead with this given those admissions and given the obviously devastating effect this approach to dealing with the crisis is having, particularly in the absence of the Government getting anything concrete in terms of write-down of Irish debt. We are being put into a straitjacket which guarantees devastation of our economy and further pain for the people. However, we have made all those points clear and that argument has been had elsewhere and will continue to be had elsewhere. Obviously, the Government intends to press ahead with this commitment to these rules. Given that it has done that, it seems Deputy Doherty’s amendments are eminently sensible fail-safes to insert into the Bill. While we may have committed to targets that some of us believe are absolutely crazy, we should at least put in some sort of fail-safe mechanism where if it is absolutely obvious that the demands of the European Commission to meet these targets are going to mean that we have no growth, damage to the employment situation in this country or other adverse effects on the economy, then those issues will be considered as part of any plan the Government is required to serve up to our masters in the European Commission. This, to me, appears to be an eminently sensible fail safe.

Equally, we should have a fail safe which ensures that criteria such as poverty, income inequality and social inclusion rather than only narrow accountancy targets of debts and deficits, expenditure ceilings and so on are taken into account in any plan which the Irish Government would be required to draw up for the Commission. This is about the Government admitting that the troika might be wrong and that it is possible that those of us on this side of the House who opposed the fiscal treaty may be right. The Government will probably not admit so now - it obviously it will not - but this would at least acknowledge that we may be right that these two measures of meeting these targets while promoting growth, employment, economic and social justice in the country may be at odds. This should at least be a consideration in any plan that we may have to come up with if we find we are unable to meet these debt and deficit targets. I do not understand how the Minister cannot see the wisdom of including this type of fail safe so as to ensure we are not tied completely to a policy that may do extreme damage to our economy and society.

I agree with Deputy Doherty that the plan we will be required to serve up, if issued with a warning by the Commission, is the outlines of another troika programme. It will require us to give detailed commitments to it on different sectors of public spending, including specific targets for cuts, Department by Department, in order to meet these debt and deficit rules. Surely, if we find ourselves in the desperate situation of being forced to do this, such a plan should at the very least be put before the elected representatives of the people of this country so that we can debate whether continuing to sign up to such a programme is in the best interests of the people, the economy and our society.

I believe these are reasonable amendments which should be included in a Bill which we believe is foolish in terms of its being a form of economic madness. The inclusion of these safeguards would be a reasonable move on the part of Government. I support Deputy Doherty’s amendments and hope the Government will consider doing likewise.

Minister for Finance(Deputy Michael Noonan): The policy issues which are raised in these amendments are of a wider scope and scheme than the substance of the Bill and the stability treaty. Deputy Doherty has identified some of the issues that any Government would have to consider in preparing a correction or budgetary plan. However, it should be noted that we are talking about a plan and not the actual detailed legislative budgetary proposals that will have to be brought before the Oireachtas in the normal manner.
A key requirement of the stability treaty is the automatic triggering of a mechanism to correct budget deviations from our medium term budgetary objective or the adjustment path towards it. Section 6, which was drafted on the basis of the common principles as required by the treaty, meets this requirement. While the Government and, I am sure, future governments, will always seek to promote economic growth, job creation and the delivery of high quality public services, it is highly likely that deployment of a correction plan could result in unpalatable choices that may not be in compliance with the suggested amendments, at least in the short term. Sustainable public finances are a key element of sustainable economic growth. Giving priority to economic growth, job creation and delivery could prove to be an obstacle or a limitation on a government’s choice of actions, which are needed to ensure sustainable public finances. In working to ensure the sustainability of public finances any government should have all possible policy levers available to it.

Deputy Doherty also seeks to introduce assessment requirements in relation to equality, social inclusion and anti-poverty impacts into the preparation of a correction plan. Such social and economic assessments are subjective and there is a huge difficulty in putting subjective matters into a legislative framework. Additionally, each budget day the Government publishes illustrative cases showing the affect of major changes in revenue and certain social welfare payments on different categories of married-civil partners and single income earners.

With regard to the requirement for Oireachtas approval before adoption of the plan, amendments that would result in the contravention of our treaty obligations cannot be accepted. The stability treaty requires the triggering of a correction mechanism if there is a significant deviation from the medium term objective or adjustment path towards it.

**Deputy Pearse Doherty:** I do not accept the Minister’s reply, which is similar to the reply which he gave on Committee Stage which did not deter me from trying to convince him of the merits of these proposals. There is nothing in the treaty that precludes us from taking into account the impact of the plan on economic growth, unemployment or public services. The treaty requires us to include in the plan the items to which I have already referred and those contained in this legislation but does not preclude us from taking into account the other areas. In my view, it is wrong of the Minister not to include them. It is an acknowledgement that the plan, if we have to develop one, could potentially and likely have a negative impact in the three areas mentioned.

The Minister stated, in regard to my amendment that the plan be discussed, debated and voted on in this Chamber, that this would be in conflict with our treaty obligations. As I have stated previously on Committee Stage, that is not true. The amendment requires the a plan be laid before the Houses of the Oireachtas within two months. There is nothing in the austerity treaty which precludes a democratically elected Parliament from taking a vote on a plan. The Minister knows as well as I do that there have been many votes in this Chamber on measures which have not been implemented. There is no reason the plan could not be debated and voted on in this Chamber. There is nothing in the austerity treaty that precludes us from doing this. The idea that a European treaty would preclude a democratically elected Parliament from voting on a plan of economic recovery is ridiculous.

I intend to press this amendment. This issue goes to the heart of our not being afraid of having this type of scrutiny.

The Wright report, in dealing with Department of Finance advice to the Government at the
time, was critical of that Department. It was also critical of Government in terms of its not heeding some of the advice given to it by the Department. It was very critical of the Department of Finance for not amplifying or increasing the tempo at which it gave advice and issued warning signals that the Government was heading in the wrong direction. One of the recommendations contained in the report on strengthening the Department of Finance was to establish the Fiscal Advisory Council and another was with regard to the need for those in power to listen to alternative voices. One can see in the report and in other information we have on the banking sector that time and again lone voices in the Department of Finance issued warnings to the Government at the time on the policies it was pursuing. In fairness it was the previous Government and not the present one but those voices were ignored, sometimes by more senior officials in the Department of Finance.

It was not only in the Department of Finance that warnings were issued. People on the outside also issued warnings. We all know of the economists such as David McWilliams and others who issued warnings in the past. We know the type of response we had from the Taoiseach at the time, that they would be better going away and committing suicide. It was the dismissive attitude summed up in such statements as “We know better”, “Let us be”, “Things are going grand” and “The economy is fine”.

The Wright report identifies the need to listen to alternative voices. We have had discussions in the House about the herd mentality which existed in the past. The herd mentality did not come into existence in the lead up to the banking crisis. It can exist at any time when a group of individuals think they know better. As I said on Committee Stage, the amendments I propose today may not be the right solution but they are an attempt to try to strengthen the legislation and offer a constructive critique of it. This legislation could be potentially damaging for the Irish economy and Irish society.

This is about listening to alternative voices. If the Minister is unwilling to allow the plan to be debated in the House how can he genuinely say he has learned any lessons from the previous Administration’s mishandling of the economy and the arrogance it showed when it followed the path which led us to destruction? He is not willing to have a simple debate in the House and offer it the democratic right it has. People shed blood for this country so we could make decisions and define our own destiny, and if the Minister denies the House the right to cast a vote on a future troika plan it is deplorable. The Minister knows well that when he sat on this side of the House he condemned the previous Government for not allowing a vote on the troika bailout programme. This vote was subsequently allowed and I acknowledge the role of Deputy Michael McGrath and others in allowing that debate to eventually be held.

**Deputy Michael Noonan:** That is a very exaggerated presentation of the facts. Let us suppose in the years to come the national finances are out of kilter with the provisions of the treaty. There are only two ways to correct fiscal imbalances, either by increasing taxes or cutting expenditure. For tax increases the Minister of the day must introduce a budget followed by a finance Bill and there will be votes in the House. If the Minister must adjust the Votes downwards for particular Departments it will also present an occasion in the Dáil where eventually a Supplementary Estimate will be taken or the Opposition will demand a vote or a debate. It is not a question of not having a debate if correction must be made. It is not a question of the Dáil not having its say. It is a question of not writing it into the text of the treaty because it is inevitable anyway.

**Deputy Pearse Doherty:** That is codswallop. The Minister knows well that when a troika
programme is agreed the measures to which he referred, namely, taxation and spending cuts, have to be voted upon in a social welfare or finance Bill. He knew this well when he was in opposition and it did not stop him and the Taoiseach demanding a vote on the troika bailout programme. The reason was that we know well once the programme is agreed the Minister will say he or she cannot do anything about it because it is in the plan which has been agreed and our hands are tied. The point is to have a debate on the programme. The Minister takes it upon himself to state he and the Government will know what is best to put in the plan. If they are so confident in themselves there is no reason not to allow the plan to be scrutinised, debated and voted upon in the House.

**Deputy Michael Noonan:** Normal Dáil procedures will operate. One does not have to write into everything one does that a debate will be held in the Dáil. That is a job for the Dáil. If a plan is brought forward by a future Government I am sure the Opposition will not be totally witless and will demand a debate. The Taoiseach of the day will have the Whips discuss it and a debate will be held. This is what happens here.

Amendment put and declared lost.

**Deputy Pearse Doherty:** I move amendment No. 6:

In page 7, line 6, after “achieved” to insert “in a manner consistent with paragraph (a)”.

Amendment put and declared lost.

**Deputy Pearse Doherty:** I move amendment No. 7:

In page 7, between lines 14 and 15, to insert the following:

“(e) outline how revenue and expenditure measures will contribute to the objectives of greater income equality, social inclusion and poverty reduction.”.

Amendment put and declared lost.

**Deputy Richard Boyd Barrett:** Did the Minister vote in favour of the amendment?

**Acting Chairman (Deputy Olivia Mitchell):** No.

**Deputy Michael Noonan:** Did they teach any Irish in St. Michael’s? I said “Nil”.

**Deputy Pearse Doherty:** I move amendment No. 8:

In page 7, between lines 14 and 15, to insert the following:

“(3) All revenue and expenditure measures contained in the plan must be subject to equality and anti-poverty impact assessments the details of which will be published as appendices to the plan.”.

Amendment put and declared lost.

**Deputy Pearse Doherty:** I move amendment No. 9:

In page 7, between lines 14 and 15, to insert the following:

“(3) The plan shall only be adopted following approval of the Oireachtas.”.
Amendment put:


Tellers: Tá, Deputies Aengus Ó Snodaigh and Pearse Doherty; Níl, Deputies Joe Carey and Robert Dowds.

Amendment declared lost.

Debate adjourned.

Personal Insolvency Bill 2012: Order for Report Stage


Question put and agreed to.

Personal Insolvency Bill 2012: Report Stage

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

In page 10, between lines 10 and 11, to insert the following:

““bankruptcy” shall be construed in accordance with the Bankruptcy Act 1988;”.

This amendment adds the definition of “bankruptcy” to section 2. I am advised that this is necessary for the purposes of interpretation as the term is used in a number of instances
throughout the Bill. It is effectively a technical amendment.

Amendment agreed to.

Acting Chairman (Deputy Olivia Mitchell): Amendments Nos. 2 to 6, inclusive, in the name of Deputy Niall Collins, are out of order because they involve a potential charge on the Revenue.

Deputy Niall Collins: May I comment on these amendments?

Acting Chairman (Deputy Olivia Mitchell): The Deputy may make a very brief comment. No debate is allowed on amendments that are deemed out of order.

Deputy Niall Collins: Thank you, Chairman. This legislation allows for the establishment of a personal insolvency regime which will, possibly alone among all State-backed schemes, include no independent appeals function. It is weaker for this omission which means that where a creditor refuses a debtor’s request to come to an arrangement, the latter has no resort. Where an application for a medical card, social welfare benefit or planning permission, for example, is refused, an independent appeals mechanism is in place. The excuse being offered for the exclusion of these amendments, that they involve a potential charge on the Exchequer, does not stand up.

Deputy Alan Shatter: The Deputy is out of order.

Deputy Niall Collins: I am anxious to make that point for the record.

Acting Chairman (Deputy Olivia Mitchell): Thank you, Deputy. We must proceed with the other amendments.

Amendments Nos. 2 to 6, inclusive, not moved.

Deputy Alan Shatter: I move amendment No. 7:

In page 24, to delete lines 22 and 23 and substitute the following:

““debt”, in relation to a debtor, means a debt for a liquidated sum that, on the application date, is payable either immediately or at some certain future time within 3 years from that date;”.

This proposal amends the definition of “debt” in Chapter 3 to limit the foreseeability of future liquidated sums to the three-year look-forward test provided for in the debt relief notice. Again, this is essentially a technical amendment.

Amendment agreed to.

Deputy Alan Shatter: I move amendment No. 8:

In page 25, line 32, to delete “section 43,” and substitute “sections 32(11) and 43,”.

This is a technical amendment to include a cross-reference to section 33(11).

Amendment agreed to.

Deputy Alan Shatter: I move amendment No. 9:
In page 25, line 38, to delete “or has been”.

This amendment improves on the existing construction of the text of section 23 by making clear that “specified debtor” means the person who is currently the subject of a debt relief notice. The reference to “or has been” is not appropriate in this context and is proposed for deletion. In common with a significant number of the proposals I am bringing forward, this is a tidying-up amendment.

Amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Amendments Nos. 10 and 11 are alternates and may be discussed together.

**Deputy Pádraig Mac Lochlainn:** I move amendment No. 10:

In page 26, line 8, to delete “€20,000” and substitute “€30,000”.

The rationale for this amendment is quite straightforward, namely, to broaden the criteria in regard to the debt relief notice. Specifically, organisations such as the Free Legal Advice Centres have recommended that the applicable debt limit be increased to €30,000, as we propose here. As it stands, people who are fundamentally insolvent and with debts of between €20,000 and €30,000 will be forced to apply for a debt settlement arrangement. Such applications are likely to be rejected by way of creditor veto because the debtors concerned will have very little positive influence in terms of assets and so on to offer.

**Deputy Niall Collins:** We discussed this issue on Committee Stage. We remain of the view that the €20,000 limit is too low and are seeking, in amendment No. 11, to increase it to €50,000. When one adds up all of the small liabilities that a person might have, including credit card debt, car loans, credit union loans and so on, in the vast majority of cases they will come to an amount potentially far in excess of €20,000. Rather than pushing people into the next category of debt resettlement, we should seek to deal with as many as possible under the first step in the process.

**Deputy Stephen S. Donnelly:** The €20,000 ceiling is the level at which debtors will move from a debt relief notice to a debt settlement arrangement. Has an analysis been done of the numbers who would become eligible for the former were the limit to be raised to either €30,000 or €50,000?

**Deputy Alan Shatter:** Amendments Nos. 10 and 11 seek to raise the limit for the aggregate of qualifying debt under a debt relief notice from €20,000 to either €30,000 or €50,000. I accept that these proposals are well intentioned, but they fail, unfortunately, to recognise the nature of a debt relief notice. The latter is designed to assist debtors with essentially no income or assets and with a level of qualifying debt up to €20,000. This is a substantial level of debt to be forgiven. It is effectively debt forgiveness aimed at writing off a substantial amount of money. The sum of €20,000 is a substantial amount of money.

The proposed measure provides a non-judicial, low-cost solution to the debt problems of persons who have minimal assets and minimal income. It seeks to offer these people relief from what may be crushing debt burdens, as well as providing them with real hope for the future and encouraging full participation by them in the economy. It seeks effectively to provide an alternative to a judicial bankruptcy for people with a certain level of unsecured debt. As Deputy
MacLochlainn rightly points out, it is at a level whereby one does not need to resort to one of the other debt resolution proposals that we have, particularly the debt settlement arrangement which he mentioned.

It is important that we fix the qualifying debt level at a figure which meets the genuine needs of individuals but does not encourage people to engage in abuse when money is genuinely owed to creditors. In this debate we have to remember that creditors can be ordinary people who are also trying to meet their financial obligations, while struggling to keep their families together, and are in difficulty because debtors owe them money for simple, basic services they have provided. So the measure is designed to ensure that there is some degree of balance in this area and not to encourage people to incur debt to the disadvantage of others in circumstances where they believe they will simply get a large amount of debt written off.

I have cited examples previously whereby the debt could involve a local shop that is owed a couple of thousand euro, or a local credit union that might be owed €4,000 or €5,000. We must ensure that we do not create a system that encourages people to build up substantial debt. Sums such as €30,000, €40,000 or €50,000 are substantial so we cannot encourage people to build up such debts with the expectation that all they have to do is establish that they do not have the money and it will simply be written off.

We all know there are people who have incurred debts of €10,000 or €15,000 and MABS has been dealing with them. They always intended to pay off their debts but their personal financial circumstances have been unexpectedly impacted upon by circumstances. During the course of the great economic difficulties we have had over the last four years, individuals who believed themselves to be in secure employment suddenly found themselves unemployed. Some individuals - such as a local painter, electrician or plumber - may have done work for others, perhaps assisting people in renovating homes. They may be owed money after doing many weeks of work but suddenly discover they cannot get paid. This is happening to a far greater extent than has ever been the case. We cannot, however, encourage people to incur massive debts or, by refusing payment, leave high and dry those who in good faith have provided products and services.

We considered, therefore, that an upper level was appropriate to the debt relief notice. As I said on Second and Committee Stages, what we have proposed is higher than the equivalent in Northern Ireland and Britain. In the UK, a similar process provides for an upper debt limit of £15,000 which is less than €20,000 at today’s conversion rate. However, it is not just a case of being generous in this context, in so far as we have provided for a sum of €20,000 which is a little bit more than the UK equivalent. It is also trying to make a practical judgment as to what the appropriate levels are. No unique judgment can be made in this regard. As we have gone through this legislation, I have said that in this area there is no monopoly of wisdom, so a judgment has to be made. We believe that €20,000 - as the debt qualification eligibility for falling within the mechanism of the debt relief notice - is a balanced and reasonable sum that delimits individuals from thinking they can head down the route of spending €30,000, €40,000 or €50,000 and then get it written off. It provides a simple mechanism for people with very limited income and assets. It is also in line with the type of arrangements that MABS has been able to organise for individuals without the legislation being in existence. In my experience, a MABS arrangement normally - except in exceptional circumstances - involves some levels of repayment taking place.

I understand the arguments that have been made and I am conscious of what FLAC has said.
about this matter. However, we consider that the €20,000 limit is the appropriate one. Deputy Donnelly asked if we could gauge how many additional people might be covered if we went from €20,000 to €30,000. It would be an absolute guesstimate. I do not think that any of us in this House can, hand on heart, say for sure that we know the answer to that. However, we must also look at the experience of neighbouring jurisdictions. I think it is reasonable to set it at €20,000. The sum of €50,000 would be far too high. I understand the argument that FLAC is making but our judgment is that this is a fair proposal. It gives the possibility of debt write-off to people of limited income and assets. In certain circumstances it may have a detrimental impact on creditors but the impact is not as great as it would be if, for example, the limit was €30,000 or €40,000. When we get into those limits it is reasonable that the debt settlement arrangement is available. If individuals are in a position to be able to make some contribution to discharge their debts over a period, it is quite reasonable to use the debt settlement arrangement rather than expecting to enter into an arrangement where one has incurred that level of debt and one is substantially guaranteed debt forgiveness, unless there is a dramatic change in one’s circumstances during the period of the debt relief notice. In the latter case, matters may be readjusted at one’s own request so that one pays off some portion of money to creditors and exits one’s circumstances. We think, however, that this is a reasonable level to pitch it at, and I hope the House will support that.

Deputy Niall Collins: I wish to seek clarification on this limit of €20,000. We will probably have the same discussion when we come to the limit of €3 million for personal insolvency arrangements. Apart from MABS and the experience in the North of Ireland, what else has informed the Minister’s thinking in arriving at the figure of €20,000? That is what we are trying to elicit. It would be helpful if we knew what had informed the Minister in arriving at that figure. It is fine to compare this jurisdiction with the North of Ireland but the level of personal indebtedness there is not the same as it is here. The critical mass of people who find themselves smothered with personal debt issues is not the same there either. Apart from what MABS is saying and what is happening in the other jurisdiction, what other analysis or thinking informed the figure of €20,000?

Deputy Alan Shatter: I am conscious that we are on Report Stage.

Acting Chairman (Deputy Olivia Mitchell): Yes.

Deputy Alan Shatter: I do not know how many times we can go back and forth on this question. We took the view that the proposal contained in the Bill is a balanced one, having regard to the need to assist people in debt and having regard to the real circumstances of creditors. We must ensure that we do not provide an incentive to individuals to run up large debts from which they believe they can then extricate themselves to the detriment of creditors who have acted in good faith by providing goods and services, or simply with money from the local credit union. I ask the Deputy to consider, for example, if the debt of €20,000 was owed to a credit union. We must be careful about this. Is the Deputy suggesting that we should allow people to borrow €50,000 from credit unions around the country and simply have that wiped out? Has the Deputy given any consideration to what impact that might have on the solvency of credit unions and their capacity to provide funding to others who wish to borrow and who in good faith intend to repay? At some stage one must make a judgment and our judgment was that €20,000 was an appropriate figure, bearing in mind the types of debt to which this could relate. It is relevant that in a neighbouring jurisdiction they have had the experience of a similar mechanism running for some time.
My Department and I considered that situation and how it was working. Based on that, we took the view that we should go a little higher than the British limit. I do not have to hand the exact figures in today’s currency but my recollection is that £15,000 would have been just under €18,000. I do not know what the equivalent is if one uses today’s exchange rate, as I have not looked. However, we took the view that bringing it up to €20,000 was reasonable but that taking it beyond that would create an incentive that would give rise to difficulties and could give rise to unintended consequences for credit unions throughout the country.

Debate adjourned.

**Pensions and Retirement Lump Sums: Motion [Private Members]**

**Deputy Mattie McGrath:** I move:

That Dáil Éireann:

in view of the Government’s:

— exhortations to Irish citizens to embrace austerity;
— decision to raid ordinary citizens’ pension funds;
— threat to end tax relief on ordinary citizens’ pension contributions in the forthcoming budget; and
— recent changes to the qualifying conditions for the contributory state pension;

calls on the Government to end the current system of paying grossly over generous pensions and massive lump sums on retirement to office holders such as Cabinet Ministers, Taoisigh, TDs, Senators, senior public servants, State regulators including the Financial Regulator, members of the Judiciary and the CEOs of semi-State bodies and State-funded banks.

I wish to share time.

**Acting Chairman (Deputy Olivia Mitchell):** I understand Deputy Mattie McGrath wishes to share time with Deputies Boyd Barrett, Healy, Finian McGrath, Pringle, Maureen O’Sullivan and Healy-Rae. The Deputy has 12 minutes.

**Deputy Mattie McGrath:** The Acting Chairman might inform me when ten minutes have passed.

I am delighted and privileged and thank my colleagues on the Technical Group for allowing me to table this motion and for their attendance this evening to support it. Moreover, many of them also have signed the motion. It is a pretty simple and straightforward motion which really only extends over three lines. It calls on the Government to end the current system of paying grossly over generous pensions and massive lump sums on retirement to officeholders such as Cabinet Ministers, Taoisigh, Deputies and Senators, senior public servants, State regulators including the Financial Regulator, Members of the Judiciary and the chief executive officers of semi-State bodies and State-funded banks and is signed by members of the Technical Group.
While I have read the Government’s amendment to the motion, I will not discuss it but will make my own points because I do not believe any amendment to this simple motion is acceptable or worthy of the work Members are trying to do in this House, if one wishes to describe it as work. This is especially in light of the fact that savage fiscal austerity is being imposed on the ordinary citizens of this country. While it is stated this is at the behest of the troika, the present Government came into office with a different mandate, that is, it intended to reverse all those cuts and all that austerity, to burn the bondholders and God knows what else. At the time, then Deputy Gilmore told us that hellfire would not be hot enough for the bondholders. However, Members should consider what happened. The public and ordinary people have been subjected to the most vitriolic state of austerity with no future in sight for unemployed or disabled people, pensioners or young people who are going abroad. I note there now also has been criticism of The Gathering from people who have gone abroad and who do not wish to return to this country. They have been forced abroad, many to live illegally in different places and they see no future in this country.

It is as though there was no word other than “austerity” in the dictionary. The Government has adopted that mantra. It is like a relay baton being passed on, except the present Government ran faster and deeper with it and with greater vigour to bow down to the troika, to put people into penury and above all, to kill any form of stimulus or growth and to drive the economy further into the mire. It is not acceptable that those within the Government or who hold high office in the land, who are receiving massive salaries, expenses and major set-aside of taxpayers’ money in respect of the funds to finance their pensions pots, should legislate and dictate how literally to crucify, I hate using that word, low and middle-income earners, the unemployed, disabled people and many others. Last week, an article published in _The Irish Times_ outlined that it would take €36 million to fund the pensions for the 15 Cabinet members at current rates. I acknowledge the Minister for State, Deputy Brian Hayes, is not a Member of the Cabinet and I admire much of the work he does as a junior Minister and for being open and honest. However, I ask the Minister of State and his colleagues in Fine Gael and Fianna Fáil to reflect on this issue tonight and over the next 24 hours before debate resumes tomorrow evening. I also look forward to hearing their contributions and they should think about it before they vote on this motion because Members will be asked to pass a budget in less than a month’s time and that will be the exact opposite. It is a total anathema to the public that Members can continue with this slush fund, as one must describe it, while penalising ordinary people, business people, those who wish to work and those who wish to get educated to further their careers and to benefit this country with their education, experience, passion and vigour and future generations.

The funding of the banking lump sums and retiring bank chief executive officers’ pensions from bailouts, that is, from funds provided by the people of Ireland against their will, is not acceptable and the inherent inactivity of the Government in this regard is a total affront to people and to democracy. Earlier today during Leaders’ Questions, I heard the Taoiseach state the Government was powerless but he was going to bring in a code of practice. Imagine that. Moreover, he stated the chief executive officers of the banks had written to some of those concerned asking them to pay back their pensions. They are laughing at us all the way to the bank, in the bank, out of the bank and from the bank, just as are the bondholders, that is, the gamblers and spectators. There is nothing wrong with gambling or speculation, which are needed in business people, but I refer to the massive gamblers who took risks with huge amounts of money, assisted by Anglo Irish Bank, “Mr. Fingers” and others. They are laughing at us all the way. Consequently, the people will not take any more, nor can they.

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Given that all income must be taxed, what reason is there to allow a certain cohort of the population to benefit handsomely from the generosity of the Government? What is this about these protected species in Ireland? This did not happen today or yesterday but has happened over the past 20 years under the different cosy cartels and agreements that were negotiated at the behest of the former Taoiseach, Mr. Ahern, and which were willingly accepted by the Opposition at the time even though they now profess otherwise. They sought more in terms of Croke Park agreements, better local government and God knows what different deals were done when all the players, such as the Construction Industry Federation, union leaders and so on sat around the table. However, the ordinary people, those who Members are meant to represent, were left outside the door. They were left in the constituencies and were expected to sit down and to get the crumbs from the table. The cuts to the ordinary contributory State pension, which were passed in last year’s budget at the behest of the Government, came into effect in September of this year. While it is possible to make such changes, namely, to cut the pension of an ordinary person who has spent years working and who will find he or she is not eligible to receive a pension of a meagre €230 per week, it is not deemed possible to cut pensions of €230,000. What is wrong? How is this credible? How can the Minister of State ever again go back to the electorate? Whatever about being able to fool them once, can they be fooled twice? That will never again be accepted by the public. I am glad to note we have an educated electorate and they will not put up with this because they were promised so much.

Last year, we paid out €156,328 in presidential pensions, almost €8.45 million in judicial pensions, retirement lump sums and death gratuities, approximately €367,000 in pensions for Attorneys General and €229,417.78 in pensions to Comptroller and Auditors General. The latter are the watchdogs who were supposed to be watching all of us. Who are they watching? As far as I am concerned, they are watching for themselves. They have gone up the ladder and have pulled the ladder up with them. They think they are so high and mighty that they cannot be touched. However, I can tell Members that this will come crumbling down. My philosophy is that it is easy to climb a tall tree that has been knocked down. These people must be brought into reality. These people must face the wrath of the people and unless Members act, I am afraid the people will. A shocking €4.1 million was paid in ministerial pensions and more than €1 million in severance payments to former Ministers. This is shocking by any standards. As for the Minister for Finance, while I do not wish to say anything in his absence, I note he currently is in receipt of a ministerial pension from a previous Administration which he has not surrendered, unlike many of his Cabinet colleagues who I salute.

The Government has been praising itself for its efforts in the matter since it entered office in March 2011. However, it still is the case that former officeholders such as the former Taoiseach, Bertie Ahern, received €139,785.34. Moreover, John Bruton was in receipt of €131,399 and Dick Spring, the former Tánaiste, was in receipt of €114,806. In addition, the reformer of all reformers, the former Minister and great messiah, Noel Dempsey, who stated he did not even know the troika was coming to Ireland, is in receipt of €112,538. The list is endless but these figures stick in my mind because they were prophets of everything. However, what are they now but prophets of doom? Some of them had the cheek to tell people who shouted “halt” to go away and commit suicide. Imagine any Member of this House using such terminology.

If I turn to the bankers, the former AIB chief executive, Eugene Sheehy, from whom Members saw a lot last week with his arrogance towards a committee of this House, is being paid a pension of €529,000 per annum. Imagine that figure. Many people, young and old, would hardly be able to write the figure, not to mind imagine it. On reaching his 65th birthday, the
infamous Seánie FitzPatrick has a pension of €3 million from Anglo Irish Bank, the bank that is ashamed to keep its name. That same bank is persecuting Seán Quinn, an employer of some renown who has not been allowed to have his case heard in regard to Anglo Irish Bank and who has been put in prison. He should be out mentoring young people in transition year in schools on how to set up business, and the same applies to many others.

I am sure we do not need reminding that AIB is 99.8% State owned following a bailout to the tune of €20.87 billion, yet we allow these pensions to be paid. Do we think the people are complete and utter idiots? Do we take them for fools? The Government may have spin doctors to peddle its side, but this is an affront to democracy. If this motion is not dealt with, I do not know where we will end up and I am very concerned.

**Acting Chairman (Deputy Peter Mathews):** I ask the Deputy to be mindful not to mention names of people who are outside the House.

**Deputy Mattie McGrath:** The people I have mentioned were in the House for a long time.

**Deputy Michael Healy-Rae:** They were here long enough and left their mark.

**Deputy Mattie McGrath:** They left their mark, a black stain, that means it will take generations for our country to recover. It is a stain on the men of 1916, 1921 and 1922 who fought to free the country, and it has besmirched their memory. Our people want to be an honest, hard-working, decent and aspirant people and they are entitled to the energy and the breath to live, but if we go ahead with a budget to cut a further €3.5 billion from the economy, it will close down Ireland, and that has proved by many financial experts. Austerity has not worked and does not work.

I have met the troika three times and I cannot for the life of me understand how it has insisted on and allowed continue this patent arrogance and robbery which has put all the people into penury. I believe the troika is being fooled by senior officials and Ministers and that it is being told mistruths. When I first met the troika it told us the Government has a mandate for what it is doing. It got a mandate for the exact opposite, which I told the troika. When I met the troika a second time, it told me the Government was predicting a growth rate of 2% this year in Ireland. I asked who was telling it that. It was reluctant to tell me but I found out afterwards it was the gurus in the Department of Finance, the same advisers who advised the late Minister, Deputy Brian Lenihan, and are advising the current Minister, Deputy Michael Noonan - the same brainboxes who are embarrassed. Mr. Cardiff was sent off to greener pastures because he knew too much and if he had to answer too much, we know what would happen: too many people would be embarrassed, upset and hurt.

I take the Acting Chairman’s warning but I cannot refrain from mentioning these people because they are the elite, the protected, and the people who put our country into penury and are walking off with disgraceful pensions.

The last time I met the troika was two weeks ago when it accepted there would not be growth but that we are ready for more austerity because the Taoiseach told Angela Merkel that everything is all right. She pats him on the head and sends him back to Ireland, blowing or passing a kiss, and he appears in magazines. I will not mention magazines in case I mention the wrong one. More power to whatever magazine in which he features but he should not tell the world that Ireland is ready, willing and able and going well. We are willing and able when allowed to work, when allowed to have dignity for home helps, home help hours, and personal
assistants. I thank the Acting Chairman for his forbearance.

**Deputy Richard Boyd Barrett:** I commend Deputy Mattie McGrath on tabling the motion. This is an issue on which there is strong public feeling and it is not to be taken lightly. People are raging at the injustice of what is going on. The view of the people, and it is not just a slogan because they can see it in front of them, is that there is one law for the rich and another law for the rest of us. That is their view when they see ordinary working people, the vulnerable sectors of society, pensioners and young people being crushed by income reductions, reduced services, levies, charges and taxes that are pushing them into poverty and into a situation where they can barely pay their bills or cannot pay their mortgages. They are being pushed into homelessness. People are in a state of despair and they bear no responsibility whatever for the economic crimes - the economic treason - that was perpetrated in this country by a cabal of bankers, politicians and top civil servants. Ordinary people pay the bill while being driven into poverty, unemployment, emigration, suffering, despair and, worse, suicide. They then see the cabal that was at the helm of the financial institutions and the State apparatus walking away with obscene pensions and lump sum payments. The people who were in positions of power and made the key decisions that brought the country to its knees are walking away with pensions that are disgusting. They would be disgusting at any time, but it is outrageous in the current climate when ordinary people are being crushed, to see bankers, politicians and top civil servants, who were at the helm when the country was dragged to the edge of the abyss, receiving these pensions.

The figures are shocking. The former AIB boss, Eugene Sheehy, has €529,000 per year for the rest of his life, almost 20 times the average industrial wage. He was the head of a bank which helped bankrupt the country. Mr. Colm Doherty, also of AIB, will receive €300,000 per year. Mr. Brian Goggin of Bank of Ireland, who will have €650,000 per year for the rest of his life, was the chief executive of the other major bank that helped bring the country to its knees. What about the politicians? Bertie Ahern has a pension of €152,000 per year for the rest of his life, Brian Cowen has €151,000 per year for the rest of his life, Mary Harney has €129,000 per year for the rest of her life. What about the top civil servants? Dermot McCarthy, former secretary to the Government, will go away with a lump sum payment of €713,000 and €142,000 per year, the former Secretary General of the Department of Finance who was there on the infamous night of the bank guarantee walks away with €115,000 per year, and the former Financial Regulator who was asleep at the wheel while all this was going on walks away with €143,000 per year. It is disgusting and simply not good enough to say the contractual obligations mean there is nothing we can do about this. One wonders whether there is a serious commitment on the part of the Government or whether the contractual obligation issue is just an excuse given that the Cabinet will walk away with pensions worth €36 million after it finishes its term of office.

There is not a legal impediment to doing something about this. If there are problems with legalities, there is a simple way to do it. A super-tax can be imposed on these people. That is what needs to be done. We need to get the money back. If people have to suffer any more and have to go through what is likely to be done to them in the budget and at the same time see people walking away with annual pensions of obscene proportions, that rage will explode. People are not willing to take it any more and the Government, if it is serious about being fair, will have to do something about this. It can be done by imposing a super-tax on bankers, politicians and top civil servants who presided over the economic disaster that has been visited on the country.

**Deputy Seamus Healy:** I welcome the opportunity to speak in support of this motion. It goes to the heart of our economic and social situation. A golden circle of bankers, politicians
and their supporters have been cosseted by this and the previous Government while middle and low income families are subjected to heartless cutbacks on a daily if not hourly basis. The Irish people have bailed out hopelessly insolvent banks to the tune of €64 billion. We have repaid the private debts of private banks. What thanks have we been given? Low and middle income earners have been played for fools by bankers with the help of this and the previous Government.

The retired CEO of AIB, Mr. Eugene Sheehy, has an annual pension worth €529,000. His counterpart from Bank of Ireland has an annual pension of €650,000. These obscene and outrageous figures are approximately 20 times the average industrial wage, yet the banks in question were bailed out by the public because they were hopelessly insolvent.

The previous Government had no difficulty with cutting the pay and pensions of public servants, including the low paid, via the Financial Emergency Measures in the Public Interest Acts. The Minister for Finance, Deputy Noonan, claims that he is powerless, but that is only because he wants to be powerless. If there was the political will to sort out this problem, a way would be found. There is a way, but political will is necessary. The problem could and should be solved by passing legislation to put the banking system into public ownership. However, the Government has decided not to do this. On the watch of a Government that includes the Labour Party, 35% of Bank of Ireland has been sold to an American venture capital company for just €1 billion.

Deputy Brian Hayes: Thanks be to God for that.

Deputy Seamus Healy: The Irish people own 15% of it, having paid well in excess of €4 billion. This is a scandal. The Labour Party has capitulated to the right-wing capitalist ethos of Fine Gael in allowing this sale. It must not happen again. The neoliberalism espoused by the Irish establishment has destroyed our economy and society. People like the CEO of Bank of Ireland are now more answerable to American venture capitalists than they are to the Government, the country or the Dáil.

Many of the public interest directors at AIB, Bank of Ireland and Permanent TSB are former Ministers. It is scandalous that they have received approximately €1 million in fees for their roles. Where are they? They have not reported to the Government or been asked to do so. Why has the Minister for Finance not called them in and given them direction?

The scandal of sizeable salaries and pensions in the banking sector can only be dealt with by nationalising the banks and making them answerable to the Irish people, the Government and the Dáil.

Deputy Finian McGrath: I thank the Acting Chairman for the opportunity to contribute on this important debate on the need for an urgent reform of how citizens’ money is spent by the State. I commend my colleague, Deputy Mattie McGrath, and the Independents on tabling this Private Members’ motion. I wish to tell the former Minister for Justice, Equality and Law Reform, Mr. Michael McDowell, that we are not an rag-bag of Independents. Rather, we are a group of Independent Deputies who stand for change, reform and good, sound economic policies. The former Minister’s recent attack on Members of the Oireachtas was a disgrace and should not go unchallenged. His failed political policies should never be forgotten.

I wish to set out a clear way forward for the country. It must be fair and just. In an economic crisis, those who have the most should take the greatest hit. I am sick and tired of children,
the disabled, senior citizens and carers taking that hit. I urge fairness and common sense in tonight’s debate. We need to tax those who have money, not the needy in society. This must be a red line issue ahead of the budget. I call on the Government and Government backbenchers to support our motion, which states:

That Dáil Éireann:

in view of the Government’s:

-- exhortations to Irish citizens to embrace austerity;
-- decision to raid ordinary citizens’ pension funds;
-- threat to end tax relief on ordinary citizens’ pension contributions in the forthcoming budget; and
-- recent changes to the qualifying conditions for the contributory State pension;

calls on the Government to end the current system of paying grossly overgenerous pensions and massive lump sums on retirement to office holders such as Cabinet Ministers, taoisigh, Deputies, Senators, senior public servants, State regulators including the Financial Regulator, members of the Judiciary and the CEOs of semi-State bodies and State-funded banks.

Last week, I received a call from a young teacher on the subject of allowances. Her take-home salary was €24,000 per annum and her husband had been laid off. She was concerned about the removal of her €4,000 allowance for her honours degree. It would have a major impact on her family. Some people have a go at public servants when allowances are debated, but I am referring to public servants who serve this country well and are low paid or are on the average industrial wage.

The motion is about the prudent management of our public finances and using the savings appropriately, for example, services for the disabled, senior citizens and carers. Today, we learned that €38 million had been wasted on preparing the Mater hospital site. Some people predict that the amount could be higher, yet the Government wants another site. God help us when we enter the planning phase of that project. Consider what €40 million could do for carers, the disabled, senior citizens and the unemployed.

The Government was elected on the issues of waste and value for money, yet it is squandering and wasting. This is not good enough. The money saved via our motion would go a long way towards saving the services at, for example, St. Michael’s House or Prosper Fingal in Swords and Portmarnock. Many disabled northsiders use and need those services. So much for all of the talk about protecting the vulnerable in society. I urge everyone to support the disability march at 2 p.m. on Wednesday, 21 November from College Green to Leinster House on Kildare Street.

This motion brings a sense of justice to the debate on our public finances and the spending of our citizens’ money. The current system of paying grossly overgenerous pensions and massive lump sums must end. How can a Minister or any politician have the brass neck to seek cuts to services for pensions or the disabled while this gravy train continues? It is up to each of us to be accountable and transparent. Politicians, in particular those on the Government side, must lead by example. For this reason, I urge all Deputies across the floor of the House to support
Deputy Thomas Pringle: I welcome the opportunity to contribute on this debate on the level of pensions payable to higher public servants and Ministers. It is a timely motion, particularly in light of the hand-wringing of the Taoiseach and the Minister for Finance during Leaders’ Questions today when questions were asked about bankers’ pensions and pay-offs to former CEOs.

8 o’clock

The former CEO of Bank of Ireland received a €3 million lump sum and will receive a pension of more than €0.5 million every year for the rest of his life. The Government wrings its hands, says there is nothing it can do about it, there are contractual arrangements and that it does not like it but it must get on with it. Maybe it cannot do something about it for legal reasons but this motion refers to something about which it can do something and on which it needs to take action right away.

The motion refers to the austerity people are suffering. The Taoiseach is being lauded around Europe and in Time magazine on how he is saving the Irish economy. He is asking people to embrace this austerity and is saying that will get us out of the trouble we are in and take us on the road to recovery. However, there is a failure to tackle the lump sums, the severance payments and the pensions of Ministers in a meaningful way. We constantly read in the newspapers about the amount of money Ministers are paid and we read in recent days that the pensions of the existing Cabinet would require a pension fund of €36 million if it had to get it in the private sector. Members of the public are sickened when they hear that. Members of the Oireachtas are passing these changes and the Government is forcing through the cuts on ordinary citizens but we are not dealing with these issues. In the past couple of weeks, we saw the flat refusal of the Government to have a debate on the Houses of the Oireachtas Commission’s budget and Estimate for next year in which we could have highlighted and questioned the ongoing funding of the political system.

The Government could act in regard to these pensions and severance payments and make these changes which would send out a clear signal to the public that it is serious about these changes and that we are all in this together. I call on the Minister to bring forward another financial emergency measures in the public interest Bill and set the severance payments for Ministers and higher civil servants at a level to which ordinary people can relate and with which we expect ordinary workers to be happy. I suggest we set the severance payments at the statutory redundancy rate. We expect workers who are made redundant and who contribute the best part of their lives to the profitability of the factories in which they work to accept a statutory lump sum and, if they are lucky, an extra week or two on top of that as part of their severance payment. We should introduce a system which sets severance payments for Ministers and higher civil servants at statutory redundancy levels. That would be reasonable and acceptable to every citizen. It would lead to more than acceptable lump sums being paid to people in recognition of the fact they have to give up their jobs.

Over the past couple of years, I have spoken to members of Government parties about this issue and they have said it has to be paid and that it is right Deputies, Senators and Ministers should get these big lump sums in recognition of the public service they have provided. I do not believe they should get them. We should set them at the statutory redundancy rate. That would mean a lump sum on retirement of €12,000 for ten years as a Minister, which would be
the same as someone working in a factory for ten years would achieve if made redundant. That is something people would really accept and it would send a very clear message to every citizen that the Government and Members of the Houses of the Oireachtas are on their side and are working for them and not against them.

**Deputy Maureen O’Sullivan:** Tá sé tráthúil go bhfuil an t-ábhar seo á phlé againn inniu agus gabhaim buíochas don Teachta Mattie McGrath, a thosaigh an díospóireacht. It is very opportune because last week I, like many others, watched appalled the proceedings of the Joint Oireachtas Committee on Finance, Public Expenditure and Reform. I saw what I can only describe as disdain on the part of bankers who had been called in to answer questions. Those questions were very probing and pertinent and were the kind of questions most people in society are asking. The impression I got was that their appearance at the committee was kind of an annoyance and a nuisance to get out of the way. Having deigned to come to the committee, they would leave and it would be business as usual afterwards. Of course, that business as usual means they continue on these highly inflated and, in this current climate, obscene salaries and pensions.

As we know, AIB used some of the €1.1 billion it got from the State to fund the estimated €0.5 million yearly pension to the former chief executive. The Taoiseach said today that it was also to cover the other voluntary retirements but the same point applies. A current chief executive will receive €300,000 per annum when he turns 65.

We have the list of these very inflated salaries and pensions which people are getting. They continue for State bodies, charitable organisations, bankers, members of the Judiciary, senior publics servants, the CEOs of semi-State bodies, former Cabinet Ministers, taoisigh, senior gardaí, Army officers, the President etc. Most unfair is that most of those who are getting these pensions are getting salaries and, in quite a number of cases, they are members of boards for which they are getting an array of expenses. It is all part of that same culture of unfairness.

I too read Stephen Collins’s article in *The Irish Times* last Saturday. He looked at the cost of paying these pensions and he made the point that these pensions were well in excess of those paid to public figures in other European countries. So much has gone into the banks and yet they continue to call the shots. The recession and the cuts are hitting sections of society disproportionately and there appears to be little or no attempt to look across all sections of the society. Irish people are among the most generous and we see that in the way in which they donate to various causes. Our recovery could have been a co-operative and a collaborative effort and venture if there had been proportionate burden-sharing but it has not been proportionate.

I would be against these inflated salaries and pensions in good times because there is a limit which salaries and pensions should not exceed. To continue to pay these amounts in these straitened times is not only incredible but immoral. I do not think there has been any effort to address the pension issue and only a token gesture to cut the excessive salaries. I do not accept what the Minister for Finance said that he is powerless to reign in the salaries nor do I accept what the Minister for Public Expenditure and Reform said that these people had a legitimate expectation that the pensions would continue regardless of the condition of the State’s finances because surely that should apply to every member of society. This elite group will continue in the manner to which they have become accustomed regardless of the fact that this country is in dire financial straits.

The estimate in 2009 of the accrued liability to the State for public service pensions was
€116 billion and that was before all of those voluntary retirements came following the February deadline. Another aspect to that deadline was the loss of experience and expertise in the public sector of those people who were almost pressured into retiring.

I would not agree with those inflated salaries and pensions even if somebody was doing a good job but we are giving them to people who are doing a disastrous job. It is like the bigger the mess they create, the bigger the salary, the bonus and the pension for those in charge of the banks. The banks have been bailed out for their mismanagement but those in mortgage arrears and negative equity must do their own bailing out with little or no resources and there is no debt forgiveness for those people.

I wonder about the psychological make up of the people on those salaries and pensions because obviously values like justice and fairness are not part of that make up nor is the aspect of social justice. Today the Taoiseach spoke about the former senior executives in banks being asked to make a voluntary decision to hand back the pensions but why are they not being told in the way communities are being told their community employment schemes are being cut and people with disabilities, schools and hospitals are being told they must take a cut? He mentioned the public interest directors but they are certainly not acting in the public interest. There is a challenge for the Government in the budget.

President Michael D. Higgins mentioned the need for a different set of values for our country which would bring about an ethical and inclusive society. What is happening with these salaries and pension is not contributing to that nor is the Government which allows it.

Deputy Michael Healy-Rae: I acknowledge the presence of the Minister of State, Deputy Brian Hayes, and thank the Technical Group for giving me some of its speaking time. I compliment Deputy Mattie McGrath and his excellent staff who put together this Private Members’ motion. I will be excused for mentioning one member of that group, Maureen McGrath, for her excellent work and contribution at all times in helping with these types of motions. This is a very important issue if we consider what happened last week at the Joint Oireachtas Committee on Finance, Public Expenditure and Reform. The country was appalled by the seeping arrogance of some the people who were called by politicians, in good faith, to give evidence and answer questions. These people are receiving extraordinary sums of money. The people cannot and will not stand for a situation where an individual in his early fifties - I will not name somebody who is not here to speak for themselves - is on a pension of €500,000 per year for the rest of life, particularly in these times. It just does not make sense. It is not right nor fair. It is immoral. The people who received millions of euro in golden handshakes were the orchestrators and were deeply involved in the downfall of this country. Their thanks were handshakes of millions of euro.

This is at a time when I and other Deputies, including Government backbenchers and Ministers, are dealing with people every day who are trying to provide home help with reduced hours to take care of people’s personal needs. They are being told they will be paid for only half an hour for tasks that might take an hour and a half. They are working for nothing for the rest of the time. Those people are taking care of the elderly in society and keeping them in their own homes. I am passionate about this issue because I believe in it. However, those people are doing that work for nothing, yet when they turn on the television or pick up the newspaper they see these other people getting millions of euro in pensions and golden handshakes. It is immoral.

I wish to mention one name, and he will not mind me mentioning it.
Acting Chairman (Deputy Peter Mathews): Be careful.

Deputy Michael Healy-Rae: Sean Quinn is in jail tonight. When I think about some of the people who are outside and walking our streets as they enjoy these vast pensions, it is totally wrong and unjust.

Acting Chairman (Deputy Peter Mathews): The Deputy has run out of time so that will prevent him from giving in to the temptation of mentioning more names.

Deputy Michael Healy-Rae: Thank you. This motion is sound and genuinely motivated. It is motivated by the crisis people are facing in their family homes. Young couples were led to take out large mortgages and borrow amounts of money which they could never repay by bankers who have now fled the banking system with their golden handshakes and massive pensions. However, these young, lovely couples are left struggling to raise their families. They honour the debt they owe every month to the best of their ability, but it is at a desperate social cost to themselves.

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): I move amendment No. 1:

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

“takens note of the Government’s leadership and strong policy of remuneration restraint and sustainable pension reforms since taking office in March 2011, and in particular:

— acknowledges that all members of the Government accepted reductions in their pay on their first day in office;

— notes that this pay reduction will reduce the pensions paid to members of this Government on retirement;

— agrees that the pension levy stamp duty introduced by the Finance (No. 2) Act 2011 is a timely and legitimate source of revenue to the Exchequer;

— notes the significant reduction in public service pensions in payment before end-February this year introduced by the Financial Emergency Measures in the Public Interest Act 2010;

— notes the reduction in public service pensions coming into payment since end-February this year that results from the pay cut introduced by the Financial Emergency Measures in the Public Interest (No. 2) Act 2009;

— welcomes and supports major pension reforms brought forward by the Minister for Public Expenditure and Reform, including:

— legislating for the Single Public Service Pension Scheme;

— widening the application of pension abatement and service caps across the public service; and

— introducing a higher top rate of the public service pension reduction for those in receipt of public service pensions above €100,000;
— recognises that pensions are deferred income and are property rights; and

— acknowledges that the general public policy in the Financial Emergency Measures legislation (including the pension-related deduction, pay cuts and the pension reduction) is to reduce, in a reasonable and proportionate way, public service expenditure and in particular that the pension reduction applies in a tapered and progressive manner to public service pensioners.”

I welcome the opportunity to contribute to this debate. We are all aware that large pensions paid from the public purse cause a great deal of concern to our citizens. At a time of severe retrenchment, it is very difficult for people to accept that substantial pensions can be justified. However, it would be utterly wrong for people to believe or accept the premise that this Government has not addressed this issue since coming into office. Decisions to further reduce substantial pensioners have been taken and this issue remains under constant review by the Government. Decisions can only be taken on a legal and constitutional basis. Devising pension policy based on the latest headline is a recipe for disaster.

Earlier the Taoiseach spoke about the moral responsibility on those former CEOs within the banking sector who retired on exceptional pensions.

Deputy Mattie McGrath: They have no morals.

Deputy Brian Hayes: This Government has never defended extraordinarily high pensions in this regard but because of contractual decisions taken by the previous Government, the scope for change in this area is very limited.

Deputy Mattie McGrath: They did not fulfil their contracts.

Deputy Brian Hayes: I did not interrupt the Deputy. It is a basic rule of common decency and manners. I did not interrupt the Deputy so he should give me the chance to speak.

We stand over our decisions since coming into office in February 2011, and any fair minded person would see that substantial progress has been made in reducing the public sector pay and pensions bill. I will put a number of facts about this on the record. First, public service pay, as well as that of commercial CEOs, has been reduced and capped. This reduces pension costs into the future. Second, public service pensions in payment have been reduced, by a public service pension cut, which now has a 20% top rate for those pensions over €100,000. This was not mentioned in the debate although it was introduced by this Government. Third, future pension costs have been reduced and brought into a more sustainable trajectory by way of the single public service pension scheme. This was put in place by the Dáil but, again, was not mentioned in the debate tonight.

What must be understood from the outset is that pensions are deferred remuneration, so their eventual cost is linked to pay. In this regard, the Government has imposed a policy of strong pay reduction and restraint since taking office in March 2011. Over €2.5 billion has been saved to date in the totality of public service pay and pensions over the past three years. The total bill peaked at nearly €20 billion in 2009 but, with the pension levy deducted, today it stands at €17.5 billion. While many talk about cuts in public service pay and pensions in the tens of millions, this Government has achieved cuts in the billions. This is frequently ignored by our opponents, as occurred tonight. It is part of their misinformation.
The Government decided at its first meeting in office to reduce the salaries of the Taoiseach, Tánaiste, Ministers and Ministers of State with immediate effect. All members of the Government accepted reductions in their pay on their first day in office. The Taoiseach’s pay rate was reduced to €200,000 and a pro rata cut was applied to the pay of Ministers, Ministers of State and related office holders. The reductions were accepted on a voluntary basis by all relevant office holders pending passage of the necessary legislation. That legislation was passed.

Pay expectations for higher paid public servants must be set appropriately and in line with the resources available to the State. To ensure that is the case, since June 2011 a general pay ceiling of €200,000 applies to appointments to higher positions across the public service. That policy brings pay levels at senior levels in the public service in line with those the Government accepted for itself. A voluntary waiver of up to 15% was introduced for post holders with salaries in excess of the relevant pay ceilings and this received a positive response. In the Civil Service, new pay rates were introduced for Secretaries General of Government Departments. A maximum rate of €200,000 now applies for Secretary General, level 1, which represents a 30% reduction on September 2008 rates. All new appointments to the public service are being made in line with the policy adopted by the Government on pay ceilings.

The gross annual salaries applicable to the Taoiseach, Tánaiste, Ministers and Ministers of State have been reduced. The gross salaries are inclusive of the pay element for a Deputy, amounting to €92,672. The effect of these reductions is that the salary of the Taoiseach has been reduced by nearly 30% since December 2009. In the same period, the salaries of the Tánaiste and Ministers have been reduced by nearly 25% and the salary of a Minister of State by almost 16%. What is frequently missed is that these are all gross salaries. Effectively, people are bringing home half their salary. I accept they are very substantial salaries but people are taking home half because of tax and contributions to their pensions. Deputies, despite the play acting and histrionics, know this is the case. Extraordinary hypocrisy is shown by people who have access to in excess of €40,000 per year, none of which is accounted for by way of a report they give to the public. The rest of us, who are involved in political parties, must account for ourselves but others do not. It is an extraordinary level of hypocrisy.

**Deputy Mattie McGrath:** Not true.

**Deputy Seamus Healy:** Fine Gael received €4.4 million.

**Deputy Brian Hayes:** Nothing is stopping Deputies Healy or Mattie McGrath from returning the sum of money as proposed in the motion. If they want to do so, they can return the sum of money. Then, I will regard them as serious.

In June, 2011 the Government took two significant steps on the payment arrangements of CEOs in commercial State bodies. It introduced a general pay ceiling of €250,000 in the case of newly appointed CEOs in commercial State companies, with reductions to similar appointees in such companies with lesser pay ceiling levels. It sought voluntary reductions in the remuneration levels of those already serving CEOs with salaries in excess of €250,000. Furthermore, it is Government policy that, in general, newly appointed CEOs are to be placed on the minimum point of the relevant salary range as opposed to the practice of assigning such personnel to around the mid range of such salary scales. The position in respect of already serving CEOs is that, for contractual reasons, the imposition of reduced salary rates could not be unilaterally proceeded with by the Government. However, incumbent CEOs in the commercial State companies with a salary in excess of the general salary ceiling of €250,000 per annum were
requested to make a voluntary waiver of salary of 15%, or to waive a lesser amount if the application of the full 15% reduction would have brought their salary below €250,000. All seven incumbent CEOs whose salaries were, at the time of the waiver request, in excess of €250,000 agreed to the waivers.

The system of performance-related award schemes for the CEOs of commercial State companies, whether newly appointed or serving incumbents, has been suspended. This Government said it would stop the runaway train of pay that existed within the upper echelons of the commercial semi-State sector. We said we would do it and we have done so.

It is important to be clear on what is involved in reducing pensions in payment. In this context I intend to set out some of the recent history and background to this issue. The previous Government decided to reduce public service pensions. We are in agreement that it was a painful but necessary step to take, given the state of the public finances. The measure secures annual savings estimated at €100 million and applies to over 130,000 pensioners. The cuts are tapered to mitigate the effect on the lowest level of pension income and are progressive in nature.

Deputy Mattie McGrath: That is not the case.

Deputy Brian Hayes: Can I give the Deputy an example? For the first €12,000 there is no reduction; for those receiving between €12,000 and €24,000, the reduction is 6%; for those receiving between €24,000 and €60,000, the reduction is 9%; for those between €60,000 and €100,000, the reduction is 12%; and anyone with a pension over €100,000 has seen a reduction of a further 20%, a decision brought about by this Government and presumably opposed by the Opposition. Legislation introduced by the Minister for Public Expenditure and Reform last year to add the 20% rate for those in receipt of amounts over €100,000 came into effect from 1 January 2012. The Government is proud to inform the House of the measure.

In contrast to the proportionate and tapered pension reduction measures, a much heavier reduction in public service pensions, levied, for example, on those above €100,000 is sometimes proposed. That would save limited amounts of money and would potentially affect only a small number of public service pensioners. In this context, at the end of September, some 84 former civil servants and 28 former office holders or judges currently being paid by the Paymaster General were in receipt of pensions of over €100,000. Some 112 people are the substance of the motion tabled by the Opposition.

Deputy Mattie McGrath: It is 112 too many.

Deputy Michael McCarthy: Deputy Mattie McGrath supported the measures when he was in Fianna Fáil.

Deputy Brian Hayes: Of those 112 people, the Government has introduced a reduction of 20% on those in receipt of over €100,000. I ask any fair-minded people to have regard to what we have done on this matter in our short time in office and to have regard to the small number of people it concerns.

Deputy Colm Keaveney: Hear, hear.

Deputy Brian Hayes: We must show that our actions are fair, balanced and proportionate. Those who have most must bear the brunt of the adjustment, a point all our actions thus far have
Deputy Mattie McGrath: The Minister of State is codding himself.

Deputy Brian Hayes: The Oireachtas legislates within the Constitution and legal issues concerning property rights are important, in particular given the possibility of challenge. A pension is generally taken to be deferred income and therefore covered by the constitutional protections that apply to property and any move to reduce a pension in payment, even one based in statute law, needs to be comprehensively founded. Otherwise, the courts might find that a restriction, however it might be justified by the exigencies of the common good, amounts to an unjust attack by the State on the rights of individuals affected by the legislation in question. This point was recently highlighted in a case before Mr. Justice McMahon. I encourage Members to read the judgment and, specifically, the judge’s remarks on what is determined as unjust. In broad terms, the courts will seek to ensure that a delimitation of property rights by the State is justified in the exigencies of the common good and does not amount to an unjust attack by the State on the rights of individuals affected by the legislation in question.

Reflecting constitutional rights and general public policy, the financial emergency measures legislation, including the pension-related deduction, the pay cuts, and the pension reduction, have sought to reduce public service expenditure in a reasonable and proportionate way. It is evident the pension reduction applies in a tapered and measured manner to all public service pensioners. The preambles to the 2010 legislation clearly situate the pension reduction in the context of the financial emergency. There are also significant safeguards built into the statute, including an annual report to the Houses of the Oireachtas in June each year by the Minister for Public Expenditure and Reform, Deputy Howlin.

It is broadly accepted that further public service pension cuts could only be justified in the broad public interest. They would therefore have to make a real contribution to the fiscal adjustment and would have to be designed in a similar fashion to the 2010 reduction. Particular care would have to be taken about any measures that applies to a relatively small number of former public servants.

Clearly, there is public concern about large pensions and the Government is also concerned. The Government has moved to address these concerns within the law and the Constitution. We have done so in a sensible, fair and balanced way in contrast to the top of the head response from people with extraordinary sums of money for which they are not accountable.

It is essential that what we do is seen to be fair and equitable if people are being asked to accept fairly serious reductions in benefits or services.

Deputy Mattie McGrath: I refer the Minister of State to page 9.

Deputy Brian Hayes: A number of important reforms have occurred. The Minister for Public Expenditure and Reform, Deputy Howlin, has announced significant reforms to the exit terms applying to new Secretaries General; all public servants, including the Judiciary, have had their pay reduced substantially and are also paying the pension-related deduction; for public servants retiring since February, the pension is based on reduced pay rates that, in turn, will give a lower rate of pension; the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 contains provisions that widen the application of pension abatement and extends service caps across the public service; the new single public service pension scheme introduces a system under which pensions are related to career average earnings rather than final exit points.
Post-retirement increases in pension will also be linked to changes in the CPI rather than to salary increases given to equivalent grades. All these are clear signs that the Government is introducing sustainable and sensible reforms that will do much to ensure large pensions, which are a legacy of previous and Governments that Deputy Mattie McGrath supported, are not a feature of our public service pension provision in future. Having regard to what we have done, any fair-minded person would see a fair attempt has been made. These matters are under constant review and we will ensure the balance is fully restored.

**Deputy Michael McCarthy:** I welcome the opportunity to speak-----

**Deputy Mattie McGrath:** On a point of order, reading the statement of the Minister of State-----

**Deputy Michael McCarthy:** He is out of order.

**Deputy Mattie McGrath:** I raise a point of order.

(*Interruptions*).

**Acting Chairman (Deputy Peter Mathews):** Deputy McGrath, you may ask a question.

**Deputy Mattie McGrath:** Is Deputy Brian Hayes the Minister for Public Expenditure and Reform?

**Deputy Michael McCarthy:** That is not a point of order. He is out of order.

**Acting Chairman (Deputy Peter Mathews):** Deputy McGrath is asking a question, which I am allowing.

**Deputy Michael McCarthy:** He is out of order.

**Acting Chairman (Deputy Peter Mathews):** Deputy McCarthy, please resume your seat.

**Deputy Michael McCarthy:** For the record, he is out of order.

**Acting Chairman (Deputy Peter Mathews):** Deputy McGrath, you may ask a question briefly.

**Deputy Mattie McGrath:** The front page of the script of the Minister’s speech has the words, “Statement by Brian Hayes T.D., Minister for Public Service and Reform”. Is that true or false?

**Deputy Michael McCarthy:** That is not a question.

**Deputy Mattie McGrath:** Is the Minister of State, Deputy Hayes, the Minister with responsibility for the public service and reform? I thought it was the Minister, Deputy Howlin.

**Deputy Brian Hayes:** I am the Minister of State.

**Deputy Mattie McGrath:** Thank you.

**Deputy Colm Keaveney:** That is a weighty issue.

**Deputy Michael McCarthy:** One would be forgiven for thinking there was an element of
seriousness about this motion. Let me break down the signatories to the motion. A number of them are former members of Fianna Fáil, who visited more destruction on this country and society than the Black and Tans ever did.

**Deputy Colm Keaveney:** Hear, hear.

**Deputy Michael McCarthy:** They drove the economy into the ground. Some people who have the neck to put their names to this motion were members of that party when they did it, although I do not take from the genuine intentions of Deputy Seamus Healy and others. I know they are genuine.

There is, however, one signatory to this piece of political theatre whom I have never heard raise the issue of the retention of basic social welfare rates. In his weekly column for a right-wing newspaper, I have never seen him mention the household benefits package and how important it is to pensioners the length and breadth of the country, how the Administration exempted 330,000 people from the universal social charge or how the Government, in its first budget, restored the minimum wage. All of that is a foreign archaic language to those who were engaged in the adulation of the person who is most associated with Anglo Irish Bank that contributed to the collapse of the economy. They have a damned neck to put their names to the motion.

Let us look at what the Government has done since it came to office. The day the Cabinet was formed, on 11 March last year, it abolished State cars for Ministers. It sickens me to think the people who visited destruction on the economy were driven around in top-of-the-range black Mercedes cars. The Government reduced Ministers’ pay and the salaries of the Taoiseach and Tánaiste. The Government abolished the allowance to vice chairmen of committees. That was €10,000 tax free, which was a legacy of the Bertie Ahern years. Another signatory could explain what went on during those years, because he went into the Tá lobby night after night to support him. The Government abolished the committee convenors and committee whips allowance. It halved the chairman’s allowance and taxed and subjected the balance to the universal social charge, PRSI and a special pension subscription. The Government also capped the pay of CEOs in the public sector and took a range of measures, not least to hold a referendum to reduce the pay of members of the Judiciary. Some Members opposite who have signed the motion voted against that measure.

The Fianna Fáil and Green parties and some of their former fans, who did not stick around long enough to sign the party pledge because they knew they would not get back into the Dáil, visited a mess on Irish people and on Irish society. They brought in the EU, the IMF and the ECB. Now they are running around with this motion. If it were not so serious it would be laughable. Why do they not begin by handing back their €40,000? Every single one of them gets €40,000 tax free and they come in here lecturing us about those who are on social welfare. They do not mean it because they do not give a damn.

**Deputy Colm Keaveney:** Just over 20 months ago, the Government inherited a country that had been wrecked by irresponsible behaviour and fiscal mismanagement. The previous Government narrowed the tax base, which meant the economic downturn led to a fiscal nightmare for the country. The previous Government engaged in a reckless massive increase in spending of the one-off proceeds generated by the property boom. The same boom has left many families burdened with debt and fearful for their future. Difficult issues were resolved not by reform, but by throwing money at them. This was particularly true with regard to pensions, including those of senior civil servants and politicians, often voted for by some of the people who signed
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this evening’s motion.

I acknowledge that the intentions of the people who signed the motion are often well-meaning. I refer to the members of the United Left Alliance. At the heart of the motion, however, is a criticism of high levels of pay and pensions that are a direct result of people like Deputy Mattie McGrath voting for those increases over the course of the past 15 years.

Deputy Michael McCarthy: Hear, hear.

Deputy Colm Keaveney: How dare he sign tonight’s motion when he tickled Bertie Ahern’s belly for 15 years at the cost of a lost generation. Shame on him.

Deputy Mattie McGrath: I tickled no one’s belly.

Deputy Colm Keaveney: Deputy McGrath voted for increase upon increase to senior civil servants.

Deputy Mattie McGrath: The Deputy’s party wanted more.

Deputy Colm Keaveney: He tickled Bertie’s belly for 15 years. He implemented Fianna Fáil policy, yet he has put his name to a motion calling for the reversal of cuts of which he was the architect. He implemented those cuts over the course of the past 15 years. Shame on him.

I respect the good intentions of the United Left Alliance but I query the company they keep, including elements of right-wing politics, as referred to by Deputy McCarthy.

Deputy Thomas Pringle: I do not keep their company.

Deputy Colm Keaveney: Deputy Pringle should not flatter himself. I do not refer to him in that respect.

Deputy Michael McCarthy: Not you, Thomas.

Deputy Alex White: Not you.

Deputy Colm Keaveney: Deputy Ross refers in the motion only to pensions of public sector workers.

Deputy Seamus Healy: What about cuts to home help hours?

Deputy Colm Keaveney: The motion makes no reference to the obscene pensions paid in the private sector, where salaries can be capped but multiples of that salary are paid into slush funds and pension funds availing of generous tax reliefs that Deputy McGrath designed.

Deputy Mattie McGrath: Labour’s way or Frankfurt’s way.

Deputy Colm Keaveney: I support the proposal that in the future there would be a situation where one-on-one ratio of bankers’ pay to pensions would suffice with regard to remuneration. I would expect the United Left Alliance to support that proposal in the future.

Many voices on the right of politics, particularly that of Deputy Ross, are comfortable using the United Left Alliance to attack public service pay and pensions. The United Left Alliance is the vehicle of the right’s attack on the public service.
Deputy Mattie McGrath: Deputy Keaveney is a vehicle of the blue shirts.

Deputy Colm Keaveney: I ask the United Left Alliance to think twice about supporting cuts in the public service. They are the pawns of those on the right wing. They are fools.

I know Deputy McGrath’s agenda. He tickled the belly of Bertie Ahern for 15 years. For 15 years he was his two-legged bidet and now he has the cheek to come into the House and sign this motion.

The right way to address this issue is to impose significant levies on those who are well paid in the public and private sectors. I favour a levy of at least 10% on all pensions over €100,000 graduating to a 25% levy on pensions in excess of the pensions of half a million euro, which Deputy McGrath designed.

Deputy Mattie McGrath: Why does Deputy Keaveney not bring forward a motion to that effect? He is chairman of his party, for the time being anyway.

Deputy Colm Keaveney: Deputy McGrath signed off on a pension of €500,000 for Mr. Richie Boucher. Some of the people who proposed this motion have good intentions, but the measures proposed will not solve anything.

Deputy McGrath comes in her week upon week, with Ernie and Bert politics. This is “Sesame Street” for him, but he is the architect of the destruction of a society. He has tickled the belly of a former prime minister of this country.

Deputy Mattie McGrath: Deputy Keaveney has a good job tickling Enda’s belly.

Deputy Colm Keaveney: Deputy McGrath’s footsteps have gone up and down the corridor, cutting deals at the cost of public service pensions and vulnerable people. He voted for a cut in the minimum wage. He has a cheek to talk about a threshold of decency.

Deputy Mattie McGrath: This is the voice of Labour backbenchers. James Connolly must be turning in his grave.

Deputy Colm Keaveney: Where was decency when he voted with Bertie Ahern and his ilk for cuts in minimum rates of pay? He has more cheek than the backside of a retired jockey. God bless this country.

Deputy Sean Fleming: I welcome the opportunity to speak on this issue of major concern to most. We are talking about pensions, but I am starting from a different perspective. A pension should be earned before it is received. Under most pension arrangements in both the public and private sectors, a person can forfeit his or her pension for gross misconduct in the course of his or her job. This issue should be examined in further detail. The Minister for Public Expenditure and Reform recently introduced the single public service pension scheme, in which he included an amendment whereby a person proved to have caused a financial loss to his or her employer could have his or her pension reduced by the amount of the loss. That provision was designed to catch persons guilty of fraud or theft. I also tabled an amendment, to which the Minister was receptive, but it was not part of his brief to accept it on that occasion, whereby a person who had not performed his or her duties would also forfeit his or her pension. I was thinking of senior bankers and regulators who had done a great deal of harm to their organisations. Under the narrow definition of the single public service pension scheme, they may not have caused a financial loss to their organisations, but persons in such organisations should be
subject to their pensions being forfeited or reduced. Those who did a gross disservice to the organisations for which they worked did not earn their pensions, as they had not performed their functions and duties and fulfilled their contracts of employment. There should be a mechanism whereby an employer could go to the courts for an independent adjudication as to whether a person had earned his or her pension. The Government’s amendment to the motion mentions property rights, but these rights would apply to the payments the people concerned had actually made to the pension scheme.

The debate was very strong and vociferous in the last few minutes. Deputies were quick to point out what the signatories to the motion had not included in it, but I point out to those same Members that, on foot of the single public service pension scheme, the Minister signed a statutory instrument the other day. When I received a copy as a member of the Joint Committee on Finance, Public Expenditure and Reform, I looked at it because I had no notion of what it meant because it was connected to a commencement notice. I had to go to Houses of the Oireachtas staff who contacted the Department of Public Expenditure and Reform to find out what it was all about. They came back to me to explain that it did not always produce an explanatory memorandum for statutory instruments. The outcome of the statutory instrument is that the Minister has abolished the exemption whereby a person in receipt of two separate pensions could avail of an exemption of €12,000 in respect of both pensions. A retired nurse on a pension of €24,000 in receipt of a pension of €12,000 in respect of her deceased spouse who was also a public servant, giving a combined pension payment of €36,000, as a result of the new measure introduced by the Labour Party Minister in the last few days, has seen the pension levy increase from €720 to €1,800 per annum, an increase of 150%. At the same time, Government speakers say this is all about proportionality and that we cannot single out individuals and proprietary rights. The Minister was well able to single out a small number of retired public servants on modest pensions by increasing their pension levy by 150%. That is a typical example of a retired public sector worker whose partner is deceased. That person has seen the pension levy increased by 150% without one word being said about the matter. There is an article in today’s edition of the Irish Independent outlining how 98 medical academics in our universities are earning more than €200,000 per annum, a number of whom are on more than €250,000. What will their pensions be like? I would like to see the Minister tackle that issue in the same way as he has tackled the poor retired nurse who is trying to survive on a small pension.

That brings me to Fianna Fáil’s amendment to the motion. We propose, as part of the FEMPI legislation, that a specific legislative provision be introduced for retired senior banking executives to address their outrageous pensions. AIB stated today it had written to 15 such pensioners. I understand the Minister has no qualms about defending their property rights, but what about the property rights of all the other poor workers in AIB, 2,500 of whom took redundancy recently? Their pensions have been changed from defined benefits to defined contributions. There has been a fundamental change in terms of how much they will receive in their pensions. The Minister has no problem presiding over changes to the pension arrangements for AIB bank officials, but he is afraid of the former senior executives.

That brings me to the situation the Minister for Finance outlined on Sunday. I have great regard for the Minister, but I am worried about him. He made two statements on Sunday. He reaffirmed, as mentioned on the front page of the Sunday Independent, that he was powerless to act on the issue, but then a few hours later he announced he had established a review of bankers’ remuneration. Why is he carrying out a review of their remuneration if he has already told us
before it starts that he is powerless to act on the findings of any such review? I was shocked to hear him say that.

On the levy chargeable on senior public service pensions, as part of Fianna Fáil’s budget proposals last year, we proposed that there be a levy of 30% on any sum over €100,000. The Government settled on a figure of 20%. That figure of 30% would have been in addition to the approximate figure of 50% in respect of PAYE, PRSI and USC payable. We said if the figure could not be cut, at least there should be an equivalent levy made up taxes and charges of 80% on amounts over €100,000. Such a provision should be extended to the banking sector as an interim measure.

The property rights issue is quoted by the Government on every occasion. However, it had no problem last July under the guise of a jobs initiative with robbing the private pension funds of Ireland of €2 billion over the next four years by taking a figure of 0.6% from the retirement funds people had built up. They have property rights, but that money was taken from them and their pensions have been cut with no complaint from the Government benches. When we talk about high pay, however, that argument is wheeled out. It is time everyone was treated equally.

**Deputy Éamon Ó Cuív:** Tá áthas orm go bhfuil deis agam cúpla a rá faoi seo anocht. Listening to the earlier contributions, I was very disappointed by the tenor of the debate. The usual slagging across the Chamber was taking place. I heard references to Ministers being driven around in black Mercedes, but very few of us were driven in a Mercedes, rather we were driven in the cars Ministers are still driven in. The owners might be different, but the cars are not substantially different. I drive a car now similar to the one I had as a Minister.

I have a biased view about Garda drivers. I am open to criticism, but the circumstances justify it. The Garda drivers we used had been trained in advanced driving techniques. We were doing 120,000 kms a year which, over eight or nine years, works out at more than 1 million kms. The risk of an accident was always high. I must confess to being biased on this issue because if I was not being driven by an absolute expert driver who had undertaken an advanced courses civilian drivers do not undertake, I would not be standing in the Dáil tonight because I would have been killed on the road outside Killarney.

The slagging matches are great fun, but there also serious issues. The House would be better engaged in focusing on the issues involved than the endless slagging that takes place here, particularly from the Government backbenchers because they have nothing better to say. There is an issue and we should deal with it, as Fianna Fáil has suggested, in a comprehensive and open way. If we put our minds to it and if we were interested in resolving this problem we would refer this matter to an all-party committee, as we did for example when Sinn Féin tabled a motion on oil and gas. We eventually ended up with a report agreed by Fine Gael, Labour, Sinn Féin and Fianna Fáil on how we should tackle our oil and gas problems.

I accept there are questions about the inequality of wages. I believe this started in the private sector where the gap in wages between top executives and the low paid at the bottom got wider and wider. Benchmarking, which was supported by all sorts of people in this House, including so-called left-wing Deputies, resulted in a loss following the pattern of the private sector. There were reasons for that, as the Minister of State will be aware. Given that people from the kind of profession in which he was involved before he became a Member of these Houses - attorneys of a high-level, doctors, etc. - can earn so much in the private sector it is not possible to attract them to work in the public service for normal public sector wages. We need
a proper debate on all the connections in this area to see if we can come up with something that is fairer than the present regime.

The same considerations clearly apply to pensions where, after 40 years in the public service, one would get half of one’s wages and 1.5 times one’s salary as a lump sum - that was uniform across the system. The only difference between that and the terms applied for a Deputy was that it was figured out - I believe with justification - that it is nearly impossible to last in this House for 40 years, with the exception of the Taoiseach who is pretty close to that. Therefore there was a shorter timescale, even in the review of public service pensions, allowing for a full pension for a Deputy because it was felt that Deputies had to keep jumping the ditch time and again, and could be thrown out without any notice. It was felt that it would be nearly impossible to do 40 years here, particularly as most people are first elected with some experience behind them. Similarly, Ministers were required to have ten years as a Cabinet Minister before getting the full pension. It was paid at the rate of 60% but I believe, as with every other pension, it should be 50%. Perhaps the time required should be more than ten years. However, if one looked at the record of ministerial office and counted the number of Ministers who managed to complete ten years as a Cabinet Minister, or 20 years equivalent as Minister of State or a combination of both, one would find the numbers are very small. Considerably fewer people achieved that than the number of teams that won all-Ireland’s.

The Government should agree to take seriously this motion on pensions and, accepting that it is a complicated and interconnected issue, amend the motion in such a way that it would be referred to an all-party committee of the House for a detailed examination involving the calling of witnesses. The committee would then investigate all of the issues and not take politicians in isolation because I believe our pay should be connected to some public service grade. I have always believed that a Minister should get the same pay as a Secretary General. If Ministers are overpaid then Secretaries General are way overpaid because Ministers put in much longer hours and are at much greater risk of losing their jobs. We should complete a comprehensive, agreed review. Instead of shouting at each other across the Chamber and making headlines in newspapers, which we will do by shouting, we should seriously engage in this issue and see if we can achieve consensus. I believe that if we approached this systematically and looked at all the angles of the issue, as we did on the issue of oil exploration, we would find considerably more agreement than we would manage in this debate. I suspect that level of agreement might not suit certain people. However for those of us who are serious about politics and serious about serving in the public interest, I believe it would serve politics.

I voluntarily gave up the severance pay for a Minister and am now earning considerably less than I would be if I had retired. In other words my two pensions would have been considerably greater than my present salary and furthermore, my pension will now be smaller because I stayed on here. I am therefore working for minus money or actually paying to work. I am happy to do that because money has never been an objective in my life. I accept it is good to have a salary - I have to live like everybody else, but it has never been the primary objective of working. I have always worked for causes, for co-operatives and so on.

For the good of future generations we need to stop talking nonsense that Deputies should be doing their job as a charity. Deputies need to earn their living and pay the bills like everybody else. To attract the spectrum of people into this House, we need to pay the going rate for the job which is agreed to be the salary of a principal officer. It is 100 hours a week. It makes no difference to me personally and will never make any difference to me now. I am too far on in my life and my career for it to make any difference for me. If I wanted more money I could
simply pack in the job. We do not want to go back to the 19th century where the only people who could afford to be in politics were those with enough private income that they did not need to live from the income of being a politician. For many of us this is the only household income or by far the primary household income on which we live. If we do that we will find that people will face up to reality. We will bring some reality to this debate and could bring about the very necessary reforms that we need, not only in public service wages and pensions, but also in the disparity between the low paid and the high paid in the private sector.

**Deputy Aengus Ó Snodaigh:** Tá sé tráthúil go bhfuilimid ag déileáil leis an cheist seo faoi phinsin ach is trua gur rún lag é seo. Fillfidh mé ar na fáthanna leis sin.

Aontaím le cuid amháin den rún, an line dheireanach, a dhéanann iarracht srian a chur ar na pinsin agus iocaíochtaí oll-fláithiúla atá ag AIRí, Taoisigh agus ceannairí bainc agus agus a leithéid síud atá liostaíte sa rún. Níl an rún láidir go leor, níl sé maith go leor agus ní aontaím le cuid de. Ní fhéicim conas is féidir leis an iarracht síud a bhíodh ag brath ar phinsean amach anseo, ach go háirithe an faoiseamh cánaí atá ann dóibh ar an ráta is airde cáin faoi láthair.

This is a weak motion that contains very little. It merely calls for us to stop paying the grossly over generous pensions to a relatively narrow category of people. If it is confined to that, it will achieve very little. While I might sound like Government Deputy, I am a socialist and I cannot support a motion that calls for the retention of tax relief at the highest rate for private pensions. At the very least we should standardise that or get rid of tax relief on private pensions because any tax relief is tax foregone. There are times when for the public good that is what should be done. At a time of crisis we need to review tax reliefs and consider whether the tax that is foregone could be put to better use, as my party believes it could. At the very least we should be standardising the tax relief and ultimately considering whether that is the best way for the State to intervene in the future pensions of people.

The motion should have gone much further. It could have called for steps to deal with issues that were highlighted in last month’s private pensions report and the rip-off of people, some of them on very low pay, who invested in a private pensions encouraged by the previous Government and now being encouraged by this Government. Yet, the charges are not transparent.

9 o’clock

Up to 30% is being charged on some pension pots. As I stated, the motion could also have properly dealt with the tax reliefs. I find it strange that members of the People Before Profit - United Left Alliance are supporting this motion, which defends these tax reliefs. The Economic and Social Research Institute report entitled Pension Policy: New Evidence on Key Issues states that the top 20% of earners are the beneficiaries of 80% of all pension tax relief, which says it all for me and those people with whom I stand. That is, I believe, an abuse of public policy.

Tax reliefs on pension savings are inherently regressive. The more disposable income one has available to save the more money the Government gives one in the form of tax relief. This is similar to the Special Incentives Savings Scheme, which was used by former Deputy Charlie McCreevy, to help the rich in our society. Meanwhile the State pension and the associated benefits on which the majority of older people depend are under threat. The Government says it cannot afford these basics. How, then, can it possibly justify the continuation of tax relief for private pensions? According to the latest actuarial review the expected deficit of the Social
Insurance Fund for 2012 is €1.8 billion. There are ways of addressing this in the short term, one of which I have already put forward in respect of tax relief. The other way is to get people back to work and halt emigration.

Debate adjourned.

Personal Insolvency Bill 2012: Report Stage (Resumed)

Debate resumed on amendment No. 10

In page 26, line 8, to delete “€20,000” and substitute “€30,000”.

(Deputy Pádraig Mac Lochlainn)

An Leas-Cheann Comhairle: I understand the Minister was replying to amendment No. 10 when the debate was adjourned.

Minister for Justice and Equality (Deputy Alan Shatter): I had already addressed the issues in amendment No. 10 and had set out my reason for opposing amendments Nos. 10 and 11.

An Leas-Cheann Comhairle: Is amendment No. 10 being pressed?

Deputy Aengus Ó Snodaigh: Yes.

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

Amendment declared lost.

Amendment No. 11 not moved.

An Leas-Cheann Comhairle: Amendments Nos. 12 and 13 are related and amendment No. 14 is an alternative to amendment No. 13. Therefore, amendments Nos. 12 to 14, inclusive, will be taken together by agreement.

Deputy Alan Shatter: I move amendment No. 12:

In page 26, line 9, after “income” to insert the following:

“, calculated in accordance with subsection (5),”.

This amendment improves on the existing construction for avoidance of doubt by cross referencing the income criteria with revisions of subsection (5).

Deputy Niall Collins: Amendment No. 14 seeks to increase from €60 or less to €150 or less the amount of disposable income which a person may have at the end of the month in order to qualify for a debt relief notice. The amount involved is very small. We are now getting into the arbitrary debate around what level one should set a monetary amount. However, €60 is very little. As I stated on Committee Stage, the price of petrol is continually rising and the cost of many other commodities which would be regarded as daily or weekly necessities are also rising. The €60 amount provided for in the Bill is very low. I believe the Minister should give serious consideration to increasing the amount to €150.

From where did the wisdom to set the level at €60 come? Are we looking up the road again
to Northern Ireland or did it come from the Money Advice and Budgetary Service, MABS? Does the Minister not believe we should be a little more charitable to people in this instance?

**Deputy Alan Shatter:** I will respond to amendments Nos. 13 and 14, following which Deputy Mac Lochlainn can then come in. Amendments Nos. 13 and 14 seek to raise the limit for the amount of disposable income above that permitted for necessary household expenses from €60 to, in the context of Deputy Mac Lochlainn’s amendment, €80 and in the context of Deputy Collins’ amendment, €150. With regard to the €60 provision, that is the limit of the qualifying amount of money left to the debtor after meeting reasonable household living expenses in the context of the legislation. Effectively, it is a sum perceived to be surplus to reasonable household living expenses. Certain assets that an individual would use in his or her daily lives are expressly excluded from being regarded as relevant in the context of their circumstances when facilitating the write-off of debt. Where a person has money in excess of his or her reasonable expenses it is reasonable to expect that it be used to discharge some of his or her debt to creditors, including local traders or a local credit union.

Deputy Collins is proposing that where a person, having met his or her reasonable expenses at the end of the specified period, has additional money he or she should be allowed to retain €150 to spend as they choose rather than, for example, repay at least a portion of the debt to the local credit union. I cannot agree to that. I do not believe that is fair, in particular to other members of the credit union or to a local shop owner in respect of debt run up by a family in financial difficulty to whom he or she gave some leeway. Is it reasonable, where a substantial debt has been run up, that people should retain €150 as discretionary spend and not be entitled to use any portion of it to discharge any portion of debt? I do not believe that is fair.

I have greater sympathy with the proposal put forward by Deputy Mac Lochlainn. It is a matter of subjective judgment as to whether the amount should be set at €60, €70 or €80. There is no monopoly of wisdom on this. It is somewhat arbitrary but not entirely arbitrary, as I will explain. It is important that this legislation is not seen in isolation from everything that is relevant to it. There are issues which we must address to ensure the legislation does not affect detrimental unintended consequences. This is effectively a balancing act. There are subjective judgments to be made as to what is the appropriate sum.

As I said, I have greater sympathy with the proposal put forward by Deputy Mac Lochlainn. It is not acceptable to permit people to retain €150 of discretionary money and to ignore their creditors. Whether the amount should be set at €60, €70 or €80 is debatable. Following considerable consideration of the matter, the Government determined that the appropriate amount should be €60. While I cannot accept the proposed amendments, I will keep this matter under review prior to enactment of the Bill. Amendments will be tabled in the Seanad, and I will make reference to these later, which will bring the Bill back to this House. Certain issues will be dealt with in the Seanad. It was the Government’s considered view that in the circumstances €60 of discretionary income after reasonable expenses had been met was a reasonable sum and that thereafter it would be unfair to creditors. In the circumstances I must oppose the two amendments.

**Deputy Pádraig Mac Lochlainn:** I am sure the Minister noted the reason we tabled amendments Nos. 13 and 15, which we will discuss, is relative to the €30,000. If the threshold is increased from €20,000 to €30,000 the other thresholds must also be increased. The credit unions, FLAC and other interested parties have made representations to Deputies on the legislation as is their democratic right. They work on the ground at the coal face. Credit unions are unsecured
lenders and they are concerned about the implications of the Bill for their community services. Somebody in the community has lent and the credit union has a responsibility to the community. I understand the point the Minister is making on setting a limit. I presume the free legal advice centres also speak from their direct experience on the ground and have not arbitrarily made up the figure of €30,000. People with more than the €20,000 threshold proposed in the Bill will have to choose another option, but other options will probably not be viable because of what those people have available to resolve their differences. The Minister would probably agree that it is a case of how long is a piece of string, but I ask him to consider this and review how the process works out as it is put in place in the coming years.

Deputy Stephen S. Donnelly: I seek clarification. I agree there is no right answer to the amount of €60. Each month has an average of 4.3 weeks which leaves approximately €14 for the month. If a debtor has a partner and two children, will the amount be €60 for the household, which would work out at €3.50 per person per week, or is it intended that if dependents are involved, particularly children, the amount would be extended?

Deputy Alan Shatter: To turn that on its head, if a debtor has dependents and children his or her reasonable expenses will be higher. In other words, the amount which such an individual would be effectively entitled to exclude from the pot will be higher than a single individual with no dependents. The area of discretion or elasticity in this is dependent on individual circumstances. There will be guidance as to what amounts to reasonable expenses but quite clearly what are reasonable expenses for a single individual living on his or her own with no dependents is quite different to what are reasonable expenses for an individual with a dependent spouse and dependent children. The €60 applies to the individual and his or her debt. That person will not receive additional sums because of the dependency of other individuals: the dependency of other individuals is taken into account having regard to the amount of reasonable expenses to be discounted from the pot in dealing with issues under the debt relief mechanism.

To answer Deputy Mac Lochlann, let us remember we do not have debt settlement arrangements at present. If one runs up a substantial amount of unsecured debt, providing a mechanism whereby one may be able to extricate from debt based on discharging a reasonable proportion of it in the context of one’s income and personal financial circumstances would provide a light at the end of the tunnel. In this context it is envisaged a part of the debt may not be discharged.

The Deputy is correct to state the credit unions are making certain representations on this as is FLAC and there are various perspectives. FLAC does fantastic work and it deals with debtors all the time. It represents people in debt and tries to make the best case it can for those in debt. On the other side of it are the creditors who may be ordinary individuals with part of the debt owing to them not being paid. They may find themselves trying to engage in a debt settlement arrangement because they may get into personal difficulties. There are also the credit unions which are understanding of individuals in financial trouble, but which need to try to recoup the moneys they lend out for the benefit of the other members of the credit union who may want to borrow from it and for the liquidity and security of the credit union.

All of these different interests are valid. They are all what I describe as good-faith interests. We must try to make a judgment as to where to find the balance. This means one does not please either side totally in where one goes. One tries to find the balance. As I stated, one would almost need the judgment of Solomon in some of these cases. Is there a perfect figure in a range of areas here? There is not. This is the judgment that has been made after a great deal of thought, teasing out and looking at what happens in other jurisdictions.
If a wrong judgment is made and we discover along the route after the legislation has been tested and working for a while that amendments are required to it I will not be slow to introduce them, whether they are on what might be perceived to be a minor issue or a major issue. We need to get it up and running and get a sense of it. We need to have some regard to the lessons from other jurisdictions and try to find the balance between the different valid cases made on each side either from the perspective of creditors or debtors.

What makes the debt relief notice somewhat less controversial to address is that it generally does not have a whole heap to do with banks and the mistakes banks made. However, it has a minor heap to do with them in that some of it will be credit card debt. MABS deals all the time with people who have got themselves into credit card debt. It is not what I describe at this level as major debt of hundreds of thousands of euro or millions of euro through very bad borrowing decisions or bad lending decisions made by banks which should have been more diligent in what they were doing. In this particular area we are just trying to find a balance. We believe this is the right balance for the start of the legislation. It is very worthwhile that we tease through out.

Amendment agreed to.

Amendment No. 13 not moved.

**Deputy Niall Collins:** I move amendment No. 14:

In page 26, line 9, to delete “€60” and substitute “€150”.

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

Amendment declared lost.

**An Leas-Cheann Comhairle:** Amendment No. 16 is an alternative to amendment No. 15 and they will be discussed together.

**Deputy Pádraig Mac Lochlainn:** I move amendment No. 15:

In page 26, line 11, to delete “€400” and substitute “€535”.

I will not labour the point on amendment No. 15. The logic extends from the previous amendment.

**Deputy Alan Shatter:** The amendments from Deputies Mac Lochlainn and Collins relate to raising the value of the asset eligibility criteria to apply to debt relief notices. I explained at some length on Second Stage the concepts behind the debt relief notice. It provides for the write-off of unsecured debts of up to €20,000 subject to certain conditions. These conditions must of necessity be stringent so as to prevent abuse and undue damage to the interests of creditors. Such creditors themselves, as already stated, may be struggling with debt issues. The amount set out in the Bill in regard to qualifying assets of €400 or less mirrors that in the comparable debt relief order process in operation in England and Wales since 2009 and in Northern Ireland since 2011. This amount is exclusive of an asset disregard of up to €6,000 in respect of household equipment, books, tools etc. This latter exemption does not feature in the processes in the United Kingdom. Allowing much greater asset disregard in the context of a potential full debt write-off of up to €20,000 would risk enforcement action by creditors prior to any application for a debt relief notice, which may leave those in debt in a much more difficult position.
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delicate balance must be maintained. While we will keep this and other criteria under review, I do not intend at this point to revise the figure. I oppose the amendments.

Deputy Niall Collins: The Minister stated he would keep many items under review, which is understandable. What is the mechanism for review? Will there be a quarterly or six monthly review? What is the modus operandi?

Deputy Alan Shatter: The legislation, if passed, will provide for a total review of how it is working after three years. There is no question of our all going to sleep for three years. The legislation is like any other. It is very new and we are in the start-up phase. I certainly intend to keep a very watchful eye on how it is working in practice. We probably need a full year’s experience of how it is working. Even if in that period some blindingly obvious difficulty arises, an amendment will be made, if required. It would be a little odd to amend legislation within a few weeks of its enactment but I certainly intend to keep a close watch on how this legislation is working. The head of the insolvency agency will be in a position to indicate whether particular difficulties are being highlighted. I have no doubt a cohort of personal insolvency practitioners will have adequate opportunity to indicate whether a particular difficulty has arisen. Of course, this will come to the attention of Members. We will certainly monitor the working of the legislation in my Department.

It is reasonable to have the legislation in place undisturbed for at least a year unless there is a dramatic issue requiring redress. I assure the Deputy that if a major difficulty arises within the three year span, it will be addressed. It is not just a question of saying there will be a review after three years because I want to ensure there is very sound and workable legislative architecture dealing with insolvency at the various levels of indebtedness and in the context not only of what are primarily non-judicial debt-resolution mechanisms but also of the bankruptcy changes that are being effected.

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

Amendment declared lost.

Amendment No. 16 not moved.

Deputy Alan Shatter: I move amendment No. 17:

In page 26, to delete lines 16 to 19 and substitute the following:

“(e) is, taking into account the factors referred to in subsection (7), insolvent and has no likelihood of becoming solvent within the period of 3 years commencing on the application date, while also maintaining a reasonable standard of living for himself or herself and his or her dependants;”.

This is essentially a technical drafting amendment to replace the existing section 24(2)(e) with new text which now includes a cross-reference to subsection (7). It also includes a reference to the standard of living of the debtor’s dependants in addition to himself or herself. The amendment provides greater clarity on the intent of the sub-paragraph and I hope it will be supported by Members of the House.

Amendment agreed to.

Deputy Alan Shatter: I move amendment No. 18:
In page 26, line 21, to delete “in the preceding 2 years—” and substitute the following:

“during the period of 2 years ending on the application date—”.

The amendment provides greater clarity in the interpretation of the two year period in regard to the potential transactions carried out by the debtor at an undervalue or by the giving of a fraudulent preference. It now makes clear that it is the two year period ending on the application date for the debt relief notice.

Amendment agreed to.

Deputy Alan Shatter: I move amendment No. 19:

In page 26, line 25, to delete “subsection (11)” and substitute “subsection (4) or (11)”.

This amendment expands the cross-reference to section 24(2)(h) to include also subsection (4).

Amendment agreed to.

Deputy Pádraig Mac Lochlainn: I move amendment No. 20:

In page 27, between lines 8 and 9, to insert the following:

“(c) the Minister for Justice and Equality shall, no later than 30 days after the enactment of this Bill publish detailed guidelines defining “reasonable household expenses” for the purposes of section 24(5)(a).”.

We need a definition of “reasonable household expenses”. There are routine medical expenses and emergency expenses so there needs to be a definition. We are saying that we would like to see detailed guidelines within 30 days of the enactment of the Bill. There is too much vagueness in the Bill as it stands.

Deputy Alan Shatter: Amendment No. 20 would effectively require the Minister for Justice and Equality to publish detailed guidelines defining “reasonable household expenses” for the purpose of the Bill. I thank the Deputy for raising this matter. It is, of course, important, but the amendment would impose a duty on the Minister for Justice and Equality to define “reasonable standard of living” for each applicant for a debt relief notice. As I stated, the Deputy will recognise the inherent difficulties his proposal would present. The financial circumstances of every debtor will vary greatly so there is no simple definition of or guideline on “reasonable household expenses”. What is reasonable will vary depending on the background circumstances.

This area will be addressed by the insolvency service in the context of the provisions that apply to its operation. I assure the Deputy that there will be no undue delay in addressing this aspect of the debt relief notice process. It would be unwise, however, to commit to a very specific timeframe, such as 30 days after the enactment of the legislation, as specified by the Deputy. The main approved intermediary for the processing of applications for debt relief notices will be the money advice and budgeting service, MABS. That organisation has significant experience and knowledge in devising debt plans and is very conscious of what is required by those with debt difficulty to be able to attain enough income to provide adequately for themselves and their dependants while at the same time addressing their individual debt problems.
The insolvency service will work closely with MABS and other organisations with expertise and interests in seeking to devise broad, realistic and workable guidelines. It is important we have guidelines in regard to calculating net disposable income in the context of an application for a debt relief notice which can have regard to the different background circumstances and dependencies of an individual in debt. I do not believe, nor do I imagine does the Deputy, that we can arrive at an individually tailored figure for each of the potential 7,000 applicants for a debt relief notice. Their circumstances will vary from case to case. In this context, quite broad guidelines will be necessary to take account of the various circumstances that can arise.

For the reasons given, I oppose the amendment. It is envisaged, however, that the guidelines will be in place at a relatively early stage to facilitate the operation of the debt relief notice process. However, we could not specify a period of 30 days. We envisage that, if the legislation is passed in both Houses and enacted before Christmas, the target start-up date will be 1 March. It may well be that it will take six to seven weeks for guidelines to be put in place in the context of the work that will have to be undertaken by the insolvency agency and the consultation that will be necessary with MABS and other organisations. We want to give the relevant parties flexibility in their approach.

**Deputy Pádraig Mac Lochlainn:** Could the Minister assure us that guidelines will be in place before any debt relief plans are implemented?

**Deputy Alan Shatter:** It is my objective to have guidelines in place.

Amendment put and declared lost.

**An Leas-Cheann Comhairle:** Amendments Nos. 21 and 22 are related and may be discussed together.

**Deputy Pádraig Mac Lochlainn:** I move amendment No. 21:

In page 27, line 11, after “its” to insert “net”.

Sometimes the inclusion of a single word can make a significant difference. This amendment proposes that when an assessment is made, it is net assets that should be considered, that is, the figure that is arrived at after liabilities are deducted. The objective here is to ensure that a realistic assessment is made and the debt settlement is fair. The same principle applies in regard to amendment No. 22, which proposes that the word “irrespective” be replaced with the phrase “taking in to account” in respect of mortgages or other charges against an asset. Our concern is to ensure that the assessment of assets is done realistically in the context of net available resources.

**Deputy Alan Shatter:** I am not sure what effect the proposed changes are designed to achieve in the context of the debt relief notice. The current provision is clear in its indication that it is the market value of an asset that is considered, irrespective of whether the asset in question is subject to any charge. In any event, given that the permitted qualifying asset level in this process is €400, I am not sure whether this is a significant consideration. To make the changes the Deputy is proposing would completely alter the nature of the debt relief notice process and could potentially qualify an applicant even where he or she has a large property which is in negative equity. That is not the intention of the process. For this reason, I do not propose to accept the amendments.
Amendment put and declared lost.

**Deputy Pádraig Mac Lochlainn:** I move amendment No. 22:

In page 27, line 12, to delete “irrespective of” and substitute “taking in to account”.

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

Amendment declared lost.

**Deputy Alan Shatter:** I move amendment No. 23:

In page 27, line 16, to delete “paragraph (c)(iii)” and substitute “paragraph (c)(ii)”.

This is a technical amendment to correct a cross-reference to section 24(6)(b)(ii).

Amendment agreed to.

**An Leas-Cheann Comhairle:** Amendments Nos. 24, 30, 88a, 91 to 94, inclusive, 134, 137 and 137a are related and may be discussed together.

**Deputy Niall Collins:** I move amendment No. 24:

In page 27, between lines 17 and 18, to insert the following:

“(iv) assets necessary for the maintenance or education of any children of the debtor who are aged 18 years or under,”.

This amendment seeks to provide, in the calculation of a person’s assets, for any materials relating to the education of his or her dependants under the age of 18. We discussed this issue in detail on Committee Stage and I note that the Minister has tabled several related proposals.

**Deputy Alan Shatter:** This was an issue Members raised on Committee Stage, at which point I gave an undertaking to consider it for Report Stage. Deputy Niall Collins’s amendment No. 24 raises the issue of a special exemption in the asset test for the debt relief notice in respect of books and materials for primary and second level students. I hope the Deputy will accept my proposal in amendment No. 30 which was drafted under advice from Parliamentary Counsel and is specific to educational needs. It provides that primary and secondary level books and equipment necessary to the education of the debtor or his or her children will be exempt from the assets to be taken into consideration for the purposes of the debt relief notice application. I mentioned my concern on Committee Stage that small computer devices such as iPads which are now widely used by students at primary and second level to assist in their class work and homework assignments might be included inadvertently as an asset of the debtor. Amendment No. 30 puts this matter beyond doubt.

Government amendment No. 88a is a technical drafting amendment to improve the language used in the Bill.

Deputy Pádraig Mac Lochlainn’s amendment No. 91 seeks to add further qualification to the fact of the debtor being insolvent. I am advised by Parliamentary Counsel that the additional words are not necessary to qualify the concept of being insolvent. Sections 53 and 88 of the Bill have been drafted such that the eligibility criteria for entering into a debt settlement or personal insolvency arrangement are objective and factual and not based on opinion. The likelihood
that a person would be able to become solvent in the years following the implementation of an insolvency arrangement is, by its nature, opinion based, if not based on prophecy. Section 50 refers to the personal insolvency practitioner’s statement of opinion, including in regard to the matters set out in section 50(\textit{d}). Section 53 refers to this in subsection \textit{(1)(d)}. In other words, the eligibility criterion under section 53 is that the personal insolvency practitioner has given an opinion under section 50 on the likelihood of the debtor becoming solvent in the next five years. In the circumstance, I cannot accept the Deputy’s amendment.

Government amendment No. 92 proposes to replace subsection 53(\textit{1)(d)} with an improved text setting out the eligibility criteria. It refines the existing text by reference to the provisions of section 50 in regard to the debtor’s financial affairs. The existing text contains provisions already set out in some detail in section 50. Government amendment No. 93, which arises as a consequence of amendment No. 92, proposes the deletion of subsection \textit{(2)} of section 53 as it is no longer required.

Deputy Niall Collins’s amendment No. 94 seeks to add a reference to section 53 to assets necessary for the education of children under 18 years of age. I am advised that the addition of this reference is not consistent with how the debt settlement arrangement process is designed to operate. Section 53 sets out the key eligibility criteria in regard to the insolvency of a debtor to which the debtor and his or her personal insolvency practitioner must have regard in seeking a protective certificate or thereafter negotiating an arrangement offering a certain repayment capacity to creditors. As I explained, it is not likely that creditors would accept assets being put off limits by the device of designating them educational. For this reason, I cannot accept the Deputy’s amendment. In so far as he is anxious to ensure that educational materials used by the debtor or his or her children are exempt, our amendment effectively covers that.

Government amendment No. 134 proposes to replace section \textit{88(1)(f)} with an improved text setting out the eligibility criteria. Similar to amendment No. 92, it refines the existing text by reference to the provisions of section 50 in regard to the debtor’s financial affairs. Government amendment No. 137, which arises as a consequence of amendment No. 134, proposes the deletion of subsection \textit{(2)} of section 88 as it is no longer required. Government amendment No. 137\textit{a} is a technical drafting amendment required to ensure consistency in regard to the terminology used in the Bill.

**Deputy Niall Collins:** I will withdraw my amendment on the basis that it is covered by the Minister’s proposals.

Amendment, by leave, withdrawn.

**Deputy Niall Collins:** I move amendment No. 25:

In page 27, between lines 28 and 29, to insert the following:

“\textit{(ii) one item of jewellery of ceremonial significance of a value not to exceed such amount as may be determined by the Minister by regulation},”.

We had an interesting exchange on this issue on Committee Stage.

At the time, the Minister pointed out that we did not have a value placed on items of jewellery. We are therefore turning it around the other way and are allowing the Minister the opportunity to accept the amendment to place what, in his esteemed judgment, would be a reasonable
valuation to allow people to keep items of ceremonial significance. We are basically talking about people’s wedding rings.

While in this legislation we are discussing personal finance issues which impact on the economy, we must remember that we are also trying to keep a society together. It is also about treating genuine people who are looking to this legislation as an option of last resort to remain with some respect and dignity. I am not trying to be trashy concerning this amendment, which has been table with good intent. That is the spirit in which it is being offered. If the Minister wanted to pick a reasonable valuation we would be happy to go with it. He can do that by way of regulation later.

**Deputy Alan Shatter:** I recall that this seemed to become the only issue that the media had any remote interest in, following the debate on Second Stage.

**Deputy Niall Collins:** That was the Minister’s fault.

**Deputy Alan Shatter:** Everything else disappeared in its entirety and this became the issue. I disagreed with Deputy Collins on Committee Stage for seeking to exempt from the debt relief notice asset test items of jewellery of ceremonial significance. I did so both on the basis that ceremonial significance is very difficult to discern, varying as it might from person to person. In addition, Deputy Collins did not include any limit as to the monetary value. His latest proposal regarding these difficult situations is to require the Minister to determine them by regulation. I note with some interest that he is not proposing any monetary value. I feel that this is a task that neither I nor any Minister would wish to have imposed on them to undertake. I do not think the retention of valuable jewellery is a priority in seeking debt forgiveness under the debt relief notice. It is certainly nowhere near being on a par with the exemption we have agreed in regard to education, which is a very important issue.

My stance on this issue is well known. I do not believe that modest items of jewellery should be required to be sold, unless the debtor wished to do so to repay debt. Many debtors may wish to do so. I am also of the belief that creditors would be unlikely to seek the surrender of low or modestly valued items of whatever significance in an enforcement action prior to any application for the granting of a debt relief notice. I would not expect there is any reality in creditors pressing that issue. However, in seeking a full debt write-off of up to €20,000 a creditor may very likely seek to enforce the surrender of a valuable item of jewellery which could pay some or all of the debt owed - perhaps originally related to the purchase of the very item of jewellery an individual might want to retain as being ceremonially significant. That is the reality of the situation. The debt relief note is not designed to put assets, which are not essential to maintain a basic reasonable living standard, beyond the reach of creditors.

Deputies might be wary of seeking to have anyone, let alone the Minister of the day, set out valuation targets in this area. Perhaps it would be better to remain silent on this issue and assume that creditors would not have any interest in a very modest item - of jewellery, for example - that in practical terms would generate very little money or value of any description should someone seek to force its sale.

While I cannot accept the amendment, I do have some sympathy in this area in the context of items, or at least an item, that is not necessarily ceremonial but of emotional significance to an individual, while being of very modest value. I would ask the Deputies to tell me what is a modest value in circumstances where one is writing off €20,000 of debt. Is a modest value, say,
€200, €300 or €400? The moment a Minister designated a value at any particular level, he or she would be accused of being parsimonious and would be asked why he or she had not added another €200 to it.

It is noticeable that Deputy Collins has not put a value on this. It may well be an issue left to the common sense of individuals in these circumstances, and to their creditors. However, if Deputy Collins wants to suggest to me what the value should be, I will listen to him with interest. I will keep the matter under review in the Seanad when we will still be doing some fine tuning to this Bill. There will be a couple of major Parts to be inserted in the Seanad, which will then have to come back to this House. I will be interested to hear what the Deputy might have to say on the value issue.

Deputy Pádraig Mac Lochlainn: In fairness, I believe this amendment is an attempt to get some common sense into the way the Bill is to be read. If it is left in the hands of what could be an egregious debt resolution process to discuss an engagement ring or a wedding ring, one does not know what a creditor may wish to pursue in the course of that negotiation. We know that engagement rings do not cost €300 or €400; we are getting into thousands of euro in real terms. Unfortunately, those are the societal demands and expectations, so what value can one put on an engagement ring? One could explicitly say - and the way it is worded is spot on - that it is of ceremonial importance. Nobody wants anyone to lose their engagement ring or wedding ring, which is a treasured possession of a family. I urge the Minister to find some way whereby a creditor is not given licence to go after somebody’s engagement ring or wedding ring. It is humiliating to have such a valued possession taken from a family.

Deputy Stephen S. Donnelly: I am with the other Deputies on this. In a council estate in County Wicklow, not far from where I live, sub-prime lenders - legal loan sharks - are lending money for communions to people with very low incomes. I have spoken to a few people in this situation and the debts mount very quickly because the lenders charge ridiculous interest rates. I understand the whole moral hazard idea and that we need to disincentivise that sort of behaviour. However, I can well see a situation where some of these people would go after wedding rings and certainly after engagement rings. We can insert a value, since we have put in a value for everything else. We have put in €60, €400 and €6,000. I will therefore take the bait and suggest, off the top of my head, a value of €500 for a wedding ring. The asset on page 26 of the Bill is €400 or less. That covers the vast majority of wedding rings in the country and also covers a lot of engagement rings in this day and age. If a wedding ring has to be counted towards the sum of €400, anyone who has got a wedding ring on their finger will quickly find themselves unable to use this important mechanism. I will rise to the bait and suggest a figure of €500 or €1,000. I could certainly see a situation based on some of the unpleasant lending practices that are going on in County Wicklow, whereby people will definitely go after engagement rings. I would not put it past them to go after wedding rings either.

Deputy Niall Collins: The Minister is well aware that there is currently a huge trade in precious metals through the cash-for-gold outlets and various pop-up shops that are creeping into towns and villages all over the place. They are accepting precious items for cash, so that will also feed into this. I am not trying to be populist, but it is a question of treating people with respect and dignity. It is not easy to square the circle but perhaps a little more thought from within the Minister’s Department could come up with a figure. As Deputy Donnelly said, the Minister has managed to produce figures on all the other items.

Deputy Alan Shatter: I thank Deputy Donnelly for his clear contribution and raise with the
other two Deputies that they have made a very obscure contribution.

**Deputy Niall Collins:** We are deferring to the Minister’s wisdom.

**Deputy Alan Shatter:** No one wants any individual to be in the circumstances in which he or she needs to use the debt relief notice mechanism in the first instance. Sadly, however, Members know that many people may need to resort to it. I must maintain a responsible balance between debtors and creditors. The media’s concept of a creditor is of an evil financial institution that forced people to take money, that the people gave no thought to it but simply took the money and now this evil financial institution wants to ruin them. That cannot be an issue with a debt relief notice, no matter how much anyone tries to make it so, because of what is involved with a debt relief notice. No doubt Members will come again to deal with the financial institutions and the personal insolvency arrangements. I am highly conscious of the need to facilitate people to preserve a sense of personal dignity. I also am conscious that any type of ring or piece of jewellery can have emotional significance. Something that cost €20 can have, because of the circumstances in which it was purchased, emotional significance, as can something that cost €200,000. The question is: What is reasonable when one is dealing with people of limited assets and limited income with debts of €20,000 or less and creditors, who through no fault of theirs, are owed that money? As for the creditors, I keep reverting to the point that all Members have them in their constituencies and that a lot of work is done by volunteers to the benefit of local communities in credit unions. At what point does one tell someone he or she has an asset that must be used to pay back a debt to a credit union that operates for the benefit of the extended community or to what extent should the extended community and the credit union fund someone’s wish to retain assets and not pay debt?

I am willing to reflect on Deputy Donnelly’s suggestion, whereby one is talking about a single item of jewellery of what I describe as emotional significance, not necessarily ceremonial significance. It may be a modest ring someone has inherited from a deceased grandmother or mother. It may not be ceremonial but it may indeed be emotional. I am willing to give some thought to this at the sort of value level Deputy Donnelly is suggesting. However, I ask other Deputies what value levels they are talking about. I am interested in this from a human perspective, not from a political perspective. Were discretion given to the Minister and were I to make a regulation that specified €500, within approximately half an hour Deputy Niall Collins would have released a statement accusing me of being mean and parsimonious and demanding it should be €1,000. Deputies should indicate what values they are talking about.

**Deputy Niall Collins:** If the Minister is happy to accept a limit of €500----

**Deputy Alan Shatter:** Is the Deputy?

**Deputy Niall Collins:** I am. Is the Minister?

**Deputy Pádraig Mac Lochlainn:** There will be headlines written for tomorrow in which every woman in the country will be aghast that Members have valued their engagement rings at €500.

**An Leas-Cheann Comhairle:** It is a bit late in the evening for headlines but I wish the Deputy well.

**Deputy Alan Shatter:** It is safe, as the Fourth Estate have all departed.
Deputy Alan Shatter: I will conclude by stating I will give further thought to this matter for the Seanad and can give the Deputy that assurance. However, I cannot accept the amendment he has tabled. If this is to be done and addressed, it is to be done at a value level for a single item and not on a general descriptive basis with the Minister having some broad discretion to announce a figure between one euro and €500,000.

Deputy Stephen S. Donnelly: Briefly, I refer to section 24(2)(c), which states “has assets, calculated in accordance with subsection (6), worth €400 or less”. Is the Minister satisfied that if someone has a wedding ring that is worth, for the sake of argument, €500, this will not preclude him or her from the debt relief notice? I ask because section 24(6) refers to “property (real and personal)”. If this amendment potentially is to be considered, will there be a necessity to put something in there that would preclude it from being accounted part of the aforementioned €400?

Deputy Alan Shatter: I can assure the Deputy that I will consider the connectivity between the issues. While I am not stating categorically that I will do this, I will give it serious thought, now I finally have a figure to which Members on the other side of the House are agreeable and that may not be unreasonable in the overall context of what I am trying to achieve.

Deputy Niall Collins: I accept what the Minister is saying and everyone must acknowledge he has come a long way since the Committee Stage debate. Deputy Donnelly’s proposal is acceptable to me and as Fianna Fáil’s press officer is off-duty at present, the Minister is okay in that regard. However, I ask the Minister to give consideration to this matter because it pertains to people’s respect and dignity. I am not trying to be populist or political about it.

Amendment, by leave, withdrawn.

An Leas-Cheann Comhairle: As for amendment No. 26, amendment No. 27 is an alternative and amendments Nos. 28 and 29 are related. Amendments Nos. 26 to 29, inclusive, will be discussed together.

Deputy Niall Collins: I move amendment No. 26:

In page 27, to delete line 32 and substitute the following:

“(I) is appropriate to the needs of the debtor or the debtor’s family,”.

Again, this pertains to the value of the motor vehicle in the context of valuing people’s assets. The amendment proposes that the vehicle should be viewed as appropriate to the needs of the debtor and the debtor’s family. Car requirements for a two-member family would differ from the requirements appropriate to a family of five or six people. Moreover, the Road Safety Authority has a view on the type of vehicle one would need to carry a family of five or six, as opposed to a family of two or three. If Members take the route of reasonableness and common sense espoused by the Minister in some of the earlier discussions - as they must because one must adopt a practical commonsensical approach - and if they intend to allow the insolvency service of Ireland an amount of discretion through the process, the Minister should seriously consider this amendment. At present, the limit is arbitrary and one could go to two or three different garages along the Long Mile Road and get a different valuation for a car from each. However, the overriding principle here concerns what is deemed appropriate for a family’s
needs. It should be a small car for a small family and a larger car with greater seating capacity for a larger family. Moreover, one could have elderly dependants, disabled people and so on. At this point, the Minister is familiar with the argument I am making.

**Deputy Pádraig Mac Lochlainn**: Sinn Féin’s argument is along similar lines and obviously, we chose a monetary value of €3,000 in this regard. I am conscious that Deputies Niall Collins and Donnelly both represent considerable rural areas in their constituencies. I can only speak of County Donegal where, in vast swaths of the country, given the absence of an adequate public transport infrastructure, one must have a car to function as a family in real terms if one wishes to get by and to work. The imposition of a valuation of €1,200 on a vehicle is extremely limited and invites creditors to take a car that would be appropriate. I believe the terminology used in Deputy Niall Collins’s amendment probably is a better way to phrase this than as a monetary value. A car that is appropriate to a family’s needs could be taken from them and they could be obliged to get one that breaks down regularly. As for the limit of €1,200, as someone who has owned a car with such a valuation in County Donegal, I can assure the Minister that I often was stuck at the side of the road making telephone calls looking for someone to give me a tow and that is no way to get by. Consequently, I believe this is about common sense and coming to an arrangement that does not punish people, particularly in rural areas, or make life unbearable as this is not what Members are trying to achieve in this regard.

**Deputy Alan Shatter**: Amendments Nos. 26 and 27 are quite similar in seeking to raise the value in the context of the qualifying criteria.

Debate adjourned.

The Dáil adjourned at 10 p.m. until 10.30 a.m. on Wednesday, 7 November 2012.