



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Céadaoin, 28 Samhain 2012

Wednesday, 28 November 2012

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

Paidir.
Prayer.

Leaders' Questions

Deputy Micheál Martin: The past 12 months have not been good for people with disabilities. It has been a year of cutbacks, fear, anxiety, worry, frustration and anger. The anger is mainly directed at the Government and those in authority who do not seem to realise the impact of cuts on the ground for people with disabilities. We are hearing this loud and clear from parents across the country on a continuing basis. There are several areas I wish to highlight where this is being felt the most.

Across the country, despite official rhetoric, special needs assistance has been cut from schools and children have lost their special needs assistants. For young people with disabilities who leave school, there is no guarantee of placement for them at the end of this year and there was none last year. About 700 people with disabilities came out of school last year and it will be the same figure this year. It is a sad indictment on our society-----

Deputy Eric Byrne: It is a sad indictment on Fianna Fáil and its years in power.

Deputy Micheál Martin: -----that the only children that cannot be guaranteed a place coming out of school are young people with disabilities.

Deputy Emmet Stagg: It was Fianna Fáil that was in power.

An Ceann Comhairle: The Deputy without interruption.

Deputy Micheál Martin: Yes, when we were in power there was continuing demographic-----

Deputy Derek Keating: Fianna Fáil created the chaos. Deputy Martin has some neck.

An Ceann Comhairle: The Deputy without interruption.

Deputy Emmet Stagg: What provision did Fianna Fáil make for this area when it was in power?

Deputy Micheál Martin: There was provision. That is the point. Demographic funding was an ongoing provision for young people leaving school with special needs. They were provided a place which in total came to €20 million per annum. The Health Service Executive, HSE, has confirmed that such funding has been gotten rid of.

I want to take the case of Emma, a young girl, 19 years of age, with severe autism and severe epilepsy. She needs a full-time residential placement. The officials in the HSE could not help the mother or the family in this case.

An Ceann Comhairle: Thank you, Deputy.

Deputy Micheál Martin: The HSE officials told the mother that they were not in a position to provide additional funding for school leavers in 2012. The Minister confirmed that to me in writing.

Deputy Eric Byrne: Because Fianna Fáil bankrupted the country.

Deputy Finian McGrath: It will be getting worse in the next couple of weeks.

Deputy Micheál Martin: There has been a ruthless review of the domiciliary care allowance, particularly in so far as it applies to children with autism. Up to 60% of all applications for domiciliary care allowance in the first six months of this year were refused. Up to half of applications for children with autism were refused. I want to cite a case of a young child called Alex-----

An Ceann Comhairle: No, Deputy, you cannot. It is Leaders' Questions. Would you please put a question?

Deputy Micheál Martin: This is an important point.

An Ceann Comhairle: I know that but you are over time.

Deputy Micheál Martin: I will finish it quickly. His is a case of severe social impairment, challenging behaviour, speech delay, he has been described as a flight risk and requires constant supervision. The Department of Social Protection stated this child is not entitled to a domiciliary care allowance. Will the Taoiseach accept there was a lack of basic funding in last year's budget for people with disabilities, particularly young people with disabilities?

An Ceann Comhairle: Thank you, Deputy

Deputy Micheál Martin: Will he ensure adequate funding for school placements next year?

The Taoiseach: No, I do not accept that. The Minister of State, Deputy Kathleen Lynch, has pointed out that €1.4 billion is provided in this area. I make the point to Deputy Martin that we should be very grateful to the service providers who do an extraordinary job with limited circumstances. There has never been a guarantee like he speaks of for children in this area. I do not know the case of the young person with autism to which he is referring.

Deputy Finian McGrath: There will be lots more.

The Taoiseach: One can always find cases like this that are individual, sensitive and important. The Deputy should let me have the details of this case.

Deputy Finian McGrath: There were 3,000 parents protesting outside Leinster House last week.

The Taoiseach: I must point out to Deputy Martin, however, that there was never a guarantee for placements in these cases. Up to €1.4 billion is provided in this health area. The service providers in this area do an extraordinary job and are proving they can do so much more with less. If Deputy Martin so wishes, he can send the details of this particular case of an autistic young person to the Minister directly and we will see the response. I listened to a case this morning of a claim that grants for a particular school had been terminated completely when in fact there are many options open to the school to deal with this.

Deputy Micheál Martin: With the greatest respect, the system knows this case very well. I did not raise it this morning so that the Taoiseach could take another file from me just to process it back around again. This is a familiar response from the Taoiseach when we are raising issues of systemic importance.

The Taoiseach: Do you want me to solve it?

Deputy Mattie McGrath: It is a merry-go-round.

Deputy Brendan Howlin: Mattie, you were part of ruining the country.

The Taoiseach: Do you want it solved or not?

Deputy Micheál Martin: The issue here is a decision by the Government to get rid of the annual demographic funding that was provided for young people with special needs who left school. In the case to which I referred, the HSE representatives stated they had not received any demographic funding for new residential places in 2011 and 2012 and, therefore, they were not in a position to fund a full-time residential placement or shared care placements at the present time.

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

Deputy Micheál Martin: That is the root of the issue. It was summed up by a parent who wrote to me on this. Parents of children with disabilities are angry because normally at age 18 all students from-----

An Ceann Comhairle: I must remind the Deputy again that this is Question Time. Will you please put your question?

Deputy Micheál Martin: -----the school go on to placements. Children without special needs can move on to placement. It is the children with special needs who seem to have the largest problem getting placements. This can be dealt with and resolved.

An Ceann Comhairle: Thank you, Deputy.

Deputy Micheál Martin: Last year, the Minister of State, Deputy Kathleen Lynch, was boasting that she got rid of the demographic funding and the service providers were in a position to cope.

Deputy Kathleen Lynch: I was not boasting.

Deputy Micheál Martin: The service providers are not in a position to cope.

An Ceann Comhairle: Thank you, Deputy.

Deputy Micheál Martin: They are telling people and every Member this. We know it from the parents of the children who are coming to talk to us.

An Ceann Comhairle: Deputy, will you please adhere to the Chair and put your question?

Deputy Micheál Martin: I am asking the Taoiseach to sort out the broader problem and issues so as to avoid this targeting of people with special needs both in school placements and the application of the domiciliary care allowance. The most dreaded word for parents of children with disabilities is “review”. Once they see that word-----

An Ceann Comhairle: Deputy, I will not ask a third time. Will you please resume your seat?

Deputy Micheál Martin: -----they get very angry and fearful because it means special and ruthless targeting of people with special needs.

An Ceann Comhairle: Resume your seat, Deputy.

Deputy Kathleen Lynch: This is all because of the bank guarantee.

Deputy Arthur Spring: Deputy Martin should review how we got here.

Deputy Robert Dowds: If Fianna Fáil had not messed up the country-----

An Ceann Comhairle: Deputies, there is a time limit on this debate.

(Interruptions).

An Ceann Comhairle: Deputies, thank you.

(Interruptions).

Deputy Finian McGrath: The Deputies opposite need to take a bit of responsibility. They are cutting services.

Deputy Joe Costello: Deputy Finian McGrath supported the last Government.

An Ceann Comhairle: Thank you.

Deputy Joe Costello: Deputy Finian McGrath was part of the support mechanism.

An Ceann Comhairle: Will the Deputy, please, allow the Taoiseach to finish? This is Leaders’ Questions, not statements.

Deputy Pat Rabbitte: In fairness, Deputy Finian McGrath jumped ship.

Deputy Mattie McGrath: The Minister is getting shifty, too.

The Taoiseach: Deputy Micheál Martin speaks about targeting people individually. He has raised the case of an autistic child who needs a placement. If he wants that problem to be solved or investigated properly, I invite him to send me the details.

Deputy Micheál Martin: I sent the details to the Minister.

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The Taoiseach: The Deputy should note that €1 million has been allocated from the disability budget for autism services, specifically those dealing with these cases. He tells us that we should not target people, yet he raises a particular case in the House.

Deputy Micheál Martin: The Minister of State, Deputy Kathleen Lynch, knows that they do not have the money.

The Taoiseach: If the Deputy wants to have that case examined, I invite him to send us the details to we see what can be done.

Deputy Micheál Martin: I want the system to be changed and it can be.

The Taoiseach: Persons with a disability, despite the economic circumstances we face, have been better protected than any other sector. There are always cases.

Deputy Micheál Martin: The fund was wiped out in its entirety.

The Taoiseach: The Deputy seems to assume that he is the only one who has access to the people concerned. I am told their stories every day of the week, as everyone else here knows.

Deputy Micheál Martin: No, I do not.

The Taoiseach: Unfortunately, these cases are the fallout from the bank guarantee and the legacy with which we have to deal.

Deputy Micheál Martin: That is rubbish. The Taoiseach got rid of demographic bodies.

The Taoiseach: In this case the Minister of State at the Department of Health, Deputy Kathleen Lynch, has €1 million from the disability budget to deal with autistic cases alone. The Deputy is well aware that an independent review is being carried out of the service providers dealing with the case he mentioned.

Deputy Micheál Martin: That is frightening.

Deputy Finian McGrath: The Government is cutting the disability budget.

Deputy Kathleen Lynch: We might take away the allowance of €42,000.

An Ceann Comhairle: We are over time. I call Deputy Pearse Doherty on behalf of Sinn Féin.

(Interruptions).

Deputy Finian McGrath: The Minister of State is cutting the disability budget. She is doing it.

An Ceann Comhairle: Will the Deputy, please, respect the Chair? I have called Deputy Pearse Doherty.

Deputy Finian McGrath: The Minister of State is cutting services for people with disability who have a right to them.

An Ceann Comhairle: The Deputy will be leaving the Chamber in one minute.

Deputy Finian McGrath: I am not accepting it.

An Ceann Comhairle: Will the Deputy, please, resume his seat?

Deputy Finian McGrath: No way, a Cheann Comhairle. I am not accepting it.

An Ceann Comhairle: The Deputy will leave the House.

Deputy Finian McGrath: This is not a real republic because the Government is slashing services.

An Ceann Comhairle: The Deputy will leave the House.

Deputy Finian McGrath: No, a Cheann Comhairle, I will not, not until the Minister puts it right.

An Ceann Comhairle: I told the Deputy to leave the House.

Deputy Finian McGrath: I am defending the rights of people with a disability against the cuts. The Labour Party is against me.

An Ceann Comhairle: I am asking the Deputy again to leave the House. Out, please. Any more messing and the same treatment will apply. This has become a total sham.

Deputy Mattie McGrath: Make sure that you are fair with it.

An Ceann Comhairle: The Deputy will be next if he is not careful. Deputy Pearse Doherty to continue, without interruption.

Deputy Pearse Doherty: Next week the Government will introduce a budget in which it will heap additional hardship on low and middle income families throughout the State.

Deputy Emmet Stagg: Will the Deputy circulate his script?

Deputy Pearse Doherty: At the centre of the budget-----

(Interruptions).

Deputy Mattie McGrath: Out, out, out.

An Ceann Comhairle: Please, Deputies.

Deputy Pearse Doherty: Next week the Government will introduce a budget-----

An Ceann Comhairle: This is live on television. Will Deputies, please, give some example to the rest of the community watching?

Deputy Pearse Doherty: For the third time, next week the Government will introduce a budget which will impact heavily on those on low and middle incomes. A central part of the budget proposals will be a property tax, a charge on the family home. We know that many people will simply be unable to afford to pay this charge.

A Deputy: It will be like being in Belfast.

Deputy Pearse Doherty: Last week the Minister for Finance, Deputy Michael Noonan, in-

dicated or announced to me in a reply to a parliamentary question that 13 Ministers had claimed a second home tax break known as the dual abode allowance. The Taoiseach will be aware that this tax break is exclusively for Ministers and officeholders. Those from outside Dublin are allowed to write off €6,500 against their income tax bill if they have a second home in Dublin without having to provide a single receipt. If they do not have a second home in Dublin and stay in a hotel, they can write off against their income tax bill €3,500 for having their laundry done and without having to provide a single receipt.

Deputy Brendan Howlin: Absolutely not.

Deputy Pearse Doherty: When the Taoiseach was in opposition and Deputy Micheál Martin and his gang were availing of this lavish tax break, the Taoiseach promised to abolish it. Since he has taken office, far from abolishing it, we have seen the cost increase by 30% to €112,000.

An Ceann Comhairle: Will the Deputy, please, put his question?

Deputy Pearse Doherty: Is the Taoiseach one of the 13 Ministers availing of this tax break? Which of his ministerial colleagues are availing of it? How can he justify it to people at home who fear the introduction of the Government's property tax on their family home when 13 of his Cabinet colleagues are writing off against their income tax bill the cost of a second home in Dublin?

(Interruptions).

The Taoiseach: The fact of the matter is that the Deputy claims the overnight allowances to which he is entitled. They are a multiple of what any Minister who does not receive overnight allowances would claim. Most Ministers are in Dublin four or five nights a week, depending on their schedule or duties. The matters mentioned by the Deputy are part of what the Government is considering in respect of the budget which, as he is aware, that will be presented by the Minister for Finance next week.

Deputy Pearse Doherty: First, this is not an allowance. Ministers must write to the Revenue Commissioners to ask that their income tax bill be written down by an amount that can be up to €6,500 in unvouched expenses.

Deputy Brendan Howlin: No.

Deputy Pearse Doherty: I will outline what it includes.

An Ceann Comhairle: I am sorry, Deputy, this is Leaders' Questions. Will the Deputy, please, put a question?

Deputy Pearse Doherty: This is my question. If a Minister decides to buy a house in Dublin, all of the mortgage interest will be written off against his or her income tax bill. His or her solicitor's fees will be written off against his or her income tax bill.

An Ceann Comhairle: Will the Deputy, please, put his question?

Deputy Pearse Doherty: His or her auctioneer's fees will be written off against his or her income tax bill. No one knows whether the Taoiseach is one of the 13 Ministers who have availed of this tax break. How many Ministers have availed of the €3,500 deduction for the

purposes of having their laundry done because they stay in a hotel or guesthouse? The people deserve clarity and openness.

Deputy Patrick O'Donovan: The Deputy claims expenses.

Deputy Pearse Doherty: All of the expenses paid to Deputies are published on the Oireachtas website. At this point no one knows the 13 Ministers who are reducing their income tax bill by this scheme which the Taoiseach when in opposition promised to abolish when the other gang was availing of it.

(Interruptions).

An Ceann Comhairle: I will not ask the Deputy again. Will he, please, stay quiet and stop shouting across the House? It is ridiculous. No one can hear what is going on. Will the Taoiseach try to reply, please?

The Taoiseach: Deputy Pearse Doherty has made a statement. Ministers are entitled to an allowance of €6,000 which they can claim at the 41% tax rate, which works out at approximately €3,500. As a rural Member, the Deputy is in a position to claim approximately €30,000 or more, depending on what his overnight allowance figures are.

Deputy Brendan Howlin: It is more than that.

Deputy Pearse Doherty: No Deputy is allowed to reduce his or her income tax bill.

(Interruptions).

The Taoiseach: I do not know what Deputy Martin Ferris is claiming, but Deputy Pearse Doherty is referring to two very different things.

Deputy Pearse Doherty: Perhaps the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, is availing of it.

An Ceann Comhairle: I call Deputy Thomas Pringle.

Deputy Pearse Doherty: Hands up those who are availing of it.

Deputy Thomas Pringle: During the past year we have heard about hospitals in Dublin refusing treatment to patients nationwide because they are not from within the catchment area. At times the treatment sought is so specialised that it has not been available outside Dublin. We have also seen that services in hospitals are kept below a line running from Galway to Dublin. Citizens living to the north and north west are being forced to travel long distances to access treatment. I wish to raise an issue which does not concern the provision of highly specialised treatment. For a modest investment the Government could make the lives of more than 100 children easier and save the health service multiples of the cost in the future. In September Diabetes Ireland submitted a business case to the HSE for the provision of insulin pump services for children at Letterkenny General Hospital. At an estimated cost of €95,000, insulin pump services could be provided for the 138 children who access diabetes care services in Letterkenny. Currently, 20 families must travel to Dublin, which journey takes five to six hours, to access care. For many, the decision in terms of the logistics and costs involved in travelling to access treatment is a difficult one. The priority of Government should be the provision of equal access to treatment for patients. Where one lives in the country should not be the deciding

factor in whether one gets treatment. Some 50% of children with diabetes develop long-term complications. Properly controlling insulin levels in childhood can reduce the long-term effects of the condition. This investment will have long-term benefits for the health budget and will improve the quality of life of sufferers.

Deputy Eric Byrne: Does the Deputy intend asking a question?

Deputy Thomas Pringle: Will the Taoiseach accept that this investment will save money in the long term through a reduction in the risk of complications from diabetes and will he ensure budget 2013 makes provision for insulin pump therapy for children in Donegal through Letterkenny General Hospital and in other regional areas identified by the expert advisory group?

The Taoiseach: The incidence of diabetes is of growing concern and importance. When listening to the proceedings of a recent meeting of the Joint Committee on Health and Children I heard the chief medical officer from the Department of Health say that the number of diabetics in this country will increase to 250,000 over the next couple of years and that this could be prevented through education, diet and activity. Deputy Pringle will have heard expressed this morning the growing concern about the levels of obesity here and the associated costs of addressing the consequences in that regard. There is no legal basis for treatment based on catchment areas. The Minister has advised all hospitals of this. I do not know the details of the facility in Letterkenny of which the Deputy speaks. However, as a result of action taken by the Minister and HSE there are now 800 fewer children on waiting lists, some of whom are in the category referred to by the Deputy. The new emergency department in Letterkenny General Hospital is now open and roll-out has commenced of a diabetes programme which involves the recruitment of 17 nurse practitioners, which will be of assistance in addressing this issue.

I acknowledge that it is difficult for parents to have to travel long distances to access treatment for their children. I have seen them in Our Lady's Hospital for Sick Children in Crumlin over many years. It is hoped the recruitment of the 17 nurse practitioners will have an impact. As I said, the Minister has already informed all hospitals that there is no legal basis for confinement based on catchment area. I hope this will improve the position for the parents of the children of whom the Deputy speaks.

Deputy Thomas Pringle: I thank the Taoiseach for his reply. This is not about catchment areas, rather it is about the making of a small investment in a regional hospital, which would save multiples of that invested in the future. It is also about budgeting within the HSE. Investment of a small amount of money now will result in large savings in the years to come. I believe the Government should be able to make this decision in the context of budget 2013. The Government needs to provide this funding which will ensure easy accessibility of services for people and will result in long term health benefits. It would also contribute to a reduction of €1.1 billion in the cost of treatment of obesity, which issue was mentioned by the Taoiseach in his reply. These small investments need to be made to ensure services are provided and savings are achieved. In a budgetary context, this is what should be important and should be the consideration.

The Taoiseach: One of the issues that has arisen from the North-South Ministerial Council programme is the extent of cross-Border co-operation and activity in a range of areas, including transport, education, business and health. I know from the last meeting held in Armagh that the Minister, Deputy Reilly, has had a number of meetings with the Minister for Health, Social Services and Public Safety in Northern Ireland, Mr. Poots, MLA to discuss the effectiveness of

cross-Border co-operation at a number of facilities, including between Altnagelvin hospital and Letterkenny General Hospital and the new South West Acute Hospital in Enniskillen with Sligo General Hospital.

I am not sure whether the Deputy is calling for the provision of a new facility or treatment area at a cost of €95,000 or whether that figure relates to personnel. The HSE programme may have a proposal in this regard, which may be enhanced by way of co-operation between the HSE and the authorities in Northern Ireland and between the Minister for Health, Deputy Reilly and Minister for Health, Social Services and Public Safety, Mr. Poots, MLA. I assume the matter raised by the Deputy can be followed through. The amount referred to by him is small. It may be that co-operation in terms of addressing the problem mentioned by the Deputy already exists or is under way. Perhaps Deputy Pringle would raise the issue directly with the Minister, who will be able to advise him what is happening in that regard or of the exact plans of the HSE to deal with the particular issue raised by him.

Order of Business

The Taoiseach: It is proposed to take No. 11*a* - Membership of Committees; No. 19 - Statements on the European Council, Brussels; No. 20 - Credit Union Bill 2012 - Order for Report, Report and Final Stages; and No. 18 - Electoral (Amendment) (Dáil Constituencies) Bill 2012 - Second Stage (resumed).

It is proposed, notwithstanding anything in Standing Orders, that: (1) in the event that a division is in progress at the time fixed for taking Private Members' business, which shall be No. 37 – Medical Treatment (Termination of Pregnancy in Case of Risk to Life of Pregnant Woman) (No. 2) Bill 2012 – Second Stage (resumed), the Dáil shall sit later than 9 p.m. and Standing Order 121(3) shall not apply and Private Members' business shall, if not previously concluded, be brought to a conclusion after 90 minutes; (2) No. 11*a* shall be decided without debate; (3) the proceedings on No. 19 shall, if not previously concluded, be brought to a conclusion after 85 minutes and the following arrangements shall apply: (i) the statements shall be made by the Taoiseach and by the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group, who shall be called upon in that order and may share time and shall not exceed 15 minutes in each case; (ii) a Minister or Minister of State shall take questions for a period not exceeding 20 minutes and (iii) a Minister or Minister of State shall be called upon to make a statement in reply, which shall not exceed five minutes; (4) the Report and Final Stages of No. 20 shall, if not previously concluded, be brought to a conclusion at 7.30 p.m. tonight by one question, which shall be put from the Chair, and which shall, in relation to amendments, include only those set down or accepted by the Minister for Finance.

An Ceann Comhairle: There are four proposals to be put to the House. Is the proposal for dealing with Private Members' business agreed to? Agreed. Is the proposal for dealing with No. 11*a*, motion re Membership of Committees, without debate, agreed to? Agreed. Is the proposal for dealing with No. 19 - statements on European Council, Brussels, agreed to? Agreed. Is the proposal for dealing with No. 20 - Credit Union Bill 2012 - Order for Report, Report and Final Stages agreed to?

Deputy Pearse Doherty: It is not agreed. It is unlikely all of the time provided for Report

Stage of the Credit Union Bill 2012 will be required as the Minister engaged fairly on it on Committee Stage, when he indicated he would be bringing forward additional amendments on Report Stage. The practice of imposing a guillotine is wrong and should be stopped. There is no need to provide for a guillotine in respect of Report Stage of this Bill. On that basis, on a point of principle Sinn Féin is opposed to the guillotine of this Bill. The guillotine will not be required. This practice is being used too often by Government.

The Taoiseach: I have objected to the use of the guillotine on many occasions. The guillotine has been provided because the Credit Union Bill 2012 must go before the Seanad next week. It may well be that the guillotine will not be necessary because of, as the Deputy said, the Minister's fair engagement on the Bill on Committee Stage. It is provided for in the event that it may be required because the Bill must go before the Seanad next week. If Members are prepared to conclude within the time allowed, the guillotine will not be used. It is included as a safeguard because the Bill has to go before the Seanad next week.

Question, "That the proposal for dealing with No. 20 be agreed to", put and declared carried.

Deputy Micheál Martin: The Minister for Transport, Tourism and Sport, Deputy Varadkar, has given a commitment on forthcoming legislation that people who genuinely cannot pay the property tax will be eligible for a waiver or can have it attached against the value of their property. When can we expect legislation to provide a property tax? Also, will the legislation promised by the Minister, Deputy Varadkar, on the provision of a waiver system be separate legislation or will the waiver system be attached to the legislation introducing the property tax?

11 o'clock

On a second matter, I ask the Taoiseach to indicate to the House the arrangements for the Supplementary Estimate for the Department of Health. There was a very flawed Estimate last year, as we know, and an additional sum of approximately €400 million is needed. When will that be brought before the House and will the Government allow time for a debate on the Supplementary Estimate?

The Taoiseach: The Government has not signed off on the question of the property tax yet. That will be a matter for presentation-----

Deputy Micheál Martin: Sorry, but could the Taoiseach repeat that please?

The Taoiseach: The Government has not signed off on the details of the property tax yet. That will be a matter for presentation in the budget next week. Bilateral discussions are still being conducted by the Minister for Public Expenditure and Reform and each individual Minister. These have not been fully signed off either so I cannot give the Deputy a date for the conclusion of the discussions between the Minister for Health and the Minister for Public Expenditure and Reform. The Deputy can take it, however, that there will be ample time for discussion on all aspects of the budget, including the Estimate for the Department of Health.

Deputy Micheál Martin: My question relates to the Supplementary Estimate for this year which the Minister for Public Expenditure and Reform has indicated will be necessary for the Department of Health.

The Taoiseach: As I said, the current position-----

Deputy Micheál Martin: Sometimes the motions are put without debate. Supplementary

Estimates can be taken without debate but I am putting a marker down-----

Deputy Jerry Buttimer: The Supplementary Estimate will be discussed at the meeting of the Select Sub-Committee on Health tomorrow at 9.30 a.m.

Deputy Micheál Martin: I am not talking about committees but about a plenary session of the Dáil. Can we have a debate on the Supplementary Estimate for the Department of Health?

Deputy Jerry Buttimer: The Fianna Fáil spokesperson on health is aware of the agenda for the committee meeting.

The Taoiseach: As Deputy Martin knows, Supplementary Estimates are always referred to the relevant committees and as Deputy Buttimer has pointed out-----

Deputy Micheál Martin: I am requesting that the Estimate be debated in plenary session in the House.

An Ceann Comhairle: We are not having a discussion on this now.

The Taoiseach: Deputy Buttimer, as Chairman of the committee, has pointed out that the facility to debate the Supplementary Estimate will be available at the meeting of the Select Sub-Committee on Health, which Deputy Martin is entitled to attend if he wishes.

Deputy Micheál Martin: As leader of the Opposition, I am asking for Government time, in a plenary session of the Dáil, to discuss the Supplementary Estimate for the Department of Health.

The Taoiseach: We have lots to do in government.

Deputy Micheál Martin: I beg your pardon?

The Taoiseach: We have lots to do with Government time.

Deputy Micheál Martin: Does that mean the Taoiseach will not provide time for a debate on the Supplementary Estimate?

The Taoiseach: The Fianna Fáil spokesperson on health will have the opportunity to attend the committee meeting and make his case there.

Deputy Micheál Martin: Deputy Kelleher, my party's spokesperson on health, has just indicated that he was given a commitment that the Supplementary Estimate would be discussed in the Dáil Chamber.

An Ceann Comhairle: I suggest that the Whips discuss this issue. We cannot have a debate about it now.

Deputy Pearse Doherty: I ask the Taoiseach to clarify the position regarding the property tax. He mentioned previously that the legislation would be published on budget day. Is that still the case? I also ask him to update us on the health amendment Bill, which proposes to provide free GP services. When is it likely to be published and debated in the Dáil? The programme for Government committed to providing free GP care for claimants under the long-term illness scheme in the first year of Government but we are already nine months behind that target. When will it be delivered and what is causing the delay?

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I welcome the publication yesterday of the report of the expert group on the judgment in *A, B and C v. Ireland*. I ask the Taoiseach to indicate whether the report will be debated in the Dáil next Tuesday and on another day next week. I suggest, given the importance of the issue and also the fact that we will have the budget next week, which should dominate discussions here, that he convene the Parliament on Monday. Sinn Féin would be happy to facilitate that so that we can have a dedicated discussion on the expert group report on Monday and Tuesday, because the rest of the week will be taken up with budgetary matters, as will much of the following week. I urge the Taoiseach to consider convening the Parliament on Monday so that we can discuss the report properly.

The Taoiseach: It is a matter for the Whips to make arrangements for the discussion on the expert group report. I have already said that ample time will be provided for Members to discuss the report and the Whips will work out the detailed arrangements.

The health amendment Bill referred to by the Deputy is being drafted by the Parliamentary Counsel.

In response to what Deputy Martin said earlier, I cannot recall the Minister for Transport, Tourism and Sport, Deputy Varadkar, promising any waivers in respect of the property tax. This will be part of the budgetary process and it will be up to the Minister for Finance to set out the schedule for the legislation to deal with it. I am sure he will do that next week.

Deputy Pearse Doherty: I seek clarification because the Taoiseach said previously that the property tax Bill would be published on budget day. Is that now off the agenda? Will the legislation be published next week?

The Taoiseach: The Minister will set out the schedule as part of the budgetary process next week.

Deputy John O'Mahony: In light of the fact that funding of LEADER projects in north-east Mayo has been suspended pending the outcome of an investigation, is legislation promised on how LEADER funding is to be distributed? This is an urgent matter which I have tried to raise on numerous occasions in the last three weeks with no success. There are many community groups waiting for funding and I ask the Taoiseach to address the matter urgently.

The Taoiseach: Deputy O'Mahony is referring to a specific location in Mayo where an investigation is ongoing. The Minister for the Environment, Community and Local Government has already set out his views in respect of the changing of responsibilities in that regard. I will follow through on the specific question raised by Deputy O'Mahony regarding the investigation taking place in a LEADER area and will advise him in due course.

Deputy Jerry Buttimer: In light of the holding of The Gathering in 2013, could we have an outline from the Government on the role of the Dublin Airport Authority-----

An Ceann Comhairle: Not on the Order of Business, Deputy Buttimer.

Deputy Jerry Buttimer: It is important-----

An Ceann Comhairle: We do not deal with The Gathering on the Order of Business.

Deputy Jerry Buttimer: It is important in terms of aviation policy.

An Ceann Comhairle: The Deputy is entitled to ask about promised legislation.

Deputy Jerry Buttimer: In regard to aviation policy-----

An Ceann Comhairle: No, Deputy. I must be fair to everybody here. Deputy Buttimer is out of order. Sorry about that.

Deputy Mattie McGrath: The Deputy can discuss it at his committee meeting tomorrow morning.

Deputy Jerry Buttimer: It is contained in the legislative programme for 2012 to 2013.

An Ceann Comhairle: What is contained in the legislative programme? The Gathering?

Deputy Jerry Buttimer: My question for the Taoiseach is very specific. It concerns the role and composition of the Dublin Airport Authority, with particular reference to Cork Airport, which has lost 12 airlines in the last 12 months-----

An Ceann Comhairle: One second, please, Deputy Buttimer. You are really abusing the process.

Deputy Jerry Buttimer: What is the Government's plan in that regard?

An Ceann Comhairle: The Taoiseach is not answering that question because it has nothing to do with promised legislation.

Deputy Jerry Buttimer: It is related to legislation.

An Ceann Comhairle: The Deputy should not try to cod me. I call Deputy Higgins.

Deputy Joe Higgins: I ask the Taoiseach to clarify the legislative timescale for his property tax. He said the Government had not yet signed off on it and mentioned that some details would be given on budget day, but I understood from the Minister for Finance that there would be stand-alone legislation on the property tax. Is that legislation finalised and when will it be introduced in the Dáil? A second related point concerns the obnoxious proposals being mooted that social welfare recipients-----

An Ceann Comhairle: One moment, please, Deputy Higgins.

Deputy Joe Higgins: -----will have their property tax deducted at source.

An Ceann Comhairle: We are not getting into the detail now, Deputy Higgins.

Deputy Joe Higgins: If such an obnoxious proposal is introduced, will it be announced on budget day or will it also be stand-alone legislation?

An Ceann Comhairle: I would appreciate the Deputy's co-operation here. I ask the Taoiseach to clarify the position on the property tax for Deputy Higgins.

The Taoiseach: I confirm again that the Government has not signed off on the full range of details concerning the property tax. The Minister will make his announcement in that regard during his budget presentation and he will set out the schedule for dealing with the property tax as part of the legislative agenda.

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Deputy Bernard J. Durkan: Company law is an issue that remains to be dealt with. In view of that, when it is expected that the companies miscellaneous provisions Bill will come before the House? Have the heads of the Bill been discussed yet and is the legislation expected close to or long after the originally anticipated date?

The Taoiseach: As I understand it, the companies Bill will be published in the next number of weeks.

Deputy Mattie McGrath: In the context of the proposed amalgamation of the National Consumer Agency and the Competition Authority, as provided for in the consumer and corporate Bill, the concrete industry-----

An Ceann Comhairle: What is the name of the Bill to which the Deputy referred?

Deputy Mattie McGrath: The consumer and corporate Bill. It concerns the amalgamation of two toothless authorities. The Government is planning to put the two of them together, which is like breeding a jennet off an ass.

An Ceann Comhairle: The Deputy will have a chance to discuss the matter when the Bill is before the House.

Deputy Mattie McGrath: I really mean that. It is a complete waste of time.

An Ceann Comhairle: I ask the Taoiseach to indicate when the aforementioned Bill is due before the House.

Deputy Mattie McGrath: The racket that is going on in the concrete industry is unbelievable. It is one of the biggest scandals to hit this country-----

An Ceann Comhairle: I understand and I will get the information the Deputy is seeking.

Deputy Mattie McGrath: -----in 40 years.

An Ceann Comhairle: Deputy McGrath can say all of that and more when the Bill comes before the House.

The Taoiseach: The consumer and competition Bill is being drafted at the moment. It is on the A list but I am not sure it will make it through before the end of the year.

An Ceann Comhairle: The Deputy will have to hope it makes the cut.

Deputy Mattie McGrath: I must live in hope, eternal hope.

Deputy Michael Healy-Rae: I ask the Taoiseach about the highly questionable practice by the HSE of engaging minors to carry out test purchases in shops.

An Ceann Comhairle: What legislation does the Deputy's question concern?

Deputy Michael Healy-Rae: The Public Health (Tobacco) (Amendment) Bill.

The Taoiseach: Work is ongoing on the tobacco Bill at present.

Deputy Barry Cowen: Further to the Taoiseach's response regarding legislation on the proposed property tax, it is envisaged that the legislation will follow the Cabinet's discussion

of the Thornhill report. Has that report been furnished to the Cabinet and will it be published when the legislation is proposed? I would like to think that the report has been with the Cabinet for some time now, based on the negotiations that are taking place between the Department of Social Protection and Revenue on the collection of property taxes.

The Taoiseach: Deputy Cowen will be aware that the Revenue Commissioners were asked to set out the structure and mechanics of how a property tax might operate. I expect that the Thornhill report will be published once the Government has signed off on the details of the property tax. The Minister for Finance will set out that schedule.

Deputy Barry Cowen: When did the Cabinet get the Thornhill report?

The Taoiseach: The Thornhill report has been furnished to the Minister for quite some time now.

Deputy Micheál Martin: Since June.

Deputy Barry Cowen: I asked when the Cabinet received it.

The Taoiseach: The Cabinet has not yet signed off on it.

Deputy Ciara Conway: In light of the “Yes” vote secured in the children’s referendum, when will we see legislation establishing the child and family support agency, which will be a landmark for children in this country? When will it be published and when will we have an opportunity to discuss it in this House?

The Taoiseach: This is a priority and I would like to see it published before the end of the year. I hope that can be achieved, although there is quite a deal with the Parliamentary Counsel. It is a priority for the Minister and it has been raised on a number of occasions.

Deputy Michelle Mulherin: In regard to the consideration of the forthcoming finance Bill, will incentives for Shannon Airport be included and to what extent have such incentives been discussed with European authorities -----

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

Deputy Michelle Mulherin: -----in regard to the likelihood of an anti-competitive situation arising for other airports, including Knock?

An Ceann Comhairle: I suggest the Deputy should submit a Topical Issue matter and we will see what we can do for her. Her question is not allowed on the Order of Business.

Deputy Michelle Mulherin: My question concerned the finance Bill.

An Ceann Comhairle: I appreciate that it is an important issue.

Membership of Committee: Motion

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

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That Deputy Michael McCarthy be discharged from the Committee of Public Accounts and that Deputy Colm Keaveney be appointed in substitution for him.

That Deputy John Paul Phelan be discharged from the Joint Committee on Public Service Oversight and Petitions and that Deputy Noel Harrington be appointed in substitution for him.

That Deputy Simon Harris be discharged from the Select Committee on Education and Social Protection and that Deputy Jim Daly be appointed in substitution for him.

That Deputies Jim Daly and Michael McNamara be discharged from the Select Committee on Finance, Public Expenditure and Reform and that Deputies Simon Harris and Aodhán Ó Ríordáin be appointed in substitution for them.”

Question put and agreed to.

European Council: Statements

The Taoiseach: I am pleased to have this opportunity to brief the House on the outcome of last week’s European Council meeting in Brussels on 22 and 23 November. The main item for discussion at the meeting was the Union’s multiannual financial framework, MFF, its budget for the period 2014-20. As the House will recall, negotiations on the MFF have been underway since the European Commission put forward proposals in June of last year. These negotiations have been highly complex and contentious. Last week’s European Council meeting ended without the member states reaching agreement. Nevertheless, I am confident that a deal can be reached before too long.

On 13 November President Van Rompuy put forward a compromise proposal for discussion at the November European Council. This proposal contained a range of cuts for all headings of the MFF, with the greatest cuts to be applied in agriculture and cohesion spending. This was seen by some member states as cutting too deeply, and by others as not cutting enough. As far as we were concerned, it cut too deeply into the CAP. Prior to the meeting of the European Council, I spoke to a number of my counterparts, including UK Prime Minister Cameron and French President Hollande, to make Ireland’s concerns clear and to hear their priorities and their appreciation of the state of negotiations.

Throughout Thursday, 22 November, before the European Council meeting commenced, President Van Rompuy, accompanied by Commission President Barroso, met bilaterally with each of the members of the European Council to get a feel for the priorities with which each was approaching the table. I made a number of points to President Van Rompuy when I met him. First, I told him that the challenges posed by Ireland’s particular economic situation make a pro-growth EU budget essential. Second, I made it quite clear to him that the Common Agricultural Policy is Ireland’s most important financial priority in the MFF negotiations. We get the bulk of our EU receipts from this heading. I told him that we could not accept the cuts that he had proposed. Third, I told him that cohesion policy should reflect the current economic situation in EU regions, in particular the levels of unemployment. Finally, I put a strong case to him for maintaining the PEACE programme, which has played an important role in helping to sustain

peace on this island. President Van Rompuy listened carefully and took the views I expressed on behalf of Ireland on board.

On foot of his bilateral meetings with Members of the European Council, he made a revised proposal on Thursday evening. This maintained the same level of overall cuts to the overall budget but with the balance shifted in that greater levels of funding were suggested for agriculture and cohesion. Cuts were proposed to expenditure relating to infrastructure, research, and external action, all of which are important priorities in themselves. There is strong pressure on the funding available under heading two for the CAP. That downward pressure was reflected in the Commission's initial proposal, which represented a real decrease of about 7% from the current framework. The trend continued in the proposal made by President Van Rompuy on 13 November, ahead of the summit, which removed a further 6.2%, or €25.5 billion, from the equation. However, as a result of the strong and assertive lobbying by Ireland and like-minded member states, I believe we are turning things around. Some of the ground was made up in the proposal which President Van Rompuy put to the meeting last Thursday.

Of course, his proposal was not agreed and, therefore, we can take nothing for granted. As is always the case, nothing is agreed until everything is agreed but it shows that the negotiations are moving in the right direction. We are now closer to where we want to be but we are not there yet. We will keep the pressure up. We will continue to work closely with those member states which support our position and we will continue to make our case. The CAP is a forward looking and growth oriented policy. It is one of the truly common policies of the Union. It must be properly funded into the future. The food area remains the largest manufacturing sector in the Union in terms of employment.

Discussion took place among the members of the European Council on the evening of the 22nd and then again on the 23rd. I made Ireland's position on the MFF, and the CAP in particular, very clear to our EU partners. The House will recall that we have consistently called for the EU's budget to have the right mix of priorities, a fair allocation of resources and a focus on jobs and growth. We have called for the to be CAP adequately funded to support a vigorous, consumer focused agricultural production base in Europe and a vital tool for economic growth. We have called for an EU budget that has adequate resources for other growth enhancing measures, including research, education, European connectivity and support for the SME sector. Other member states similarly put forward their views on the MFF at the meeting.

Unfortunately, the meeting ended without agreement. A short statement was agreed, which gave President Van Rompuy and President Barroso a mandate to continue work on the MFF and consult with member states in the coming weeks to find consensus on the MFF. The statement noted that the bilateral meetings with President Van Rompuy and the constructive discussion within the European Council showed a sufficient degree of potential convergence to make agreement possible in the beginning of next year and expressed confidence that the existing divergence of views could be bridged. It is, of course, disappointing that the European Council ended without reaching agreement. Nevertheless, I feel that progress was made and that the meeting was useful in a number of respects. First, the meeting took place in a constructive atmosphere. Member states made their positions clear without acrimony and were able to agree the statement without difficulty. There is no prospect of lack of agreement on the budget distracting from the important work of next month's meeting of the European Council at which President Van Rompuy will present his proposals for a strengthened Economic and Monetary Union. Second, no member state was isolated. It was feared that this might happen, given the particularly strong views of some partners, but a spirit of aiming for consensus prevailed.

Third, the gaps between member states' positions have narrowed somewhat. We do not have agreement, but we have the possibility of agreement in sight.

President Van Rompuy must now continue his work on the MFF. He will consult further with member states with a view to identifying where agreement can be found and will return to the European Council early next year. In the meantime, I will keep in contact with my colleagues, including President Van Rompuy, and Irish officials will do likewise. The failure to reach agreement last week will of course have implications for our Presidency of the Council of the European Union, which will begin on 1 January, just a little over four weeks away. President Van Rompuy will play the lead role in taking the negotiations forward. The mandate to do so is his. It is the responsibility of the President of the Council to call the Council together when he is of the opinion that there is an opportunity to get agreement on a conclusion to the matter. He faces significant challenges in this, such as the overall amount, the relative amounts for cohesion and agriculture, and the allocations for infrastructure, research and SMEs. He must also find agreement on the contentious issues of the funding of the budget, the sources of revenue the EU should have and the kinds of rebate that are made available to member states in particular circumstances. I am confident he will succeed and I have said to him that Ireland in its upcoming Presidency will support and assist him in any way he wishes. We are at his disposal in this work.

Once agreement is achieved by the Council, it will be necessary to secure the consent of the European Parliament for the new framework. This will be an important challenge for our Presidency. This is the first framework negotiated since the Lisbon treaty entered into force and the Parliament's consent is required for the framework to be adopted. This should not be forgotten. There can be no MFF without the Parliament, a point of which I remind European Council colleagues when we sit down to negotiate a deal. That point was also made strongly by President Schulz when he addressed the Dáil.

Once agreement is achieved in the Council, working with the Parliament will be a key task for our Presidency. We will also have specific responsibility for advancing almost 70 pieces of legislation that will underpin the MFF. These cannot be finalised until the MFF as a whole is agreed, since the amount of funding and many of the conditions and elements for this legislation will only be set in the final MFF agreement. We will therefore work with President Van Rompuy to help to secure the earliest possible agreement so that we can make the kind of progress we have envisaged for the six months of our Presidency. At the end of the day, any agreement on the MFF must be one that reflects the current economic realities, provides the means to invest in growth and jobs and can be perceived by the electorates of Europe to be fair. It must also be one reached by consensus.

As a Union, we face a challenging global environment. The Union makes our position in the world stronger and we are at our most effective when we act together. If that spirit guides us in the negotiations ahead, I remain confident that agreement will be achieved. It will not be a deal in which any one partner, including Ireland, gets everything it wants. It will be a compromise, but it will be a deal that enables the Union to set its course for the next seven years.

While the firm focus of last week's meeting of EU leaders was on the MFF - the reason the meeting was called - Heads of State and Government also addressed briefly one other piece of business, namely, the filling of the vacancy on the executive board of the European Central Bank, which has been outstanding since the beginning of June. In line with the procedure set down in the EU treaties, the European Council appointed Mr. Yves Mersch of Luxembourg

to the executive board of the ECB as and from 15 December 2012. I supported and warmly welcome this decision to appoint a person of recognised standing and professional experience, these being the requirements for this position as set out clearly in the treaties. This decision was made following a recommendation by the Council as well as opinions provided by the ECB's governing council and the European Parliament, which in the latter case provided a negative opinion on the grounds of lack of gender balance. I regret that the decision last week of the 17 euro area member states was not unanimous in appointing Mr. Mersch. One euro area member state opposed the appointment, but not on the basis of gender balance nor out of concern that the candidate did not meet the requirements for the job. I wish Mr. Mersch well in his important work as a member of the ECB's executive board.

I wish to assure the House that in our Presidency of the Council of the European Union from January next - and indeed in advance - we will continue to work with President Van Rompuy and with our partners to ensure that the Union provides itself with the kind of multi-year budget which will facilitate our collective endeavours at EU level. It is strongly in the interests of Ireland - as a member state and in our Presidency - and of the entire European Union that we reach agreement on a new MFF as early in the new year as possible. I will of course keep the House fully informed on developments in this area.

Deputy Micheál Martin: The member states of the European Union are going through a deep economic crisis. Unemployment is at historic and rising levels. States must pay excessive amounts to fund public debt and are cutting essential services. Growth projections for the years ahead continue to be reduced. The foundations of the common currency shared by most states are under threat. These are the uncontested facts that formed the background to this summit. Yet the leaders of Europe managed to meet for two days without discussing even a single measure that might help address any of the problems facing the Union today. Their failure to agree on a multi-annual budget was not a surprise or a major issue in itself. What is a further blow to confidence in the Union and its leaders is the lack of either ambition or urgency. The only item actually agreed at the summit showed an elite club mentality in the dismissal of a rarely used prerogative by the European Parliament.

With regard to Ireland's immediate needs, there have been significant developments in the Government's position. With regard to the budget, the strategy has been to follow France and little more. However, there have been major developments with regard to the financing of bank-related debt, which were not addressed directly by the Taoiseach.

The summit was called specifically for the purpose of agreeing the next EU budget. The decision to separate it from a regular summit meeting was in order to concentrate everyone's attention and maximise the chances of success. In terms of its specific objectives, the summit was clearly a failure. Difficult budget negotiations are as old as the Union itself. There is no major problem with rolling over one year's budget while a final agreement is being sought. What is a major problem is that the likely shape of the final agreement will undermine the ability of the Union to address the urgent economic crisis.

It is now clear that the final budget will involve a real reduction in EU spending. What is also clear is that the arguments are now mainly focused on which programmes can be cut in order to finance urgently required supports in areas such as innovation. This represents bad news for anyone who believes the EU can play a constructive role in helping Europe to return to growth and job creation. First, a budget of roughly 1% of the total national income of the member states is far too small to be able to make any serious contribution to renewed growth.

One of the most important lessons of the crisis is that we cannot have a genuine economic union if transfers within the union are capped at a very low level. The contract to which members signed up stated that there would be support to aid development in return for unrestricted competition. For many of Europe's regions feeling the impact of this recession through ever-rising unemployment, this contract is being broken.

Second, the pressures on the Common Agricultural Policy continue unchecked and threaten what is by far the most successful common policy. President Hollande has been forceful in demanding that the CAP budget not be reduced in order to fund other programmes. Hopefully, he will be successful for the most part. What is of much greater concern is the idea that funding might be restructured in such a way as to give undue priority to larger producers. This would be a betrayal of the spirit of the CAP and would directly undermine rural communities. The Taoiseach has said on a number of occasions that he is emphasising the agrifood sector as a potential engine of growth and rising competitiveness for the Union. He is right in this regard. Ireland has a strong record of being innovative in the sector. The former Minister for Agriculture, Fisheries and Food, Deputy Smith, prepared Harvest 2020, which is still the blueprint for growth through innovation in the agrifood sector. To be fair, the Minister, Deputy Coveney, has acknowledged the vision and strength of this programme and the role of Deputy Smith in preparing it. Research and innovation programmes in the Department of Jobs, Enterprise and Innovation have been running successfully for a decade. However, I was surprised to hear the partisan, petty and blatantly untrue comment that was made by the Minister, Deputy Bruton recently. I refer to his claim that the State has done nothing to develop the research capacity of our world-competitive food companies.

The Taoiseach is wrong to place an emphasis on CAP having a concentration of support in the hands of larger producers. That should not be done at the expense of the wider agenda of increasing the quality and innovation of the sector. The support of rural communities and the environment are the soul of CAP. Ireland must do nothing to damage this. Under no circumstances should we support or implement a revised programme which is weighted against smaller producers. The Taoiseach has said on a number of occasions that the support of growth and employment is a major objective for the budget. However, this is not reflected in the likely budget. No net stimulus effect is possible if we reduce the budget in real terms while doing nothing to increase significantly support for job creation or the wider productive capacity of the Union. It would be a lot better for everyone if the empty claims about a budget for growth and jobs were put aside. I advise the Taoiseach to watch the rhetoric because it means nothing. It is beyond me that anyone can suggest that a budget which will be reduced significantly in real terms will be a budget for jobs and growth.

The fact that Ireland's role in these negotiations has been reduced to cheerleading for President Hollande is a direct reflection of the decision of the Taoiseach to opt out of all of the multilateral and bilateral budget initiatives which have gone on this year. I have referred to this previously. The Taoiseach is one of just three heads of state or government not to have joined one of these initiatives. The reason for this remains unclear. Now that the importance of the rotating Presidency has been significantly downgraded at the level of leaders, the burden of finding an agreement falls primarily to President Van Rompuy. Britain has a chance to parade its anti-Brussels rhetoric. Other countries should be satisfied that a symbolic cut in activity has been achieved. An agreement is likely to be reached by the meeting of the Council next spring, at the latest. Given that leaders have displayed an unerring ability to turn a problem into a crisis in the last few years, however, it is clear that nothing can be taken for granted.

The only formal decision taken at the summit involved the completion of the appointment of the President of the Central Bank of Luxembourg to the executive board of the ECB. This retrograde step reflects the arrogance of a group that is unwilling to accept legitimate opposition. While it is clear that Mr. Mersch is qualified to serve on the ECB's executive board, nothing unique in his qualifications required that he be pushed forward in the face of the opposition of the European Parliament, which has exercised considerable restraint over the years in using its powers to object to appointments to various institutions and has performed its role in a responsible and professional manner. It is not good enough that there has never been a woman on the most important body within the European Central Bank. It is a disgrace that there will be no woman on the executive board for at least another three years.

The appointment of the new Governor of the Bank of England has shown that a large number of highly qualified people can fill these roles. The candidates for such positions are not limited to a handful of people at senior levels in a few countries. It is a concern that Mr. Mersch appears to have been promoted as someone who would advocate a conservative approach to the ECB's role to counterbalance Mario Draghi's innovative approach. The membership of the ECB's executive board is unbalanced in nearly every key area. It does not have the range of members, in terms of gender, nationality, outlook and experience, to allow it properly to run the monetary policy of a union as diverse as the eurozone. It is clear that the failure of Ireland and of the Taoiseach to stand with the European Parliament on this issue was wrong. The President of the European Parliament was here not so long ago. The Taoiseach should have gone with the European Parliament on that. The process of inside deals must end. Ireland should join countries like Spain and Portugal that have said they will not agree to any more ECB appointments being made in this way.

Given that so much time was available for this summit, including the possibility of working into Saturday, it is surprising that the breakdown happened so quickly and that the leaders ran home as quickly as possible. It is inexplicable that this extra time was not used to attempt to unblock other vital negotiations. The negotiations on the banking union, which was agreed in general principle in June, remain blocked on fundamental issues. The deadline of having the legislation and the framework ready for implementation by January will be missed. The Taoiseach confirmed yesterday that it has not been replaced with a new target. It is an extraordinary development in light of the hype surrounding the June and October summits. For months I have been unsuccessfully trying to get the Taoiseach to outline Ireland's position in relation to the banking union. During his filibuster of his own Question Time yesterday, the Taoiseach finally gave some detail. Given that there was no opportunity to follow up on those points and there is no coverage of what he said in today's media, it is worth going over his comments again.

The Taoiseach said that Ireland believes in a banking union which covers all European banks in a single system. This is perfectly reasonable and reflects all independent advice. He went on to confirm that Ireland is arguing against any proposals which might require a change in the Union's treaties during the lifetime of this Dáil. This is an extraordinary position. If there is one thing everyone knows by now, it is that the eurozone sovereign debt crisis has largely been caused by countries putting politics ahead of implementing the right policies. At every stage of the euro's life, especially in the last three years, there has been a desperate attempt to do as little as possible rather than doing whatever is needed. That is why confidence has been undermined. The Taoiseach said yesterday that treaty changes should not even be considered until the term of the next European Parliament begins in two years' time.

The Taoiseach: I never said that.

Deputy Micheál Martin: The Taoiseach said it is a matter for the next Parliament.

The Taoiseach: I said we will deal with the matter. The Deputy is being very selective.

Deputy Micheál Martin: Given how deeply important a functioning and effective banking union is for Ireland, this position is indefensible. The same approach led to Ireland making no positive contribution to negotiating the fiscal treaty. In fact, the Government pushed for it to be watered down in a desperate attempt to avoid a referendum. The people have shown they will support any proposal which can be shown to make a serious contribution to rebuilding economic confidence in Europe. In light of the failings of our banking system and our regulatory procedures, any treaty changes that build a strong banking union are likely to earn the people's support.

A significant development in what the Taoiseach has to say about our bank-related debt was buried in his reply to the 55 questions he took together yesterday. His failure to do detailed work in advance of June's deal has meant there is no agreement between states on what it means. More seriously, the Taoiseach has never said exactly what we are looking for. Every other country that is receiving or seeking EU support has set out its objectives very specifically. Greece has been working to achieve changed terms which would help it to achieve its debt-to-GDP target of almost 120%. Spain is seeking between €50 billion and €60 billion in direct recapitalisation for its banks, with the risk being shared through the ESM. In contrast, Ireland's objective has been set out in as vague a way as possible. We are looking to reduce the burden of bank-related debt to help with debt sustainability. What is the Government's definition of what is sustainable? What terms are required to deliver this? There appears to be terror in some Government circles that answering these basic questions might undermine their ability to claim victory no matter what emerges, which is what is most important to them.

The Taoiseach: We are trying to clean up the mess caused by the Deputy's party.

Deputy Micheál Martin: The Taoiseach has started to move away from the strongest argument for why Ireland's case is unique. Yesterday, he returned to his partisan argument of saying all debt was incurred solely because of the decisions of the last Government. He has forgotten his words of last month when he said "Ireland was the first and only country which had a European position imposed upon it in the sense that there wasn't the opportunity, if the Government so wished, to do it their way by burning bondholders". This is Ireland's strongest case and the Taoiseach should stop undermining it.

It appears that the sale of the State share in AIB and Bank of Ireland to the ESM, which the Taoiseach and the Minister, Deputy Noonan, spoke about in June, is no longer being sought. No explanation of this change has come forward. I would appreciate if it could be confirmed. Yesterday, the Taoiseach also said for the first time that Ireland wants to replace an overdraft with a long-term, low-interest mortgage. This marks a further major reduction in Ireland's negotiating position. It appears the Government is no longer seeking to have the ECB extend the terms of the promissory notes but intends converting them into standard sovereign debt to be financed by the ESM.

The Taoiseach: The Deputy might tell us how he would restructure them.

Deputy Micheál Martin: This would be a major defeat for Ireland and would in no way constitute a recognition of our unique case.

The Taoiseach: He should tell us how he would restructure them.

Deputy Micheál Martin: It is not the terms of the debt that are unfair; it is the fact that we had to incur all of it in the first place. As the Taoiseach admitted in Paris, a significant write-down of debt to bondholders would have occurred had it not been for the intervention of the ECB and others. Financing this debt in a slightly different way does not make it any fairer. If the Minister, Deputy Noonan, sneaks into the House next March to again proclaim victory on the promissory notes because he has converted them to standard sovereign debt, people will be ready for him. It will be seen for what it is - a failure to obtain recognition of the unique unfairness of the debt Ireland is being asked to carry.

As I have said before and as I will keep saying, no matter how often the Taoiseach deliberately misquotes me, if the ECB wants to ease the burden of this debt, it is technically easy for it to do so. It can agree a change to the length and terms of the promissory notes. I never said the negotiations would be easy but I find it incredible that the Government appears to have already given up on the core principle four months before the negotiations are due to conclude.

The Taoiseach: The cheapest bailout in history. That is what Fianna Fáil said.

Deputy Seán Crowe: Yesterday, at the third time of asking, eurozone finance Ministers and the IMF reached an agreement to reduce Greek debt. They agreed a number of significant changes to the Greek bailout programme, extending the maturities for up to 15 years, reducing interest rates on loans from member states and adding an interest holiday of ten years on loans from the EFSF. While this may provide some short comfort for the Greek Government, it will not make its debt sustainable. That can only happen when the European Union agrees to write down a significant portion of the loans to Greece.

I watched a TG4 programme on debt in Africa last night. This is similar to the situation in which rich countries announced they would cut the debt of starving people in Africa and other parts of the world. Of course, if the debt is unsustainable and beyond the ability of countries to pay, then reductions, however good or well-meaning - even if they are just to make the creditor countries look good - do not have a huge impact on the debtor countries. The Greek situation is similar to this. While the reduction is helpful in the short term, it does not really resolve the problem.

Yesterday's deal once again highlighted the weakness of this Government's strategy in reducing Irish banking debt. While the Greek Government was able to secure an extension of maturities and better interest rates on its debt, the Irish Government appears unable to agree a common position with the EU to deal with our banking debt. The big question being asked in many Irish households is when the Government will stand up for struggling Irish people - people who see their children leaving and who are losing their livelihoods while their personal debts are mounting and their quality of life is being filleted. Most people are talking about this issue and they want the Government to adopt a more aggressive, fighting approach for a better deal on our unsustainable debt. I presume the Taoiseach hears the same in his constituency and when he travels around the country.

A deal that involves only reductions in interest rates and modest extensions of maturities, similar to that given to Greece, will not significantly reduce the burden of banking debt currently on the shoulders of Irish taxpayers. Only a write-down on the capital portion of the debt will achieve this outcome. The Taoiseach came back to the Dáil in June talking about his achieve-

ments, which he told us would lead to a deal on bank debt by October. October has come and gone and we seem as far away as ever from a deal on Ireland's legacy bank debt. While the Greek Government made some, if limited, progress at the European Council meeting, the ongoing failure of our Government to make any comparable progress speaks volumes.

The Taoiseach told us he did not raise the issue of bank debt during his recent meeting with Chancellor Angela Merkel on 1 November. I believe that was a mistake, as do many others. Ireland's debt-to-GDP ratio is due to peak at over 120% of GDP in 2013. By that stage, €1 in every €5 raised in tax will be going to pay off interest on the national debt. Approximately 40% of this debt is bad banking debt which the Government, and Fianna Fáil before it, inexplicably placed on the shoulders of Irish citizens. This banking debt is unsustainable and it needs to be removed from the shoulders of Irish citizens. However, this will only be achieved if the Taoiseach changes tack and stops dodging the problem and kicking it down the road. People talk in terms of waiting for a good time to move but the worry is that the longer we wait, the harder it will be to deliver a deal.

While there are many differences between the Greek and Irish situations, the common thread is that our respective debts will become sustainable only when the EU agrees to a debt write-down. In Ireland's case that could take the form of a write-down on the promissory note, while in Greece it would be a write-down on the EU loans. Will the Taoiseach give an update on the progress of discussions on the promissory note? Does the Government expect movement on this issue before the budget? Many people are asking these questions.

The EU summit at the weekend failed to agree a deal on the budget for the next seven years. While the Taoiseach said he is confident a deal can be done, this delay means any deal is likely to be hammered out under the Irish Presidency, on the Taoiseach's watch. The Taoiseach said there were a number of critical issues for Ireland in the budget, including the CAP allocation and Structural and Cohesion Funds, as well as funding for growth-enhancing measures such as research, education, European connectivity and support for the SME sector. I understand that net contributor countries such as Britain, Sweden and the Netherlands have argued for cuts in the budget. Like others, Sinn Féin favours a budget that is fit for purpose and responds to the needs of the Union, particularly those people who are bearing the brunt of austerity and its fallout throughout Europe.

A growing number of people believe that areas of waste in the EU budget need to be tackled and eradicated. People are looking at the bureaucracy of the institution. One issue that is repeatedly raised is the European Parliament's move from Brussels to Strasbourg every month and another is spending on militarisation. We know approximately €180 million is spent on the monthly move to Strasbourg and the spending on militarisation is growing.

There has been much talk from the Taoiseach and at EU level about stimulus and a renewed focus on job creation and growth. However, the MFF looks set to be slashed by as much as €50 billion. Is there not a contradiction in what is happening? I accept pressure is coming from certain countries to cut the budget - that is understandable - but how can the MFF be used to promote growth when it itself looks likely to be cut? Does the Taoiseach agree that a decision to cut the budget for jobs and growth at this time does not make any sense? Did he raise the need to direct funds into infrastructural and job creation programmes at the summit?

The priorities for this country are the CAP - maintaining the budget for direct payments and Structural Funds including a new PEACE IV programme. What position did the Taoiseach take

on those issues at the summit? A cross-party group of members from the Joint Committee on the Implementation of the Good Friday Agreement went to Belfast last weekend. We went to a number of interface areas where we could see the positive work that is being carried out, much of it funded by PEACE III money. Some of the groups said they had not been paid for months. It is important that funding is continued. I would like to hear about any discussions that might have taken place on the matter.

The specific issue of youth unemployment has been identified by European Parliament President, Martin Schulz, as Europe's biggest problem. The President, Michael D. Higgins, has made similar remarks. In September 2012, a total of 5,520 million young people under the age of 25 were unemployed in the European Union. The rate of youth unemployment is 52% in Spain and 54% in Greece. I mentioned at the meeting of the Joint Committee on European Affairs the fact that youth unemployment is 8% in Germany. It is 30% in this county. At present there is no specific funding stream to deal with the issue. If the budget does not grow then are we to take it that funds for youth unemployment will have to come from somewhere else in the budget? People are looking for answers. They want to know if there will be a stimulus package for youth unemployment. I am aware that the Commission will publish its report on the issue in December. Youth unemployment is a key issue that is affecting people across Europe and we must come up with solutions to combat it.

Farming and the agrifood sector are of vital importance for the Irish economy. These sectors must be protected and developed. They are the life blood of rural Ireland. The Government must get the best CAP deal possible. A prosperous agrifood sector can play a significant part in economic recovery across the island. However, if the sector is forced to sell produce below the cost of production it will only drive more people from the land with a seriously detrimental effect on the general economy. We must get serious about protecting our agrifood sector. A healthy CAP is the way to go about that. Could the Taoiseach outline what approach the Government will take on the negotiations? Does he agree that moving towards a more equitable system of farm payments would help to keep currently struggling farm families on the land?

Before the European Council meeting we raised the issue of Gaza with the Taoiseach. I understand that last weekend's summit was to focus on the seven-year EU budget from 2014. The EU has a vital role to play in dealing with the Middle East. The Gaza situation should not have been far from any EU leader's mind. I welcome the recent ceasefire that has been announced, and I commend the substantial role the Egyptian Government played in the process. Despite the fact that Israel broke the ceasefire on Friday, 23 November when its soldiers killed an unarmed 20-year old Palestinian farmer, the ceasefire is holding, but we do not know for how long. On Sunday, the Israeli Prime Minister, Benjamin Netanyahu, indicated the low confidence he has in the durability of the ceasefire with Hamas. He publically told pilots who took part in Operation Pillar of Defence that they could now prepare for the next campaign, and he said that it is likely that reservists would be called up again. A fully inclusive talks process is required. The illegal blockade of Gaza by Israel is causing significant socioeconomic problems within Gaza and the civilian population is facing major hardship. Pressure must be placed on Israel to lift the illegal blockade and to stop building settlements in order for inclusive and productive talks to take place. The EU is a position to place pressure on Israel and to push for talks. Nobody else is exerting pressure. There is a responsibility on those of us who want to see a settlement and an end to the conflict in the region.

Could the Taoiseach indicate whether the issue was raised at the summit, and if he expects it to be raised at future summits? Does he agree that the EU has a vital role to play in this regard?

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If the EU is serious about creating a durable peace deal for the region it must place significant pressure on Israel to enter into negotiations with the aim of establishing a two-state solution to end the conflict for good. The current actions of the EU not only allow Israel to continue its human rights abuses but, increasingly, they reduce the prospects that a two-state solution to the conflict will ever be achieved.

Deputy Joe Higgins: I wish to share time with Deputies Catherine Murphy and Seamus Healy.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Joe Higgins: Any analysis of the most recent EU leaders' summit must be done against the background of yesterday's OECD report on the world economy which showed the eurozone plunging into recession. It indicated that the eurozone economy will contract by 0.4% in 2012 and another 0.1% in 2013. Furthermore, the OECD commented that diverging financial conditions and the debt crisis threatens to pull the eurozone apart. The threat is in no way lessened by the arrangement arrived at by the Eurogroup of Ministers on the Greek economic crisis and Greek debt. The alleged easing of debt pressure on Greece in fact makes a mockery of the Greek people - crucified by vicious austerity to satisfy international bondholders, their society has been pressed to the very limits of endurance. Now we have a proposal that merely recognises the impossibility of Greece ever paying its unsustainable debt but maintaining most of that debt burden and the crushing austerity on the shoulders of the Greek people that goes with it. The fate of Greece is like a man plunged into a lake with a millstone tied around his neck and concrete blocks to his ankles. As he sinks inexorably to the bottom the eurozone Ministers jump in and cut the concrete weights and tell him to swim with the millstone still in place.

The EU summit has not even recognised the depth of the crisis in the eurozone. The President of the EU Council, Herman Van Rompuy, outlined in a post-summit statement: "Everybody also agrees on another point: This must be a budget for growth. A budget that focuses on jobs, on innovation, on research." That is insulting lip service to the tens of millions of European citizens suffering the dreadful consequences of the disastrous austerity agenda driven by Mr. Van Rompuy and the EU establishment. It is a mockery of the 25 million people suffering unemployment in the European Union, including millions of young people. It is a continuation of the smothering economic policy of austerity.

European capitalism is a sick and dysfunctional system. European big business currently sits on €3 trillion of accumulated profits which it refuses to invest in creating new production and jobs because it is not confident of getting sufficient further profit in return.

12 o'clock

Investment is the motor force of capitalist development. This strike of capital dooms that system to ever-deepening crisis, shows no way out of the economic depths and condemns the working people and the poor of Europe to further unemployment and poverty. As evidenced by the recent summit, the EU political establishment is a mere onlooker as this process takes place, a mere creature of European big business and the financial markets. It is and will be helpless as the crisis develops, because this system inevitably will force Greece out of the eurozone. With its unsustainable debt, Ireland will most likely follow in the future.

On 14 November tens of millions of workers in Greece, Spain and Portugal went on strike against austerity, demanding strategies of investment and jobs. European workers are realising

they can rely only on their own power to force change in policy. A socialist approach would be that the financial markets, rather than being dictatorships over our economy and our people, should be taken into public ownership and democratic control, offering investment based on the needs of society. It is the same with the massive resources on which big business is sitting at the present time. On this basis, a democratic plan for investment in production would create the tens of millions of jobs that are needed, boost the public services, create a future for youth and a decent future and security for the peoples of Europe. That is the way we must go, not relying on the EU elites as they sit in Brussels at their very frequent summits.

Deputy Catherine Murphy: I reiterate how disappointing it is that the Taoiseach did not see fit to stay to listen to one third of the Opposition, which the Technical Group comprises.

In my view this round of budget negotiations cannot be separated from the economic crash although that is the context in which the talks are taking place. Looking back over recent years, there is no doubt that the entire economic crisis has been hugely mismanaged by the same people who will provide the leadership for the next seven years of budget negotiations. One question we must ask is what are the guiding principles driving this set of negotiations. We cannot separate the two. The guiding principles of the European Union include sustainable development based on balanced economic growth and price stability, a highly competitive social market economy that aims for full employment and social progress, and a high level of protection and improvement of the quality of the environment.

I refer to the promotion of economic, social and territorial cohesion and solidarity among member states. We cannot say we saw much solidarity. It is important to ask what is guiding these talks because there are two distinct and evident blocs, one a liberal market bloc, the other a social market bloc. I do not know to which one we have aligned ourselves but it is a case of choosing either-or. We either want to have a European Union that works in the interest of the peoples of Europe or a bloc that seeks a more limited approach, such as the example articulated by the Conservative Party in the UK, which sees the EU as merely a mechanism for engaging with a very large market, not about how that market functions for the people of Europe. It is important that we ask about the context in which these negotiations are taking place.

For example, are we prepared to jettison the solidarity we have an expectation and a right to have, given the founding principles of the European Union? Are we prepared to do that because at this point, given the economic crisis, we see it as a luxury? Our vision should be to have a better Europe in seven years' time rather than merely to consider the present situation. A vision cannot be delivered upon without an understanding of the context of budget negotiations over the coming seven years.

There is a key issue that needs to be negotiated from front to centre, namely, employment. Unless there is a serious initiative and a central employment theme to the budget negotiations, not only will we continue to leave people living in poverty and have inadequate budgets to run social services, we will risk returning to a point where, on the 100th anniversary of the commencement of the First World War, we revisit the problems that gave us not only one but two world wars. The reason the EU was founded was to address that situation in order that people could work in solidarity. That must be the central theme of these negotiations; it is about uniting the peoples of Europe.

This is not about the detail, but about the core. I did not hear that from the Taoiseach, although I heard the detail. I would welcome a response from the Minister of State, Deputy

Creighton, on the context of these negotiations.

Deputy Seamus Healy: Write-off of debt is a major issue for the people of Europe. It is a life and death issue for Ireland and our people, particularly middle and lower-income families who have been absolutely savaged by cutbacks and increases in taxation and are promised more of the same in a week's time. The matter of debt should be raised at every opportunity. It is wrong, and a significant failure of this Government, that a summit should go ahead without this matter being raised.

This week saw the Greek deal but it is one that will not solve the Greek crisis. At best it will keep the Greek Government and people on a life support machine. However, it is better by a long shot than what we got. Up to now, the Greeks had a deal of €100 billion write-off of debt. This week's deal continues that process. Some of the details of the deal include the write-off of some Greek debt for the years 2016 to 2020, the reduction in interest rate on some of its loans to 0.5%, or virtually nothing, the scaling back of interest rate on loans and a ten-year deferral of interest payments which will save approximately €44 billion for Greece. Greece will buy back its own debt from market investors at below-face value. Eurozone countries will also forego their profits on Greek bonds, held by national central banks. A doubling of Greek rescue loan maturities to 30 years will send the country on a path towards 2040.

The entire issue of write-off of debt is still there to be dealt with. To reiterate, the Greek deal is by a long shot much more than we received. Why did Ireland not achieve the equivalent of that deal? After all, the principles of debt write-down, reduction of interest rates, extension of loans and extending bond maturities have been accepted by the EU. The reason we have not got the same deal is that the big EU powers know they will not and cannot get their money back from Greece. The debts of private banks here and the corresponding investments of European banks and finance houses should not be repaid by Ireland. Only when the EU powers know they cannot get their money back from Ireland will they consider applying the principles of the Greek deal to this country.

To paraphrase James Connolly, it is time we started the reconquest of Ireland for the Irish people. In order to do this, we must begin by stopping the repayment of the promissory notes. We should also stop other banks procuring or paying them at a cost to the State, which is what happened last March. If we did as I outline, it would concentrate the minds of those in authority in other European countries. We should also stop all repayments on the outstanding €36 billion in bonds held by Irish banks. This is not an extreme proposal. In fact, it was put forward by Deputy Peter Mathews of Fine Gael. In an interview with the *Sunday Independent* some weeks ago he stated Ireland should stop trying to be the best boy in the class and called on his own leadership to play hard ball, including by refusing to pay the remaining €36 billion to bank bondholders. We should also freeze all payments to the ESM. If the latter can only be used to recapitalise banks which fail in the future, why should Ireland be paying it €1.2 billion? Some €254 million of this money is to be paid before the end of the month.

The measures to which I refer must be taken in order that we might stand up to the larger European powers and obtain a write-off of our debts. If we do not take action, the social and economic devastation being visited on the country - more of which is promised in next week's budget - will continue.

Acting Chairman (Deputy Robert Troy): There are 20 minutes available for the question and answer session. I ask Deputy Micheál Martin to pose his questions.

Deputy Micheál Martin: The EU budget was the centrepiece of the summit and the entire emphasis of the debate was on cutting it even further. Does the Minister of State agree that the existing budget which is 1% of the total national income of member states is particularly and uniquely inadequate in dealing with the worst existential crisis ever to hit the eurozone? Despite all references to a pan-European stimulus, etc., the discussions taking place between the leaders of EU member states are quite depressing because not even a gesture is being made towards resolving the crisis we are experiencing. I do not see how a reduction in the European Union's budget can lead to any stimulus for growth and job creation. Does the Minister of State accept my basic proposition that the trend of the negotiations is negative and taking us in the wrong direction in dealing with the crisis?

Will the Minister of State indicate that the Government is clear on the point that small farmers and rural communities must be protected in the context of the Common Agricultural Policy? Will she outline whether Ireland has built up alliances beyond France? It is clear that President Hollande is the key person in protecting and saving the Common Agricultural Policy. Why did the Taoiseach not participate in the multilateral and bilateral budget initiatives involving different countries which took place during the past 12 months?

In the context of the banking union, will the Minister of State indicate whether treaty change will be required? Should we not be preparing the public for the possibility of a further referendum being held in order to facilitate the establishment of a banking union? Will the Minister of State clarify the position on this matter?

On the nominee to the executive board of the European Central Bank, ECB, does the Minister of State agree that the Government got it wrong in supporting Mr. Mersch and should instead have agreed with the European Parliament in this matter? Does she agree that it is disgraceful that a woman has never served on the executive board of the ECB and that there will not be a woman on it for the next three years at least? Surely Ireland could have made a stand in this matter. Will the Minister of State indicate why it did not object to the nominee and support the European Parliament in the context of the gender issue relating to the executive board of the ECB?

Is the Minister of State in a position to confirm that a sale of equity or shares in AIB and Bank of Ireland to the ESM is no longer on the agenda?

Acting Chairman (Deputy Robert Troy): I will take questions from two more Deputies before calling on the Minister of State to reply.

Deputy Seán Crowe: Was any progress made and did discussions take place on the promissory notes? Deputy Micheál Martin referred to the CAP. I posed questions to the Taoiseach in that regard earlier. I accept that the summit focused on the MFF, but was the situation in Gaza the subject of discussion?

Deputy Richard Boyd Barrett: The entire strategy of the European Union, endorsed from what I can see by the Government, has been to recapitalise and repay banks, to make them more profitable, to focus on them all of the time and to pay for this by means of austerity, supposedly in the name of competitiveness and efficiency. Is there any recognition on the Government's part or that of European leaders that this is just not working? We are five years into this strategy and it is not working. As a result, the European Union is tipping further into recession. Does the Minister of State accept that all the hopes for significantly renewed growth, both in the

economy and across Europe, are being dampened because the austerity strategy is not working? Is it not time that the Government raised its voice and, to paraphrase John F. Kennedy, asked not what the people can do for the banks but rather what the banks can do for the people? Is this not the time to begin to look at matters the other way round and prioritise jobs instead of protecting the banks?

Is it not amazing that after each summit the Taoiseach comes before the House and talks up the situation in Ireland, yet the projections for job creation for next year are flat? There will be no increase in employment next year. That is the issue which matters to people. All the growth forecasts are being downgraded and we are faced with an unsustainable level of debt. Is the lesson to be learned from what occurred in recent days that the European Union was forced to provide for a debt write-down for Greece because it had become apparent that the latter simply could not repay its debt and that its people could not take anymore? Is it not time that Ireland sent the same message to the European Union? Will the Government inform European Union leaders that the 1.8 million people who are living in poverty here cannot take anymore? Will it inform them that austerity is not working, that the people cannot take this pain and that we cannot afford to make €9.1 billion - or 20% of our overall expenditure - in debt interest repayments next year? Why not send that message, particularly as we have obtained diddly squat - well, words but nothing substantial - in respect of the issue of interest repayments?

My final point relates to the situation in Gaza. Do we not have a special responsibility to point to the appallingly cynical nature of the Israeli assault on Gaza which, for the fourth time in five years, has coincided with the holding of elections in Israel? Do we not have a responsibility to speak out about the fact that successive Israeli Governments think killing Palestinians is a way to attract votes? Should we not speak up loudly on the international stage about this matter? Should we ask Israel to stop behaving in this rogue fashion? As a former colony, Ireland has a responsibility to be much more blunt at European level in demanding an end to this type of cynical and murderous politics on the part of Israel.

Minister of State at the Department of Foreign Affairs and Trade (Deputy Lucinda Creighton): I thank Deputies for their questions and comments. I will begin by referring to Deputy Martin's series of questions. Of course I do not agree with the emphasis placed on cutting the budget. This has been the clear position of the Irish Government from the outset of the MFF, multi-annual financial framework negotiations. Along with a number of other member states we argued strongly in favour of the original sum total in the Commission proposal. There is a significant downward pressure on the budget from the net contributors. This ties into the Deputy's question as to why we did not formally join the two key multilateral groups. The first group is the Friends of Cohesion group. Deputy Martin will be aware that Ireland receives negligible funding in the form of Cohesion Funds, relative to what we receive under heading two of the Common Agricultural Policy. It was not in our national interest to argue strongly for the advancement of cohesion ahead of CAP. We had to choose priorities and our priority lies with the CAP. The second multilateral group is the so-called Friends of Better Spending which incorporates the 1% group which wants to reduce the overall size of the budget. Clearly, Ireland was not willing to participate in that group because we do not support the overall objective which is to drive down the total size of the budget. However, we share some common goals with both groups. We agreed with the Friends of Cohesion who are broadly supportive of the overall size of the Commission proposal. We were happy to support the group and for it to support us in the various discussions at the General Affairs Council. We had common ground with Friends of the Presidency group. We also shared some common ground with the Friends

of Better Spending group, although not with regard to the overall size of the budget. We shared common ground on competitiveness and ways in which the budget could be reformed and could be more growth-friendly. We were happy to support elements of that agenda. Ireland holds a very particular position. For example, we share common ground and have built strong alliances with countries such as France, Spain and Germany, on the issue of the Common Agricultural Policy. We have been able to find common positions and common ground with them on issues relating to the Common Agricultural Policy. However, it was not in Ireland's interest to align itself fully with either the Friends of Cohesion group or the so-called Friends of Better Spending group. Such alliances would have been contrary to our national interests.

On the question of whether Ireland supports the promotion of rural Ireland and the cause of small farmers, I say emphatically that Ireland does so. I agree with Deputy Martin that rural communities are the lifeblood of this country. Over the decades Ireland has used both Pillar 1 and Pillar 2 of the Common Agricultural Policy very successfully to support that policy and we will continue to do so. The Irish Presidency begins on 1 January 2013 and the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney, will lead on the reform of the Common Agricultural Policy. He will work closely at Council level and with our colleagues in the European Parliament to ensure the interests of all farmers are protected. He will continue to promote high quality agrifood sector produce both in this country and across Europe.

The Taoiseach and I attended the summit meeting last Thursday. We had a very interesting conversation with the IFA delegation about the potential for future growth in the agrifood sector when we met them in Brussels last Thursday. The Government is committed to the promotion of this sector. Such growth will be promoted by means of new free trade negotiations and opportunities during our Presidency to advance a negotiating mandate on a free trade agreement with the United States. The agrifood sector offers significant potential for Irish farmers and for exports. The Common Agricultural Policy is the vital tool, along with the potential offered by access to emerging markets.

Deputy Martin asked a question about banking union. It is not clear that treaty change is required on banking union. Ireland supports banking union and it is a key priority for the Irish Presidency. The first step is to ensure a legal basis for the implementation of the single supervisory mechanism. The other proposals to be progressed during the Irish Presidency include an EU-wide bank deposit schemes and an EU-wide bank resolution scheme. We hope to have a clear mandate from the European Council meeting in December for these proposals. We will take the necessary steps to achieve banking union. I have no fear about taking whatever measures are necessary to bring that policy forward which is vital to the interests of Ireland, the eurozone and beyond.

On the question about nominations to the board of the European Central Bank, I agree with the Deputy that it is not acceptable that the ECB board has never had a female member. The European Commission is in the process of bringing forward proposals on gender balance on boards. We expect to bring forward those proposals forward during the Irish Presidency. Mr. Mersch was the only candidate proposed to the European Parliament. It is broadly agreed that he is eminently qualified for that position and Ireland was happy to support him on that basis. If a qualified woman candidate is proposed in the future then she should not be prevented or blocked from doing the job. I do not think Ireland should have taken up a position which would have isolated itself at the European Council by taking a lone path-----

Acting Chairman (Deputy Robert Troy): I remind the Minister of State that time is short

and other Members wish to ask questions.

Deputy Micheál Martin: I asked a question about the ESM.

Deputy Lucinda Creighton: Nothing is ruled out with regard to the European Stability Mechanism. We are exploring all potential options. No path has been ruled out by the Government.

Deputy Micheál Martin: The Minister for Finance has more or less ruled it out.

Deputy Lucinda Creighton: The Government has not ruled out any option. This is the case in so far as I am aware.

Deputies raised the issue of the situation in Gaza. The Foreign Affairs Council dealt with this issue last week. The Tánaiste and I attended the meeting. The conclusions of the Foreign Affairs Council have been adopted by the European Union every month for the past number of years. It is difficult to find a complete consensus on this matter. I do not subscribe to the view that this is a one-sided conflict. In my view it is a two-sided conflict. I do not agree with rockets going over the border to Israel nor do I agree with or condone the actions of the Israeli defence forces. Ireland has a very proud tradition as an honest broker in this area. We have attempted to bring our experience in building peace to bear on the situations in regions such as the Middle East. It would be very counter-productive for Ireland to ignore the wrong done by one side or the other. We have to be fair-----

Deputy Richard Boyd Barrett: It is hardly an even conflict.

Deputy Lucinda Creighton: -----in our defence of human rights and of innocent civilians. The European Union has the potential to take a lead on this issue. High Representative Catherine Ashton has adopted a leadership role, particularly during the recent US presidential elections when there was very little engagement by the United States in the situation in the Middle East. I was pleased to see the intervention of the US Secretary of State, Hillary Clinton. International intervention to influence both sides to lay down arms and to come to the negotiating table is in everyone's interests. As a representative of the Government I am happy to advocate that policy.

Deputy Joe Higgins: Although the Minister of State is in Brussels during summits, does she actually attend the meetings of EU leaders?

Deputy Lucinda Creighton: Of course not; I am not an EU leader.

Deputy Joe Higgins: In that case, the Taoiseach should have remained to assist the Minister of State in replying to these questions which are on critical issues. In any case, I am sure the Minister of State is close to the thinking and discussions when she is in Brussels. Was there any recognition of the serious economic difficulty facing the eurozone, as referred to yesterday in the OECD report which indicates a contraction in the eurozone economy this year and next? What are the implications in dealing with the debt crisis?

Is there any recognition that the economic policy of austerity has been a massive failure? Apart from the lip-service paid by President Van Rompuy to focusing on investment and job creation, is there anything concrete that would give hope to the 25 million unemployed in the European Union?

While I acknowledge the summit concentrated on the budget of the European Union, was there any discussion of the debt strategy for Ireland, Greece and other countries? Has the Minister of State seen a report today by Mary Ellen Synon, a journalist in the *Irish Daily Mail*? She quotes from an article in a Portuguese language business newspaper, *Jornal de Negócios*, that states Mr. Jean-Claude Juncker said in the depths of the night, following the Eurogroup Finance Ministers' meeting, that Portugal and Ireland would have similar arrangements put in place for their debt as agreed for Greece.

Deputy Catherine Murphy: I want to focus again on job creation and employment. If the seven year budget for the European Union is to be successful, it should be measured by the number of countries that will be net contributors at the end of the process. This leads back to the issue of the eurozone and the financial position of Ireland and countries in similar circumstances. We need to obtain detail on how serious the focus was on job creation. We need to hear it was not an afterthought and know exactly what the Government is bringing to the table in this regard.

We can see the kind of behaviour that is rewarded regarding debt relief. The countries that have brought the European Union to the brink are those that have had a revolution.

With regard to Anglo Irish Bank, we have noted a gesture from the Taoiseach indicating that the re-engineering of the promissory note is being examined. This would be in contrast with the approach taken to Greece. What overall vision is driving this set of talks?

Deputy Micheál Martin: I would have gone to the meetings of Friends of Cohesion for no reason other than to stay in touch and meet people.

Deputy Lucinda Creighton: It happens all the time.

Deputy Micheál Martin: Cohesion Fund expenditure in another country can be of great benefit to Irish companies that supply services to many of the countries that require such funding in a single market. I do not like the fact that we seem to have been very isolated in the past 12 months in the budget negotiations.

The appointment of Mr. Mersch was organised by a cabal or elite group. Somebody must make a stand from time to time and I regret that the Government did not oppose the appointment. It is not a question of being isolated as we are entitled to take a stand on issues. One constantly hears the diplomatic statement, "We do not want to be isolated on anything." Every now and again, however, standing up for a principle earns one greater respect from colleagues and others around the table-----

Deputy Lucinda Creighton: As we did on the CAP consistently.

Deputy Micheál Martin: -----than one would otherwise earn if one had the mentality of going along with the herd.

The European Union has not been effective enough in dealing with the situation in Gaza. Transfers of funding from the Union to Gaza, through the United Nations, have been helpful, but there has been an extraordinary lack of investment in and engagement with Gaza regarding fundamental infrastructure. When I was Minister for Foreign Affairs three years ago, I was at meetings at which all sorts of promises were made on water treatment plants, the building of schools and education infrastructure. None of these has been honoured. In essence, the policy

has undermined the voices of moderation and has been music to the ears of those with more fundamentalist opinions in Gaza. The European Union is culpable in that regard.

We on this side of the House also condemn the firing of rockets into Israel by Hamas. However, one cannot bomb Gaza without causing civilian deaths and casualties. It is just not possible to carpet-bomb Gaza without killing children and entire families. The death and destruction in Gaza in recent weeks were absolutely unacceptable, notwithstanding the threats to Israel's security. In the longer term the European Union needs to be far more effective in ensuring vital infrastructural work is done in Gaza.

Acting Chairman (Deputy Robert Troy): The Minister of State may reply to the questions briefly and then proceed to wrap up for five minutes.

Deputy Lucinda Creighton: I will not have time for my wrap-up at this stage. The Minister for Finance, Deputy Michael Noonan, is waiting.

I am not really sure what Deputy Joe Higgins's questions were. Clearly, we have a different outlook on the measures required to rebalance the public finances and get the Irish and European economies back on track. I am not sure we will be able to align our positions in any sense.

On the genuine question on concrete steps on job creation, there is considerable untapped potential in the European Union. The process of realising fully the potential of the Single Market is not nearly complete after 20 years. The Single Market has been very beneficial for the economy and Irish companies, particularly the SME sector. It has also been very important in attracting inward investment. There is potential to open up the Single Market for services. Ireland's economy is becoming increasingly oriented towards the exportation of services. This is vital to us.

The implementation of the overall digital agenda, as proposed by the European Union and agreed by all member states, and specifically the measures in respect of the digital single market comprise very concrete steps that will be taken forward by the Irish Presidency from 1 January. It is estimated that if the digital agenda, as outlined by the European Commission, is fully implemented by 2020 and backed by the member states and the European Parliament, it could contribute approximately 4% to the overall GDP of the Union, which is significant. While we may talk about stimulus programmes, the reality is that there are very few resources available for stimulus programmes across the European Union. What we can do is generate growth through competitiveness. Deputy Joe Higgins may not like competitiveness, but I happen to be a big believer in it. We can also generate growth by opening up markets and enabling entrepreneurs and innovators to find new market opportunities within the Union and through free trade agreements, FTAs. Ireland is talking about completing the FTA with Canada, moving forward with one with Japan and beginning the negotiations on one with the United States. If the will exists at European level - I believe it does now more than ever before - we can contribute something to growth in the Union, which is the only sure way to ensure job creation.

Deputy Murphy asked a fair question about what is happening in the context of funding through the budget process investment in services and infrastructures that can assist growth and job creation. Even with the reduction proposed by the Council President under heading 1A, which specifically focuses on research, innovation, education and so on, it is still proposed to double almost the investment in research and development under the Horizon 2020 strategy and through education measures such as Erasmus, which is significant. We would all love if more

resources were available and if there was not a drive from the net contributor countries to reduce the Union's budget but we are fighting to maintain this important heading, which accounts for approximately 10% of Irish net receipts from the Union through the multi-annual financial framework. It pales into insignificance compared to the CAP, which accounts for more than 85%, but it is still important and has huge potential for growth. This is not fixed expenditure allocated per member state and, therefore, every member state, company and academic institution can compete for funding under this heading. Ireland can do much better under the next multi-annual financial framework. We would all love if there was more potential but we can do a great deal with this budget.

Under the Irish Presidency, we are looking at moving forward with a proposal that will be published by the Commission next month, which is the youth transitions programme. This will incorporate the so-called youth guarantee, which the Minister for Social Protection will prioritise. That will present a framework to help us to target youth unemployment at a Europe wide level based on the Austrian model, which has been successful. It has great potential.

Deputy Micheál Martin: The Austrian model replaced the Dutch model.

Deputy Lucinda Creighton: This will be an EU-wide model and I hope the Deputy's party will support it when it comes up because it is important.

Deputy Micheál Martin: It means nothing.

Deputy Joe Higgins: Has the Minister of State any comment on what Mr. Juncker said?

Topical Issue Matters

Acting Chairman (Deputy Robert Troy): 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 Simon Harris - the need for provision of hospice facilities in County Wicklow; (2) Deputy Marcella Corcoran Kennedy - the need to ensure measures are taken to ensure that those on low incomes or the elderly will receive grant aid in the event of requiring a septic tank replacement; (3) Deputy Jonathan O'Brien - the Health Service Executive's plans to reconfigure therapy resources such as speech therapy, occupational therapy and physiotherapy into geographic-based teams and the likely impact on the level of service provision for children in special schools; (4) Deputy John O'Mahony - the reason that grants have been suspended by north east Leader company to community groups in County Mayo and when will payments of grants resume; (5) Deputy Pearse Doherty - the need to provide additional resource ambulance and paramedic services in County Donegal; (6) Deputy Willie Penrose - the need to introduce legislation to enable periodic payments be made in respect of personal injuries awards in catastrophic injuries; (7) Deputy Joe McHugh - the review of the Marine Survey Office and Irish Coast Guard Service and relevant ongoing work by the Department of Transport, Tourism and Sport, and Fisher Consultants; (8) Deputy Derek Keating - the increased incidences of tuberculosis throughout Dublin city and county; (9) Deputy Tom Hayes - the need to attract multinational investment to provide jobs in rural Ireland, particularly to replace jobs lost in County Tipperary; (10) Deputy James Bannon - the potential national fallout of the loss of approximately 100 jobs at Ericsson, Athlone, County Westmeath; (11) Deputy Thomas

P. Broughan - the need to ensure that key teacher and learning resources in DEIS schools and other schools in areas of disadvantage generally will be maintained in budget 2013 and specifically that educational resources will be protected in the parishes of Darndale, Belcamp, Priorswood and Bonnybrook in Coolock, Dublin 17; (12) Deputy Martin Heydon - the need for a secure funding model for the horse racing and breeding industry to allow for further growth and development; (13) Deputy Robert Troy - the need to bring forward a package of supports for those children and adolescents suffering with narcolepsy and additional medical complications following vaccination with Pandemrix; (14) Deputy Denis Naughten - the replacement of child benefit with a school attendance payment to curb fraud and to address the need to issue payments to non-resident children; (15) Deputy Brian Stanley - the report issued yesterday on the threat posed by the Sellafield plant, England; (16) Deputy Mattie McGrath - the difficulties that many customers of banks are experiencing and the role of the public interest directors in this regard; (17) Deputy Caoimhghín Ó Caoláin - the delivery of services for patients with cystic fibrosis at St. Vincent's Hospital, Dublin; (18) Deputy Brendan Smith - the vote tomorrow at UN General Assembly on upgrading Palestine to non-member observer state status; (19) Deputy Kevin Humphreys - the possible exchange of premises between the Central Bank on Dame Street and the Bank of Ireland on College Green, Dublin; (20) Deputy Róisín Shortall - delivery of the commitment to adopt a new area-based approach to tackling child poverty commencing with the ten most disadvantaged communities; and (21) Deputy Joan Collins - the allocation of specialist beds at St. Vincent's University Hospital, Dublin to sufferers of cystic fibrosis.

The matters raised by Deputies Martin Heydon, Brendan Smith, Kevin Humphreys and Joe McHugh have been selected for discussion.

Credit Union Bill 2012: Order for Report Stage

Minister for Finance (Deputy Michael Noonan): I move: "That Report Stage be taken now".

Question put and agreed to

Credit Union Bill 2012: Report Stage

Acting Chairman (Deputy Robert Troy): Amendments Nos. 2 to 5, inclusive, 12, 14, 15, 18, 22, 30, 33, 43, 44 and 48 to 50, inclusive, are related and will be discussed together.

Deputy Thomas P. Broughan: I move amendment No. 1:

In page 7, to delete lines 31 to 37.

The amendment seeks to remove the definition of "financial services" imported from the Central Bank Act 1942. This refers to the grave concerns of the membership of the credit union movement about this mighty edifice of banking legislation that the Minister is placing on the backs of the members of this local, vocational and democratic movement. I did not have an

opportunity due to my current position in the House to contribute on Second Stage and I am no longer a member of the Joint Committee on Finance, Public Expenditure and Reform.

I congratulate the credit union movement on its remarkable contribution to Irish life over the past 65 years from the day Nora Herlihy and her friends began the most remarkable organisation in the history of the State to the present where it has more than 3 million members, in excess of 400 credit unions and assets of €14 billion. I acknowledge the remarkable people who played a role in the movement, including the great John Hume. I thank the Irish League of Credit Unions, ILCU, the Credit Union Development Association, CUDA, the managers' organisation and the supervisors for the briefings they have given Members and, in particular, I thank the always excellent Oireachtas Library and Research Service.

Two elements stand out in the history of the credit union movement. The first is the tremendous work done in the early decades to combat the nuisance and horror of "loansharking", which was prevalent throughout the country, and the second is the tremendous role women played from day one in creating this local, pooled, voluntary credit organisation, enabling people to begin actively to plan their lives.

This is a critical movement in Irish social and economic life. A number of colleagues who serve on the Joint Committee on Finance, Public Expenditure and Reform, especially my party colleague, Deputy Arthur Spring, raised the fundamental problem of the imposition of this gamut of Central Bank legislation on the backs of the credit union movement on Committee Stage. As Deputy Spring noted, it was not the credit unions that were utterly reckless; it was not the credit unions that gouged our people with ferocious and outrageous interest rates; it was not the credit union administrators who paid themselves hundreds of thousands of euro, if not millions of euro, per annum; it was not credit unions that brought disaster to our country, yet the Minister has sought to impose legislation that has not worked for his so-called pillar banks or the foreign banks that have exited the country. As a member of the Committee of Public Accounts along with the Minister during previous *Dáileanna*, I witnessed the total failure of financial regulation when people came in front of us and lied as they told us that we had a banking system that was fit for purpose when they had to have known that it was not. The Minister's own Department played a starring role in the grotesque failures that led to the infamous day in 2008.

The Minister wants to place this edifice on the backs of the credit union movement and, through my amendments, I am asking him to desist. A regulation system for credit unions, which worked well down through the years, was based in the Department of Jobs, Enterprise and Innovation. In recent years, a review was carried out by Grant Thornton, a capital assessment review under PCAR was conducted and the loan books of credit unions were reviewed. All of this was done under the 1997 Act, which was major legislation to which both the Minister and I contributed, and this has governed the sector since. Prior to that, Seán Lemass, as Minister, introduced the first system of regulation and invigilation of the credit union movement in 1960. There is a strong feeling from the Irish League of Credit Unions in particular that the Minister for Finance is imposing a very tight straitjacket on the development of credit union structures with this legislation. Under the old banking regulation, the governance of some of the older credit companies, such as the Educational Building Society, EBS, and other building societies, which worked for ordinary people, failed. They have now been moved into banking structures. The Minister himself pulled EBS into the AIB structure. Areas where people could get cheap credit have now been denied to them.

It has been put to me very strongly that the proposal to apply historic Central Bank legisla-

tion from 1942 to 2011 was not considered by the Commission on Credit Unions. Members received a briefing document from former Senator, Joe O'Toole, on the discussions that took place at the commission. It is my information that the Minister's decision to wrap the credit unions around Central Bank legislation was an option that was not specifically discussed at and decided on at the commission. It is also felt the Minister did not consult the credit union movement on this aspect of the legislation. The key point credit union representatives make again and again is that credit unions are not banks. They do not have those characteristics banks have which allowed us to fall into this disastrous economic situation.

The Minister, when a backbencher, asked the key question on the night of the bank guarantee as to whether it was a liquidity or a solvency crisis. Of course, the banks lied to the then Minister and the rest of us. However, Fine Gael and this Minister, Deputy Noonan, went ahead to vote for the blanket guarantee along with Fianna Fáil, the Greens, unfortunately, Sinn Féin and Independents, which has crucified our country.

Acting Chairman (Deputy Robert Troy): Will the Deputy return to the amendment?

Deputy Thomas P. Broughan: The amendment relates to Central Bank legislation which has not worked. While this Minister voted to bring in a blanket bank guarantee - I believe the Cabinet received its full report on the budget this morning – this day next week he will bring forward another ferocious hairshirt budget for the people. It will be another squeezing of the pips which will make it difficult for people. Various reports from Grant Thornton, the credit union loan book review, the prudential capital assessment review, PCAR, state there is a lack of demand for credit. There is no mystery as to why there is a lack of demand. It is because the Minister for Finance has taken €10 billion out of our economy and out of people's pockets. Next week, he is proposing to take another €3 billion. This comes to €13 billion, following the Fianna Fáil Government removal of €10 billion. The total removal is heading to €30 billion. People have been crucified. Is it any wonder there is a lack of demand?

Acting Chairman (Deputy Robert Troy): I am sure the Deputy will have an opportunity to speak on the budget next week. Could we stick to the amendment today?

Deputy Thomas P. Broughan: I am referring to Central Bank legislation which failed.

Acting Chairman (Deputy Robert Troy): This is the Credit Union Bill.

Deputy Thomas P. Broughan: While the Minister asked whether the banking guarantee was required because of a solvency or liquidity crisis, he knows Central Bank regulation has failed, yet he is seeking to impose it again on the backs of credit union volunteers across the country.

It is no wonder there is a lack of demand for credit. One hears of deleveraging where credit union members take their shares, put them against their loans and walk out. Is it any wonder this is happening with the macroeconomic policies this Minister and the Fine Gael Party are pursuing?

It is astonishing there is no regulatory impact analysis attached to this Bill. The Bill proposes to introduce compliance officers and a mini-banking edifice on top of credit unions but there is no regulatory impact analysis of this. The Minister did not provide on Second or on Committee Stage the exact costs of the proposed credit union restructuring board, ReBo, or the new regulatory system. This is a lacuna at the very heart of this Bill which the Minister has

refused to address.

I am expressing the real concerns felt by credit union members around the country about the future management of their beloved credit unions. Even though the banks failed us so spectacularly, they still do not want credit unions to emerge as their serious rivals through shared services.

The use of Central Bank regulation in this sector should have been examined more closely by the Minister. The Government should have examined whether the existing credit union regulation system should have continued. It has to be said the record shows the 1997 Act worked very well.

I thank the Acting Chairman for his indulgence as I did not get an opportunity to speak on the Bill previously. I welcome the general supports the Minister will give to the credit union movement. However, there are deeply felt concerns, concerns put to me by the Irish League of Credit Unions, about the type of regulation and supervision the Minister is loading on the backs of the volunteers of the movement, particularly in the context of his failed economic policies and the disastrous decision he made in late 2008 to burden the people with debts they had not incurred.

Deputy Pearse Doherty: I want to acknowledge what I feel was a very constructive engagement on Committee Stage last week. As was clear from that, the Minister understands the concerns of the credit union movement and Members. I look forward to seeing the progress reports the Minister will give us on his own amendments on foot of the issues we raised last week. I also look forward to seeing these amendments taken in the Seanad. It is disappointing but the Minister has explained why they could not be put forward on Report Stage here.

The Minister will be glad to hear I am not going to repeat all the issues I raised on Committee Stage as I feel they were given a good hearing and he took them on board. Instead, I have tabled additional amendments on matters on which the Minister has not given any leeway. I have done that to assist him in drafting his amendments for the Seanad hearing of the Bill.

Amendment No. 2 relates to financial services. The Minister agreed last week that he would look at a formula of words for dealing with the issue of applying banking regulation to credit unions.

1 o'clock

Deputy Broughan noted earlier and I have said numerous times - not only in the House - that the credit union movement is altogether different from a bank. They are voluntary, not-for-profit organisations. The interpretation of the section relating to financial services could allow for someone to apply existing banking regulations to credit unions, although I understand from the Minister's comment that this is not the intention. Instead of deleting the definition of financial services, which was the drift of my original amendment on Committee Stage and which I subsequently withdrew, I have left the definition of financial services in place but I have tried to be more explicit in order that the fear within the credit union movement would be removed and that banking regulation legislation would not apply to the credit union movement. Under the amendment, only the legislation applicable to the credit union movement would continue to apply. It is important to have strong regulation but at the same time we should recognise the unique ethos of the credit union movement.

The amendment deletes part of section 6 and substitutes it with references to the following: Part VIIA of the Central Bank Act 1942; Part VIIB of the Central Bank Act 1942; Part IIC of the Central Bank Act 1942; Part 3 of the Central Bank Reform Act 2010; and the Central Bank and Credit Institutions (Resolution) Act 2011. These are the existing blocks of Central Bank legislation that apply to the credit union movement. We are not looking for any regulations to be removed. The argument is to ensure that banking regulations, of which there are a great deal including the Central Bank Acts and statutory instruments, should not be allowed to be imposed on credit unions further down the road since that was never the intention. The list may not be complete but it is a genuine effort to try to shape the type of amendment that the Minister will bring forward. I believe it will meet the needs of the credit union movement, not only the leaders of the credit union movement but the people who use the credit union. I presume the majority of people here are members of the credit union. We all have a stake in ensuring that there is a vibrant movement in the years ahead. If the Minister could indicate that this is the type of amendment he is planning to bring forward in the Seanad then I have no problem withdrawing the amendment. However, it is important that this catch-all section 6, which deals with all of the existing banking legislation, is refined or removed. There should be an explicit statement of the legislation in place and the Bill should allow the Minister to add to that when new legislation is brought forward applicable to the credit union movement.

Deputy Richard Boyd Barrett: My remarks will be in a similar vein to Deputy Doherty's. I acknowledge that we had a constructive engagement on Committee Stage with regard to the amendments that we tabled largely on behalf of the Irish League of Credit Unions. Generally speaking, the Minister indicated a willingness to deal with the concerns raised by the credit union movement and to bring forward his own amendments in the Seanad which would address those concerns. To a certain extent we are in a difficult position because we have a responsibility to do the best we can on behalf of the credit unions and their members. Report Stage is the last opportunity we will get to make any intervention on the Bill. We must take the Minister at his word but I believe he responded fairly honestly on Committee Stage and showed genuine concern and acknowledgement for the issues raised by the credit union movement. I was not entirely satisfied with some of the Minister's responses and I will refer to these during the course of the various amendments, but the Minister was honest enough. I am keen to hear from the Minister about what has happened since Committee Stage when it comes to dealing with these issues. Can the Minister tell us any more about how he intends to deal with these concerns, starting with these amendments?

Like Deputy Doherty, the submission of my amendments for this stage was rather rushed and they were provided at the last minute because we had little time between Committee Stage and the deadline for Report Stage. Anyway, the amendments are an attempt to raise the issues again and to get a response on how we are progressing to ensure that the credit unions are not caught up in the backlash against the banks, a backlash that resulted from the activities of the banks. As Deputy Broughan and all of us stated on Committee Stage - the Minister would probably agree - while the credit unions are not perfect and naturally require regulation, they are not the culprits of the dire situation we are now in; the culprits are the banks.

It would be a deep irony if the credit union movement suffered as a result of the backlash against banks. It would be a supreme irony if this were the case when the banks are still being protected. I realise they are being regulated and we will see how effective the new regulation is, but from most people's point of view the banks are being cosseted and protected and it is all about ensuring the welfare of the banks. It would be most ironic and unjust if the credit unions,

which are not perfect but do they bear responsibility for the deep mess we were in, were to suffer as a result of the need for greater regulation in the banking sector. This is the assurance which we and the credit unions seek. We have no wish for an onerous regulatory regime to be imposed on the credit unions such that their ability to function is effectively undermined or damaged in any way as a result of the implementation of regulation. I realise my amendments are imperfect in this regard. They are not as specific as those of Deputy Doherty. They simply suggest that only the regulation appropriate to credit unions in the legislation since 1942 should be applied to the credit unions. I understand that the amendments need to be more refined but we are keen to hear and, more important, the millions of credit union members are keen to hear that the amendments the Minister will bring forward will deal with this concern. We would all appreciate if the Minister could provide a progress report with regard to what these amendments will look like and an assurance that the credit unions will not be caught up in the backwash of the necessary regulation that must be imposed on the banking sector.

Deputy Michael McGrath: In speaking to the first group of amendments I wish to set out my party's approach on Report Stage. We had a constructive session last week, a five-hour meeting of the Select Sub-Committee on Finance, to deal with this Bill. During the course of those discussions the Minister engaged in a positive way and all Members have acknowledged that. As a result all Opposition amendments tabled at that stage were removed. The Minister explained to the committee that it would not be possible to bring forward his amendments on Report Stage because of the issue of getting approval from Cabinet but that he would bring them forward on Committee Stage in the Seanad. The approach I will take on Report Stage is to listen to what the Minister has to say with regard to the progress that has been made since then. The Fianna Fáil Members in the Seanad will be fully briefed and will be engaging on Committee Stage. Any amendments made there will have to come back to the Dáil.

I fully acknowledge the right of every Member to table amendments. Some have moved the amendments on from where we were last week. Some of the amendments are simply repeats. Anyway, I took in good faith what the Minister said on Committee Stage and I look forward to hearing what he has to say.

The broad thrust of the discussion last week on the first group of amendments was that a form of wording would be agreed which would make it clear that any of the old Central Bank legislation, which was never intended to relate to credit unions, would not apply to them now because of some unintended consequence. We agreed that there would be a form of working in this regard. I await the Minister's amendments but, naturally, I will engage in the debate on Report Stage.

Minister for Finance (Deputy Michael Noonan): I thank the Deputies who have contributed. Amendments Nos. 1 to 5, inclusive, 12, 14, 15, 28 to 30, inclusive, 33, 43, 44 and 48 to 50, inclusive, which have been grouped together for the purposes of discussion, relate to the definition of financial services legislation. They are scattered throughout the Bill as they also relate to consequential amendments regarding the definition.

Before addressing the specific amendment, which is amendment No. 1, I would like to outline my intention regarding my amendments to the Bill. As I explained in my concluding remarks on Committee Stage, I am currently considering a number of amendments to the Bill. Some of these deal with the commitments I gave on Committee Stage, including in respect of issues raised on behalf of the Irish League of Credit Unions. As these issues involve substantive changes, I will need to seek formal Government approval. As this could not be done in time for

Report Stage, my intention is to move the amendments in the Seanad, with a further referral of changes to this House, in accordance with existing procedures.

I will now address the grouped amendments in regard to the definition of financial services legislation. There was detailed and constructive engagement on this issue on Committee Stage, on foot of which my Department is exploring with the Office of the Attorney General whether the definition can be nuanced to clarify that it relates to the law as it already applies to credit unions. This would avoid any misunderstanding that the definition somehow inappropriately applies a corpus of banking legislation to credit unions. I again clarify that this definition does not apply financial services provisions to credit unions anew, nor could it be used for that purpose. The perception that this definition turns a range of new legal provisions from the wider financial sector onto credit unions is mistaken. The definition of financial services legislation is a technical interpretation provision which is needed for references throughout the Bill to requirements that are already imposed on credit unions under various pieces of financial services legislation. One reason for this is that credit unions have secured authorisation outside the credit union sector and therefore fall under wider financial services legislation. Examples include the Insurance Mediation Regulations 2005, the Investment Intermediaries Act 1995 and the European Communities (Payment Services) Regulations 2009. The deposit guarantee scheme which protects members' savings also applies by virtue of wider financial services legislation, such as the Financial Services (Deposit Guarantee Scheme) Act 2009. The Central Bank Acts already apply widely to credit unions. For example, the Office of the Registrar is provided for in the Central Bank Act 1942.

I will now comment on amendment No. 1 and its consequential amendments. I do not consider that excising all references to financial services legislation or the Central Bank Acts is a workable solution if it fundamentally compromises what the Bill and the commission report try to achieve. I will explain by the use of two examples what would happen if the definition were deleted. Section 18 inserts a new section 55A into the Credit Union Act 1997, under which subsection 3(f) requires the chairman to conduct a performance evaluation of all directors regarding their compliance with obligations under the financial services legislation. Many credit unions are authorised under the European Communities (Payment Services) Regulations 2009. A director of a credit union who fraudulently misappropriates users' funds under these regulations commits an offence. However, if all references were deleted in the Bill this offence could not form part of the directors' performance evaluation. The term is also used in section 15 of the Bill, which replaces section 53 of the Credit Union Act 1997 with a new section 53. Deleting the reference in subsection (7) would mean that the Bill would allow a retiring director to be eligible for re-election, even where to do this would result in a breach of another legal provision which already applies to credit unions. For example, there are requirements on directors regarding fitness and competence under the Investment Intermediaries Act 1995, under which many credit unions hold an authorisation. The failure of a credit union director to meet these requirements could be grounds for an application to the High Court to remove the credit union's authorisation as an investment intermediary. Including the reference to an applicable requirement under financial services legislation means that credit union members can have confidence that directors coming before them for re-election are not doing so in a manner which would breach a legal requirement to which the credit union is already subject.

Amendment No. 2 seeks to itemise the legislation that applies to credit unions. My Department has previously explored this option with the Office of the Attorney General. The assessment is that this approach would introduce unnecessary risks to the robustness of the provision

and could result in more limited application of the Bill than intended. The interconnectedness of financial services legislation is such that any inadvertent omission or misapplication of a particular provision could impede or prevent key sections of the Bill from applying in their intended form. In the case of this amendment, key legislation such as the Financial Services (Deposit Guarantee Scheme) Act 2009 and the Investment Intermediaries Act 1995, which already applies to credit unions, has been omitted.

Amendments Nos. 3 to 5, inclusive, propose that the phrase “appropriate to credit unions” be inserted into the definition. I am sympathetic to the approach in these amendments and my Department is currently exploring with the Office of the Attorney General whether a suitable formula along these lines might work. Given that my Department is already in discussions with the Office of the Attorney General on addressing the concern behind these amendments, I do not propose to accept them.

The bottom line is that there is a misunderstanding about the scope of the definition section. It only applies to legislation which already applies to credit unions, and anything in this Bill is then applicable to credit unions. What is at issue is making this clear in the definitions section with the mention of financial services etc. The Department is in contact with the Office of the Attorney General to work out a form of words which is legally enforceable to achieve this objective. I will introduce an amendment in this regard in the Seanad, following which the matter will again come before the Dáil for consideration.

Deputy Thomas P. Broughan: I welcome the clarification. As the Minister was speaking I had another look at the 1997 Act, which, as I have stated, is comprehensive legislation that has worked well and appears to cover most of the areas referred to. This Bill is effectively an amendment of large parts of that Act. I welcome also the Minister’s statement that amendments made in the Seanad will come before the Dáil for consideration. Is it the intention to do this prior to Christmas, so as to give us an opportunity to have a final input into this legislation?

The Minister’s strong argument with regard to section 18 and other sections addresses my amendments on Central Bank regulation. However, the concern remains that people who had nothing to do with the banking crisis will in future be the ones who carry the burden. It will be much more difficult for the credit union movement to develop as a dynamic local financial service in direct competition with the banks, on the American model, and provide that type of resource for people. It is important that the Minister consider the amendments carefully. I read the proceedings of the Committee Stage debate and accept that there was some engagement then with regard to the concerns of the Irish League of Credit Unions. This is a key point in the history of the movement and while it is clear that the Bill is urgent, the Minister must arrive at a formula that will work. It must be asked why such a formula is not contained in the Bill and why this concern was not foreseen by his Department.

Deputy Michael Noonan: The position is that there is nothing in the Bill that does not already apply to the credit union movement. There has been a misunderstanding, arising from the definition section, that there may be an importing of additional legislation to be applied to credit unions, but this is not the case. As agreed on Committee Stage, consultation is taking place between my Department and the Office of the Attorney General with a view to amending the definition section in order that it will be absolutely clear that what is feared is not happening. I will amend the definition section in the Seanad. I must bring substantive amendments to the Cabinet but because of the short timeline, I was unable to do so before Report Stage. I assure Deputy Tommy Broughan that it will happen before Christmas. I must move expeditiously because, as

everyone knows, there are impaired credit unions which will need financial assistance. I have made provision for a figure of €250 million in the 2012 figures to assist credit unions, but if I cannot get this legislation through, I will not be able to dedicate that money to the credit unions and it will fall out of the figures at the end of the year. I need to get the legislation through the Seanad and back to the Dáil before Christmas in order that I can apply the initial tranche of funding which will not be sufficient and will only be the first instalment. It is very important, therefore, that we keep to the timeline. I do not mean to be disobliging to Deputies and I am quite prepared to discuss at length any of these provisions, but it is the fallow period between the different Stages that I must shorten in order that I can get the Bill through.

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

Amendment declared lost.

Acting Chairman (Deputy Robert Troy): Amendments Nos. 2 to 5, inclusive, fall in view of the decision on amendment No. 1.

Deputy Pearse Doherty: Just for the record, in view of the Minister's comments, I was prepared to withdraw amendment No. 2.

Deputy Richard Boyd Barrett: Likewise with amendments Nos. 3 to 5, inclusive, in my name.

Amendments Nos. 2 to 5, inclusive, not moved.

Acting Chairman (Deputy Robert Troy): Amendments Nos. 6 and 8 to 10, inclusive, are related and may be discussed together.

Deputy Pearse Doherty: I move amendment No. 6:

In page 9, between lines 33 and 34, to insert the following:

"7.—The Principal Act is amended by inserting the following subsection after section 6(5):

"(6) Nothing in this Act shall prevent a credit union from lending to a State guaranteed project which is in keeping with the objects for which credit unions are formed as stated in this section."".

This amendment deals with social lending. The credit union movement has stated it wants to invest money in State-guaranteed projects, something we should all be encouraging, given the not-for-profit nature of the movement and the fact that many credit unions have to invest their money in banks and other financial institutions, both here and abroad. In the context of the reason credit unions were set up in the first place, if they can invest in State-guaranteed projects, be they schools, community centres or others of social value in their local communities, they should be allowed to do so. While I take on board what the Minister said on Committee Stage that there is nothing to prohibit credit unions from doing this, my amendment explicitly details the possibility of their lending to Government-guaranteed projects. It states there would be nothing to prohibit them from engaging in such lending. It is really a point of clarification and not contentious. The amendment asserts, "Nothing in the Act shall prevent a credit union from lending to a State guaranteed project which is in keeping with the objects for which credit unions are formed as stated in this section".

The report of the Commission on Credit Unions dealt with this issue in the executive summary recommendations Nos. 3.25, 3.26 and 3.27. Recommendation No. 3.27 states:

The Commission recommends that credit unions could take a more prominent role in developing and maintaining social inclusion lending schemes. These schemes should be backed up with support mechanisms to facilitate credit unions becoming more actively involved in social lending.

Given that the Bill is not just about the regulation of credit unions as they currently operate but is also about facilitating their future operation, it is appropriate that this measure be included in it. I, therefore, ask the Minister to consider accepting it. During an earlier discussion the Minister indicated that he was considering changing the scope of the Bill and mentioned the insertion of the word “public” into a specific section. A definition such as that proposed in my amendment would bring greater clarity to the issue. Perhaps, as with the previous amendment we discussed, this relates to an unfounded fear or a false perception, but the amendment should not be problematic for the Minister. It simply strives to clarify within the Bill that credit unions are allowed to engage in such lending should there be an appropriate programme or project. Obviously, later sections of the Bill deal with the issue of the Central Bank approving lending by credit unions, but this amendment is worthwhile.

Deputy Richard Boyd Barrett: We discussed this issue on Committee Stage and while I do not want to elongate the debate unnecessarily, I feel particularly strongly about this point because it relates to the bigger macroeconomic picture. We are in dire need of a stimulus and investment. The credit union movement wishes to ensure there is no impediment to its members investing money in a way that could be beneficial to the economy and society in terms of job creation and the development of socially useful projects. We should welcome this. The Minister suggested on Committee Stage that there was no impediment to such investment by credit unions which are putting their money in the bank but would rather put it somewhere else. The Minister also said he had to safeguard the deposits of the members of credit unions and was concerned about that aspect in the context of this proposal. However, as I understand it, the credit union movement is stating any scheme in which credit unions would invest would be State-guaranteed. The idea is that they would lend money to the State for a guaranteed, modest return, thus making money available for programmes to create jobs and benefit the economy, local communities and so forth. The State would guarantee the repayment of the money, at a modest rate of interest. That seems to be a no-brainer. It is a very positive suggestion, the acceptance of which would be good for the credit union movement and the economy as a whole. The credit union movement would like the Bill to state explicitly that there will be no impediment to member unions doing this. It is obvious that it would be better if credit unions put money into such projects rather than deposit it in banks. I, therefore, ask the Minister to outline how he proposes to deal with this issue in a way which will satisfy the credit union movement and benefit the economy.

Debate adjourned.

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

28 November 2012

Acting Chairman (Deputy Peter Mathews): The Select sub-Committee on Health has completed its consideration of the Health Insurance (Amendment) Bill 2012 and has made amendments thereto.

Ceisteanna - Questions

Priority Questions

Cultural Policy

1. **Deputy Seán Ó Fearghail** asked the Minister for Arts, Heritage and the Gaeltacht if his report to the Department of Public Expenditure and Reform on the merger of cultural institutions has been presented to Government for its consideration; and if he will make a statement on the matter. [53114/12]

Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Dinny McGinley) (Deputy Dinny McGinley): As the Deputy will be aware, the public service reform plan published by the Government on 17 November 2011 outlined a series of rationalisation measures, some of which related to a certain number of the bodies funded from my Department's Vote. In this regard, my Department conducted a critical examination of the structure and operations of the institutions included in the public service reform plan and developed a comprehensive and practical approach to implementation of the various Government decisions in this area. This was endorsed by the Minister for Public Expenditure and Reform. A progress report on the implementation of these measures was recently submitted to and approved by the Government. Summary documents which outline the main outcomes of this examination in relation to the relevant bodies and institutions have been published on my Department's website.

Savings of €20 million in enhanced service efficiencies and value for money measures were targeted in the public service reform plan. In this context, it is expected that savings in the region of approximately €1 million will be made initially across the institutions involved in the reform programme which are funded from my Department's Vote, with further savings to be identified as the various cost saving measures are implemented. In the immediate term savings are being made primarily in the following three ways: through the ending of payments to chairpersons and members of boards or advisory councils; through a programme of shared services between institutions, including retail, security, marketing, procurement and storage; and through the provision of services by my Department for certain institutions, including human resources and financial services, thereby relieving them of the need to incur costs in accessing these services.

Deputy Seán Ó Fearghail: Fearaim fáilte roimh an Aire Stáit agus tuigim go bhfuil an t-Aire féin ag gníomhú ar chúrsaí a bhaineann leis an gcáinainéis. Tá sé sin tábhachtach, gan amhras. I agree that it is important that the Minister use every housekeeping initiative avail-

able to him to achieve economies. However, I am concerned that the arm's length principle enshrined in the Arts Act 2003 is being abandoned with the proposal to merge the National Archives, the National Monuments Service and the National Library of Ireland. In an international context we have identified 113 countries which have established national archives, but in only two are they amalgamated with the national library. I draw the Minister of State's attention to a comment made by our literary master craftsman, Mr. Colm Toibin, who stated: "The ethos behind a National Library – the making of books and manuscripts available to scholars - and the function of a National Archives – the preservation of documents emanating from government departments – seem quite distant from each other." We are asking the Government to desist from pursuing this policy because it is not in the interests of the cultural institutions to be drawn back into the control of the Minister. I accept that the Minister, Deputy Jimmy Deenihan, is totally committed to ensuring the well-being of our cultural institutions, but this change will live on after him and we cannot be sure that future Ministers will have such a demonstrable interest in this area. I do not think for one minute that he believes in his heart that the proposals made are in the best interests of these important facilities, given their major cultural and economic significance, not least in the context of The Gathering.

Deputy Dinny McGinley: No decision has been made to amalgamate the National Archives with any other body. The National Library of Ireland and the National Museum of Ireland will introduce a similar governance structure as that in place for the National Archives which has a statutorily independent director and an advisory council that serves *pro bono* and which has been successful in raising money from private sources to fund its work. This model has been adopted by the National Museum of Ireland and the National Library of Ireland, each of which will have a statutorily independent director. The Minister has committed to updating the legislation to strengthen the position of director at each institution. There will also be a National Museum of Ireland and National Library of Ireland council comprising nine members who will serve *pro bono*. The council will be tasked with fulfilling an outward facing and philanthropic role. The two institutions will be expected to work closely together in the sharing of common services. This is also expected of the three galleries which already work closely together in areas such as marketing, procurement, security and retail services.

Oibleagáid Seirbhíse Poiblí

2. D'fhiafraigh **Deputy Peadar Tóibín** den an Aire Ealaíon, Oidhreacht agus Gaeltachta an féidir leis gealltanais a thabhairt go gcoinneofar an maoiniú oibleagáide seirbhíse poiblí d'aeriompar chuig Árainn ag an leibhéal atá ann faoi láthair. [53113/12]

Deputy Dinny McGinley: Beidh an conradh reatha ceithre bliana chun seirbhíse aeir a chur ar fáil d'Oileáin Árainn faoi oibleagáid seirbhíse poiblí ag teacht chun deiridh ar 31 Lúnasa 2013. Ina theannta sin, tá conradh eile ag mo Roinn chun bainistiú a dhéanamh ar na haeradróim ar na hoileáin agus tiocfaidh deireadh leis an gconradh sin ar an dáta céanna. Cosnaíonn na seirbhísí sin beagnach €2 mhilliún ar mo Roinn in aghaidh na bliana. Is ionann é sin agus timpeall an tríú cuid de bhuiséad reatha mo Roinne do na hoileáin.

Ní miste dom a lua gur thug mé cuairt ar Inis Mór le déanaí agus gur chas mé fosta le toscaireacht ó mhuintir Árainn in éineacht lena gcuid ionadaithe poiblí an tseachtain seo chaite. Is deimhin liom, mar sin, go dtuigim go maith an tábhacht a bhaineann leis na seirbhísí aeir do phobal Árainn.

Mar is eol don Teachta, áfach, tá ciorruithe á ndéanamh ar chaiteachas trasna na seirbhíse poiblí agus ní haon eisceacht é an caiteachas ar na hoileáin. Tá mo Roinn ag breathnú ar chostas na seirbhíse air i gcomhthéacs an phróisis meastachán agus i gcomhthéacs na gconarthaí eile a bhaineann le seirbhísí iompair do na hoileáin. Déanfar cinneadh i dtráth cuí i gcomhthéacs an tsoláthair a bheidh ar fáil do mo Roinn le fóirdheontais a thabhairt do sheirbhísí den chineál seo.

Deputy Peadar Tóibín: Is ábhar tábhachtach é seo agus is ábhar mór inní é freisin do mhuintir Oileáin Árann. Mar is eol don Aire Stáit, tá muintir na n-oileán anseo i mBaile Átha Cliath inniu le haghaidh preas ócáid ar an ábhar seo. Dúirt an tAire Stáit le pobal Oileáin Árann go n-ardódh sé an cheist seo leis an Aire Caiteachais Phoiblí agus Athchóirithe, an Teachta Howlin, agus go mbualadh sé leis an tseachtain seo caite. Ar bhuail an tAire Stáit leis maidir leis an cheist seo agus cad a dúirt an tAire leis? Ar chuir an tAire Stáit an cheist ar an Aire agus cén freagra a thug sé ar an ábhar tábhachtach seo?

Is léir go ndéanfaidh aon chinneadh a ísleoidh an t-airgead atá ag dul do na seirbhísí seo an-damáiste do mhuintir Oileáin Árann. Ceapann an coiste atá i gceannas ar na hoileáin go n-imeodh thart ar 20% den phobal ón Inis Mór go fadtéarmach muna mbeadh an tseirbhís seo i bhfeidhm. Is bagairt mór an cinneadh seo do thodhchaí an oileáin agus do chúrsaí sláinte agus oideachais ar an oileán. Tá sé an deacair do sheandaoine agus daoine tinn dul ar an mbád i rith an gheimhridh nuair a bhíonn drochaimsear ann. Caithfear seirbhís mar seo a choinneáil i bhfeidhm agus caithfidh cruinneas a bheith ann fúithi.

Ba chóir go mbeadh an tAire Stáit sásta a rá inniu go rachaidh an tseirbhís se ar aghaidh go fadtéarmach agus nach bhfuil aon bhagairt uirthi.

Deputy Dinny McGinley: Tá an próiseas Meastachán ar siúl go fóill agus beidh go dtí lá na cáinfhaisnéise. Maidir le Oileáin Árann agus na hoileáin ar fad ar an chósta, tá breis agus 20 oileán ann a gcuireann an Roinn airgead ar fáil dóibh le haghaidh farantóireacht, lastas, aer seirbhís agus busanna. Tuigim go han-mhaith chomh tábhachtach agus atá na seirbhísí seo do na hoileáin. Is é an cuspóir atá agam ná na seirbhísí seo a choinneáil ag dul ar aghaidh chomh fada agus is féidir i dtuilleamaí an méid airgid a bheidh ar fáil sna Meastacháin.

Thug mé cuairt ar Oileáin Árann. Bhí mé in Inis Mór cúpla seachtain ó shin agus bhí mé in Inis Meáin agus Inis Oírr. Bhuail mé le muintir na n-oileán agus bhuail mé leo agus lena iodaithe poiblí an tseachtain seo caite. Tá a fhios agam go bhfuil siad sa chathair inniu arís. Ba mhaith liom a chur ina luí ar an Teach go dtuigim go fíor mhaith, mar duine a bhfuil an-eolas agam ar na hoileáin caidé chomh tábhachtach agus atá na seirbhísí seo. Geallaim go ndéanfaidh mise gach iarracht gach seirbhís gur féidir a choinneáil ar siúl. Ach mar sin féin, ní bheidh freagra na ceiste againn go dtí go mbeidh a fhios againn go díreach cá bhfuil muid inár seasamh.

Deputy Peadar Tóibín: Tá aithne mhaith ag gach éinne ar Oileáin na Blascaoide agus ar Inis Airc agus ar oileáin eile mar iad timpeall na tíre atá marbh mar oileáin ar a bhfuil pobal beo. Má stopann an Rialtas an tseirbhís seo, cuirfidh sin an-brú ar chúrsaí gnó, cúrsaí fostaíochta agus cúrsaí turasóireachta ar an oileán seo. Tá an cumhacht ag an Aire Stáit. Is léir gur buille tubaisteach é seo don oileán. Ba cheart go mbeadh an tAire Stáit sásta a bheith oscailte agus go mbeadh sé in ann teacht amach agus a rá go rachaidh an tseirbhís seo ar aghaidh agus nach mbeidh fadhb ar bith léi.

Deputy Dinny McGinley: Mar a dúirt mé, tuigim na himpleachtaí go léir. Tá cuairt tugtha agam ar na hoileáin go léir agus chas mé le muintir na n-oileán agus rinne siad moltaí deimh-

nitheacha agus fiúntacha an lá deireannach a bhí siad anseo. Tá plé le déanamh ar na rudaí seo.

Deputy Peadar Tóibín: Ar bhuail an tAire Stáit leis an Aire Caiteachais Phoiblí agus Athchóirithe?

Deputy Dinny McGinley: Táim ag éisteacht le glór na n-oileán.

Merger of Cultural Institutions

3. **Deputy Catherine Murphy** asked the Minister for Arts, Heritage and the Gaeltacht his views on the statement in the report submitted to him by IMPACT on the proposed merger of the National Archives and the National Library which described the proposition as not compelling; if he will make available a copy of this report; his views on whether the proposed merger will have a detrimental effect on the capability of our national cultural institutions to facilitate genealogical tourism; if he has factored in the loss of tourism revenue in his cost-benefit analysis on the proposed merger; and if he will make a statement on the matter. [52865/12]

Deputy Dinny McGinley: As the Deputy will be aware, the public service reform plan published by the Government on 17 November 2011 outlined a series of rationalisation measures and some of those measures related to a certain number of the bodies funded from my Department's Vote group. In this regard, my Department conducted a critical examination of the structure and operation of the institutions included in the public service reform plan and developed a comprehensive and practical approach to the implementation of the various Government decisions in this area, which was endorsed by the Minister for Public Expenditure and Reform. A progress report on the implementation of these measures was recently submitted to and approved by Government. Summary documents outlining the main outcomes of this examination with regard to the relevant bodies and institutions have been published on my Department's website at <http://www.ahg.gov.ie/en/PublicServiceReform/>. As is clear from those documents, it is not proposed to go ahead with the merger of the National Library and the National Archives.

I am sure the Deputy will agree that the National Archives is working well. It is headed by a statutorily independent director, is advised by an advisory council that serves *pro bono*, and has proved successful at raising funds and sponsorship from private sources to further its work. The Government, on the recommendation of the Minister for Arts, Heritage and the Gaeltacht, has recognised that the model is working well.

In response to a freedom of information request, the IMPACT report referred to by the Deputy has been released. I will arrange for a copy to be sent to the Deputy.

Deputy Catherine Murphy: The Minister of State has acknowledged the National Archives model is working well. The key issue is that this is an arm's-length model, under which the body has the freedom to act on its own behalf. That freedom has paid dividends by allowing the National Archives to make direct approaches to funders.

I have no difficulty with the sharing of resources and believe this makes sense. However, the independence or arm's-length distance of our cultural institutions from the Government is of benefit. I have no problem with reform, but when it will not produce a positive result or saving but will damage cultural institutions, it is only right that we ask questions about it. Michael Ryan has published an excellent opinion piece in *The Irish Times* today which makes the argu-

ment very well.

Deputy Dinny McGinley: I agree with Deputy Murphy that the National Archives is currently functioning well. It has its own independent director and advisory council, serving *pro bono*. As the Deputy has pointed out, it also has the freedom and ability to go out and raise funds and seek sponsorship and income and is not dependent on the Exchequer. That is a great advantage. The same model is envisaged for the National Library and the National Museum. Like the National Archives, these will function at arm's length. We probably agree on more than we disagree on in this case.

Deputy Catherine Murphy: The report that was done by IMPACT said that what was originally proposed would "seriously undermine" the ability of the "already very strained" bodies to deliver on their statutory obligations. Will the Minister of State comment on the report in question? Was it considered when a decision was made on how the Government intends to organise the governance of the National Museum?

Deputy Dinny McGinley: Yes. I am confident that every report that has made constructive and positive proposals with regard to these important national institutions - we all recognise the work they have done - has been considered at the highest level.

Foras na Gaeilge

4. D'fhiafraigh **Deputy Michael P. Kitt** den an Aire Ealaíon, Oidhreacht agus Gaeltachta má éiríonn le Comhdháil Náisiúnta na Gaeilge nó le Conradh na Gaeilge a bheith mar phríomheagraíocht sa réimse Ardú Feasachta agus Ionadaíocht faoin múnla nua atá molta ag Foras na Gaeilge an mbeidh deireadh á chur leis an eagrais eile tar éis tréimhse 18 mí mar a míníodh ó bhéal d'eagrais na hearnála [53115/12]

Deputy Dinny McGinley: I dtosach báire, ní mór dom a shoiléiriú go mbaineann an cheist seo leis an athbhreithniú atá ar bun ag Foras na Gaeilge ó mhí Aibreáin 2008 i ndáil leis an mbunmhaoiniú a thugtar do 19 n-eagraíocht ar mhaithe le seirbhísí a sheachadadh do phobal na Gaeilge. Tá 12 n-eagraíocht acu sin lonnaithe go príomha sa dlínse seo agus tá seacht n-eagraíocht acu sin lonnaithe ó Thuaidh. Ar ndóigh, mar ghníomhaireacht den chomhlacht forfheidhmithe Thuaidh-Theas, An Foras Teanga, tá Foras na Gaeilge freagrach don Chomhairle Aireachta Thuaidh-Theas agus urraithe ag mo Roinn féin agus ag an Roinn Cultúir, Ealaíon agus Fóillíochta ó Thuaidh.

Sa bhliain 2008, is amhlaidh go raibh Foras na Gaeilge ag cur 40% dá bhuiséad, is é sin €8 milliún, ar fáil don 19 n-eagraíocht bhunmhaoinithe. Bhí os cionn 50% den bhunmhaoiniú sin á chaitheamh ag na heagraíochtaí ar thuarastail amháin. Sa chomhthéacs sin, rinne bord Fhoras na Gaeilge cinneadh athbhreithniú seachtrach a dhéanamh ar an bhunmhaoiniú agus thacaigh an Chomhairle Aireachta Thuaidh Theas leis an gcinneadh sin. Cuireadh an t-athbhreithniú seachtrach i gcrích le linn 2009. Léirigh na torthaí an mhí-éifeacht a bhaineann le seirbhísí a sheachadadh trí 19 n-eagraíocht do phobal na Gaeilge. Ó shin i leith, tá mionscagadh agus plé cuimsitheach déanta ar mhúnlaí eile a d'fhéadfaí a chur ar bun in ionad an chórais bhunmhaoinithe. Rinneadh é sin i gcomhairle leis an earnáil bhunmhaoinithe agus le páirtithe leasmhara eile.

Bhí próiseas comhairliúcháin poiblí i gceist fosta, ó Thuaidh agus ó Dheas, agus pléadh an

dul chun cinn ag cruinnithe den Chomhairle Aireachta Thuaidh-Theas. San idirlinn, leanadh le bunmhaoiniú eatramhach a chur ar fáil don 19 n-eagraíocht - socrú atá le bheith i bhfeidhm go dtí 30 Meitheamh 2013. Is é an staid reatha ná gur chuir Foras na Gaeilge cás gnó lena mholtaí críochnúla, atá aontaithe ag an bhord, chuig na Ranna urraíochta an mhí seo caite. Tá na moltaí sin á mbreithniú ag an dá Roinn faoi láthair. Táthar ag súil go gcuirfear páipéar fúthu os comhair na Comhairle Aireachta Thuaidh-Theas ag an chéad chruinniú eile ar 12 Nollaig 2012. Tuigfidh an Teachta nach mbeadh sé cuí aon eolas breise a thabhairt go dtí go mbeidh plé déanta ar mholtaí críochnúla Fhoras na Gaeilge agus cinneadh tógtha ina leith ag an gComhairle Aireachta Thuaidh-Theas.

Deputy Michael P. Kitt: Gabhaim buíochas leis an Aire Stáit. Mar a dúirt sé, beidh cruinniú ag an gComhairle Aireachta Thuaidh-Theas ar 12 Nollaig seo chugainn. Cuirim fáilte roimh an gcruinniú sin. Táimid ag caint mar gheall ar múnla nua atá molta ag Foras na Gaeilge. Tá an samhail nua maoinithe caite amach, ar ndóigh. Cé rud nua atá sa múnla nua? An aontaíonn an tAire Stáit le Comhdháil Náisiúnta na Gaeilge agus Conradh na Gaeilge go mbeidh sé an-deacair pleanáil a dhéanamh as seo amach?

Deputy Dinny McGinley: Tá an t-athbhreithniú seo ag dul ar aghaidh le ceithre bliana anuas, ón bhliain 2008. Chuir siad plean úr i láthair sa bhliain 2009. Chuaigh siad i mbun teagmhála leis na heagraíochtaí seo arís de bharr comhráití, srl., a tharla ag an gComhairle Aireachta Thuaidh-Theas. Tá plean maoinithe úr molta ag Foras na Gaeilge. Tá an plean sin curtha faoi bhráid mo Roinne agus freisin faoi bhráid an Chomhairle Aireachta Thuaidh-Theas. Ní shílím go mbeadh sé ceart, nó fiú indéanta, dul isteach sna moltaí seo go dtí go mbeidh siad pléite ag an gcruinniú a tharlóidh i gceann coicíse, ar 12 Nollaig seo chugainn. Os rud é go bhfuil freagracht ó Thuaidh agus ó Theas sa chomhthéacs seo - tá inchur ag an dá Rialtas - ba cheart dúinn fanacht go dtí go bhfuil an ábhar seo pléite agus cinneadh déanta. Is ag an am sin go mbeimid in ann na moltaí a chur in iúl don Teachta agus gach duine eile.

Deputy Michael P. Kitt: An dtuigeann an tAire Stáit go bhfuil dainséar ann go mbeidh iomaíocht idir eagraíochtaí ar nós Comhdháil Náisiúnta na Gaeilge agus Conradh na Gaeilge os rud é nach bhfuil aon rud i scríbhinn curtha ar fáil do na heagraíochtaí sin, nó don phobal, maidir leis an múnla nua maoinithe? Cathain a tharlóidh sé go mbeidh rud éigin scríofa ar fáil?

Deputy Dinny McGinley: Mar a dúirt mé, níl an próiseas seo críochnaithe go fóill. Cuireadh na moltaí úra atá glactha ag bord an fhorais romhainn. Beidh siad á bplé ag an chéad chruinniú eile den Chomhairle Aireachta Thuaidh-Theas faoi cheann coicíse. Tuigim go bhfuil suim mhór ag na heagraíochtaí éagsúla atá ag saothrú ar son na Gaeilge le blianta fada ar cad é atá i ndán dóibh. Tá muidne ag iarraidh go mbeidh an luach is fearr ar na hacmhainní atáimid ag cur isteach sna heagraíochtaí deonacha á fháil againn nuair a bheidh an próiseas seo thart. Ba mhaith liom iad a mholadh as an obair atá déanta acu le blianta agus le glúinte anuas. Caithfidh amharc ar an ról a bheidh acu sna blianta amach romhainn. Caithfidh sé sin a bheith aontaithe ag leibhéal níos airde. Nuair a bheidh sé sin déanta - cibe cén uair - tiocfaimid ar ais anseo chun tuairisc a thabhairt don Teach.

Turbary Rights

5. **Deputy Sandra McLellan** asked the Minister for Arts, Heritage and the Gaeltacht if he will provide details of the levels of engagement he has had with the European Commission regarding the issue of rights, the compensation scheme, and the potential for relocation or re-

designation where relocation or compensation are not an option; if his attention has been drawn to the fact that this is an important issue for turf cutters here and that the Turf Cutters Association are seeking re-designation as a resolution to this issue for their members; and if he will make a statement on the matter. [53117/12]

Deputy Dinny McGinley: There has been constant contact with the European Commission on turf cutting issues since the Government came into office in March of last year. When the Minister met the Environment Commissioner, Janez Potočnik, on his visit to Dublin last week, he took the opportunity to update him on the progress being made. Last April, the Ministers, Deputies Hogan and Deenihan, met Commissioner Potočnik in Brussels, where they secured his support for developing a national raised bog SAC management plan. This was in keeping with the recommendations of Mr. Justice Quirke following his report on the Peatlands Forum. It was also in line with the motion agreed unanimously by Dáil Éireann on 7 March last, which called on the Government to “engage actively with the European Commission to seek a resolution within the terms of the Habitats Directive, and to prepare and submit a National Raised Bog Restoration Plan to the Commission as a matter of urgency”. That plan will provide for the long-term protection of Ireland’s raised bog SACs, will address the needs of turf cutters and will unlock the flexibility available for dealing with the most difficult bogs within the terms of the habitats directive. A delegation of Commission officials visited Ireland in October to discuss the progress being made. During their visit, they travelled to Clara Bog in County Offaly and the nearby relocation site at Killeranny. They also met representatives of several bogs who are engaging with the State to find solutions which meet their needs as turf cutters, through compensation or relocation. The detailed exploration of relocation sites is a key element in progressing the national plan. My Department, in collaboration with the Peatlands Council and with the assistance of Bord na Móna, is actively engaging with turf cutting communities to consider how relocation can be progressed.

3 o’clock

Deputy Sandra McLellan: Will the Minister tell the House what he considers to be a realistic timeframe in which a plan can be put in place for the 53 bogs? With regard to relocation, where this is an option, what does the Minister of State consider a realistic timeframe? In the event that relocation or compensation is not an option, does he consider compensatory habitats are an option? As per section 6.4 of the directive, will his Department actively pursue compensatory habitats where no other option is available?

Deputy Dinny McGinley: Some 747 applicants have to date indicated an interest in relocation. Potential relocation solutions for 34 SAC bogs have been identified, with arrangements finalised for the first of these relocation bogs. It is expected that relocation will not be required for about 15 SACs, as there has been little or no turf cutting on these bogs for many years. If, following an in-depth examination, there are a small number of sites for which there are genuinely no alternatives in terms of relocation, the national plan may be able to provide some flexibility in this regard.

Having carried out much good work on the relocation issue, the Minister, Deputy Deenihan, once again urges the Turf Cutters and Contractors Association to engage with the process the Government has now put in place with the agreement of the European Commission. I know that on the Commissioner’s recent visit to the country, Deputy McLellan had an opportunity to raise these matters directly with him.

Deputy Sandra McLellan: What actions have the Minister of State and his Department taken to make progress on this with local turf cutters? The Minister of State said he met them. Will he provide further concrete examples?

Deputy Dinny McGinley: As I said, there is a standing invitation to the Turf Cutters and Contractors Association to engage with the Minister so we can achieve a solution that will be acceptable to all. The Minister has devoted much time and effort to coming to such an arrangement and major progress has been achieved. Some 2,000 payments have been made thus far and 2,500 applications have been received. People are obviously opting for the very generous compensation scheme that has been adopted. I understand anyone who participates and opts for the scheme will receive total compensation over 15 years of approximately €23,000. Of course, there are some who would prefer to have fuel provided for them, and I understand 180 people have taken that option. They will get fuel to a value commensurate with what had already been agreed with those who have taken a direct monetary payment.

Other Questions

Heritage Council Expenditure

6. **Deputy Martin Ferris** asked the Minister for Arts, Heritage and the Gaeltacht if he will give an undertaking to provide the Heritage Council with additional funding to ensure the continuation of its research, education, and conservation programmes; and if he will make a statement on the matter. [53064/12]

Deputy Dinny McGinley: The level of funding available in 2013 from my Department's Vote for the Heritage Council will be subject to the normal budgetary and Estimates processes, which may be necessarily constrained by the current difficult fiscal environment. The Minister, Deputy Deenihan, hopes to finalise any allocation to the Heritage Council as soon as possible, once final budgetary decisions are made. Of course, it will be a matter for the council to decide how its funding should be allocated across the range of research, education and conservation programmes it supports in future years, having regard to competing priorities for limited resources.

Deputy Sandra McLellan: Thus far, the Heritage Council has not been in a position to advertise its grant scheme due to a lack of funding. The council has also suffered substantial cuts to its funding since 2008 and, while it has maintained as much of its core work programme as possible, this was achieved in 2012 by using its funding reserves. This meant financial support was available for grants in support of heritage management, heritage education, community outreach and heritage research, but this reserve is now exhausted. Unless the overall level of funding available to the council in 2012, including its reserve, is available again in 2013, it will not be in a position to run these important programmes in the coming year. The ending of such grants will be a real and significant loss to the heritage sector and, perhaps more importantly, to society in general.

28 November 2012

Deputy Dinny McGinley: A total of €4.811 million was approved for the Heritage Council last year and, in addition, €1.5 million was allocated to the council from the environment fund in 2012. We all realise the important work done by the Heritage Council, which was established as a statutory body under the Heritage Act 1995 to propose policies and priorities for the identification, protection, preservation and enhancement of the natural heritage. While for obvious reasons I am not able to divulge at this stage what the allocations to the Heritage Council will be next year, I must emphasise that whatever the allocation is, it will be a matter for the Heritage Council to allocate its funding as best it can and to decide its own priorities. I am not able to provide the information to the Deputy because the budgetary and Estimates processes are still in progress. We will probably have to wait until this day next week to find out the situation.

Deputy Sandra McLellan: In terms of management, organisational capacity and good governance, the Heritage Council is a model organisation. Through the grants programme, it continues to demonstrate value for money by the careful and innovative use of small amounts of funding for various projects. These programmes make a vital contribution to heritage tourism, employment and education, to our sense of well-being and to our towns and communities across Ireland. In light of this, I hope the Minister of State will give an undertaking that the Heritage Council will have the necessary funds made available to it to ensure the operation of its grants in 2013.

Deputy Dinny McGinley: I assure the Deputy we will try to be as supportive as possible of the Heritage Council, which is a statutory body. Unfortunately, we have inherited a difficult situation. I am aware there has been a steady reduction since 2008 in the funding available. It is a reflection of the difficult economic and fiscal situation in which we find ourselves at present, as the Deputy will understand, and this will determine what is available. Whatever is available, we still recognise and acknowledge the importance of its work. I thank the Deputy for her constructive suggestions.

Deputy Sandra McLellan: In that case, the Minister of State will do everything he can.

Straitéis 20 Bliain don Ghaeilge

7. D'fhiafraigh **Deputy Dara Calleary** den an Aire Ealaíon, Oidhreachta agus Gaeltachta an méid atá bainte amach sna réimsí difriúla go dtí seo mar gheall ar an Straitéis Fiche Bliain; agus an ndéanfaidh sé ráiteas ina thaobh. [52999/12]

Deputy Dinny McGinley: Tá sé ráite faoi Chlár an Rialtais go dtabharfaidh an Rialtas tacaíocht don Straitéis 20 Bliain don Ghaeilge 2010-2030 agus go ndéanfar na spriocanna indéanta atá luaite inti a sheachadadh. Tá an dul chun cinn ar chur i bhfeidhm na Straitéise le feiceáil ó na gníomhartha éagsúla atá idir lámha ag mo Roinnse ar bhonn reachtaíochta, ar bhonn praiticiúil agus ar bhonn eagraíochtúil.

Is céim shuntasach ó thaobh cur i bhfeidhm na Straitéise í Acht na Gaeltachta 2012. Tá dhá phríomhaidhm leis an Acht, is iad sin, sainmhíniú nua a leagan síos don Ghaeltacht agus leasuithe a dhéanamh ar struchtúr agus ar fheidhmeanna Údarás na Gaeltachta.

Mar atá sonraithe faoin Acht, tá an phleanáil teanga ag leibhéal an phobail lárnach do phróiseas an tsainmhíneithe nua don Ghaeltacht. Tá ról lárnach ag Údarás na Gaeltachta agus ag Foras na Gaeilge araon maidir le cúnaimh a thabhairt do phobail éagsúla i ndáil le hullmhú agus

le feidhmiú pleananna teanga sna ceantair éagsúla atá faoina gcúram. Tuigtear dom go bhfuil an tÚdarás agus an Foras ag plé le heagraíochtaí éagsúla ar an talamh chun dlús a chur leis an phróiseas pleanála teanga, laistigh agus lasmuigh den Ghaeltacht. Ar ndóigh, beidh orduithe le déanamh chun feidhm reachtúil a thabhairt do chuid 2 den Acht a bhaineann leis an phróiseas pleanála teanga. Tá na céimeanna cuí maidir leis na horduithe seo idir lámha ag mo Roinnse faoi láthair.

Ar ndóigh, tá struchtúir ar leith bunaithe chun an Straitéis a sheachadadh - an Coiste Rialtais faoin Ghaeilge agus faoin Ghaeltacht, atá faoi chathaoirleacht an Taoisigh; an Grúpa Idir-Rannach, atá faoi mo chathaoirleacht féin; agus grúpaí oibre ardleibhéil atá bunaithe leis na príomhpháirtithe leasmhara chun dlús a chur le feidhmiú réimsí gnímh éagsúla den Straitéis.

Chomh maith leis an dul chun cinn atá á dhéanamh ag mo Roinnse ar chur i bhfeidhm na Straitéise, ní miste aird a tharraingt ar an dul chun cinn atá á dhéanamh ag an Roinn Oideachais agus Scileanna, a bhfuil ról lárnach acu faoin Straitéis. Ina theannta sin, tá mo Roinnse ag plé le Ranna ábhartha eile ar bhonn déthaobhach chun cur i bhfeidhm réimsí sonracha gnímh den Straitéis a bhrú chun cinn ar bhealach comhtháite.

Deputy Michael P. Kitt: Gabhaim buíochas leis an Aire Stáit. Beidh mé ag súil leis an bhfreagra go léir a léamh.

An cheist a bhí agam ná an méid atá bainte amach maidir leis an straitéis. Tá a fhios agam go bhfuil Acht na Gaeltachta curtha tríd an Oireachtas agus go bhfuil coistí curtha ar bun. Ach tá díomá ar a lán daoine nach bhfuil díospóireacht á dhéanamh leis na heagraíochtaí pobal agus ceapann a lán daoine go bhfuil an Roinn Ealaíon, Oidhreacht agus Gaeltachta ag déanamh an chinnidh gan an díospóireacht sin a dhéanamh. An féidir leis an Aire Stáit freagra a thabhairt ar an gceist sin?

Deputy Dinny McGinley: Maidir leis an nGaeltacht féin agus cur i bhfeidhm na straitéise, tá an fhreagracht ar Údarás na Gaeltachta. Tá áthas orm a rá, mar atá a fhios ag an Teachta, go bhfuil bord úr ag Údarás na Gaeltachta anois. Bhí an cathaoirleach os comhair an chomhchoiste inné agus beidh an chéad chruinniú ag an bhord an tseachtain seo chugainn. Ar ndóigh, beidh an bord ag leagan amach an polasaí maidir le cur i bhfeidhm na straitéise ó thaobh pleanáil teanga de agus ó thaobh fostaíochta agus mar sin de. Ní fhéadfainnse é a chur puinn níos fearr ná mar a chuir an cathaoirleach nua-tofa é inné.

Tá pleanálaithe teanga go leor ins an údarás a bhfuil cáilíochtaí acu agus beidh siad ag dul i dteagmháil agus i gcomhairle le 19 gceantar Gaeltachta ar fud na tíre. Beidh siad ag plé leis na pobail áitiúla, leis na comharchumainn, leis na coistí paróiste agus leis na heagraíochtaí deonacha ansin le pleananna teanga a dhéanamh amach do gach ceantar acu sin. Tá an obair ar siúl cheana féin. Tá tosnú maith déanta agus beidh sé ag dul ar aghaidh níos gaiste agus níos tapúla ins na seachtainí agus ins na míosa amach romhainn. Tá an obair sin ar siúl.

Maidir leis an chuid eile den tír, beidh freagracht ar Fhoras na Gaeilge ansin. Tig liom a rá go bhfuil 14 dhuine fostaithe ag Foras na Gaeilge ar fud na tíre ag tabhairt ceannródaíocht agus tosaíocht don straitéis ins na ceantair ina bhfuil siad lonnaithe.

Mar sin, tá dul chun cinn á dhéanamh. B'fhéidir nach bhfuil sé go léir le feiceáil ach tá an bhun obair agus an dúshraith á chur síos go daingean lá i ndiaidh lae ag na coistí seo. Tá gá leis na coistí. Tá an coiste Rialtais faoin Taoiseach, an coiste idir-ranna agus na coistí árd leibhéil idir oifigigh sinsearacha ann. Tá gá lena gcuid oibre siúd leis an dúshraith agus an bunsraith a

chur síos sa dóigh gur féidir linn bogadh ar aghaidh le cur i bhfeidhm na straitéise.

Deputy Michael P. Kitt: Chuir mé fáilte roimh an gcathaoirleach nua ag an gcomhchoiste inné.

Deputy Dinny McGinley: Sea, bhí mé ag éisteacht leis an Teachta.

Deputy Michael P. Kitt: Phléigh muid forbairt eacnamaíochta agus forbairt pobail sa Ghaeltacht.

Tá sé an-tábhachtach níos mó postanna a chur ar fáil sa Ghaeltacht, mar a bhfuil a fhios ag an Aire Stáit. Tá 7,000 post sa Ghaeltacht a cruthaíodh le tacaíocht an údaráis. Ach tá an buiséad caipitil dos na heagraíochtaí gearrtha siar go dtí €6 mhilliún. An mbeidh bealaí eile ann chun foinsí nua maoinithe a aimsiú?

Deputy Dinny McGinley: Tá bealaí eile i gcónaí ag Údarás na Gaeltachta le foinsí úra maoiniú a fháil. Tá siad ag fáil cíosanna agus ag díol achmhainní agus mar sin. Bhí €6 mhilliún acu an bhliain reatha agus bhí €6 mhilliún acu anuraidh. Sa bhliain 2008 bhí €26 mhilliún acu, i 2009 bhí €16 mhilliún acu, i 2010 bhí €10 milliún acu. Fuair mise oidhreacht, legacy, nuair a tháinig mé isteach in oifig nach raibh acu ach €6 mhilliún. Silim go ndearna mé gaisce iontach gur iarraidh liom, in ainneoin na ndeachrachaí eacnamaíochta atá againn, €6 mhilliún a fháil don bhliain reatha. Beidh mé ag déanamh gach dícheall, in ainneoin na ndeachrachaí eacnamaíochta atá againn, oiread agus is féidir a fháil don bhliain seo chugainn mar tuigim chomh tábhachtach is atá sé go mbéadh fostaíocht ins na nGaeltacht. Muna bhful fostaíocht níl daoine, muna bhfuil daoine níl teanga agus muna bhfuil teanga níl Gaeltacht. Tuigim an scéal go maith agus tá áthas orm go bhfuil tacaíocht an Teachta le fáil agam.

Deputy Michael P. Kitt: Sé mhilliún plus.

Famine Commemoration

8. **Deputy Brendan Smith** asked the Minister for Arts, Heritage and the Gaeltacht the progress that has been made on plans for the International and National Famine commemoration in 2013; and if he will make a statement on the matter. [53023/12]

(Deputy Dinny McGinley): The Deputy will be aware that, as chair of the National Famine Commemoration Committee, the Minister, Deputy Deenihan, is responsible for ensuring on behalf of the Government, that appropriate arrangements are in place to commemorate the Great Irish Famine, an Gorta Mór. Details of the work of the National Famine Commemoration Committee since 2008 in implementing a varied and diverse annual programme of events to coincide with the national Famine commemoration are available on the relevant pages of my Department's website.

The national Famine commemoration rotates between the four provinces of Ireland and next year will take place in Munster. In that regard, the Minister has introduced a new selection process to determine the location of the commemoration in 2013 and future years. In line with the process, he invited the county and city councils in Munster to submit expressions of interest and proposals setting out possible locations where the ceremony might be held, following consultation with local communities, interest groups and other stakeholders. The purpose of the new approach is to generate public awareness and interest in the annual national Famine com-

memoration, to increase the number of potential sites available to choose from each year and to ensure that the selection process is as transparent and open as possible. A sub-committee of the National Famine Commemoration Committee is currently assessing the proposals and will recommend the most suitable site. The Minister expects to announce the date and location of the 2013 commemoration following the next meeting of the National Famine Commemoration Committee, which is due to be held in mid-December. In line with previous years, an international event is also being planned to commemorate the Great Irish Famine. It is proposed to hold the 2013 international Famine commemoration on Sunday, 25 August in Sydney, Australia.

Acting Chairman (Deputy Peter Mathews): There is a strict total of four minutes for supplementary questions and answers. Each speaker has strictly one minute each.

Deputy Denis Naughten: I welcome the new selection process. It is a positive development. When it comes around to the province of Connacht again, could serious consideration be given to the National Famine Museum in Strokestown, County Roscommon? It was bizarre that the first event to be held in the west did not take place in the National Famine Museum that was established to commemorate the Famine. I hope that Strokestown will be the location when it is the turn of the province of Connacht again, given that the national museum is based there.

Deputy Dinny McGinley: The Deputy's view will be conveyed to the Minister. I am sure that will be the case when Connacht is in line again for the rotation of the commemoration, which will take place in Munster next year and was in Drogheda this year. I had the pleasure and privilege of being there. It was the first such event I attended and what went on there that day was a revelation. It is appropriate that we should have commemorations at home and abroad. I have not been to the Famine museum in Strokestown but I hope to visit some time in the near future.

Deputy Denis Naughten: The Minister of State is very welcome anytime. He has an open invitation.

Deputy Dinny McGinley: I would like to see it. Deputy Naughten's constructive proposal will be conveyed to the Minister.

Deputy Patrick O'Donovan: The Minister has outlined the location of previous and future national commemoration events. Will he give consideration to the holding of an all-island commemoration in the future with a North-South ministerial dimension? The commemoration affects the 32 counties. Would the Minister of State's Department, in conjunction with its Northern counterpart, consider doing this on a joint basis, including the possibility that a national all-island commemoration might be held in one of the Six Counties? Parts of that area also suffered greatly during the Famine.

Deputy Seán Ó Fearghail: Tá an méid atá ráite ag daoine eile tábhachtach chomh maith agus aontaím leis. I thank the Minister of State for his response and I acknowledge it has taken us too long as a nation to commemorate what was, in effect, the Irish Holocaust. It killed 1 million people and dispersed another million across the world. As the Minister of State outlined, there is enormous potential to develop this, linking in with the descendents of the million people who spread around the world. There is also potential to inspire our own people to look to those areas of the world that are now suffering from starvation so that, as a nation once decimated by famine, we can continue to support those who are currently experiencing these

inordinate difficulties.

What sort of financial resources are available to those involved in organising these important commemorations? They could not happen without the team of volunteers throughout the country who generously give their time to the initiative. I do not want to talk about The Gathering all the time but, given its importance in the development of tourism in 2013 and thereafter, does the Minister of State see an opportunity to link the work of the commemoration committees with the initiatives being taken in tourism in regard to The Gathering?

Acting Chairman (Deputy Peter Mathews): Before the Minister of State replies, I apologise for my mix-up in the order of those who tabled questions. Deputy Ó Feargháil spoke on behalf of Deputy Brendan Smith. Deputy O'Donovan's question was entirely valid and I hope the Minister of State will address both.

Deputy Dinny McGinley: Deputy O'Donovan made a constructive proposal. Contrary to the opinion of some, there was famine in Northern Ireland too. I come from the geographic north, if not the political North, and I am aware there was famine in the whole area. I cannot see any reason we should not pursue the constructive proposal made by Deputy O'Donovan. During my visit to the commemoration in Drogheda last summer, the North was well represented and the Second Minister, Martin McGuinness, MLA, was sitting beside me. This can be pursued, particularly now that we have a committee dedicated to commemorations. It will certainly be considered.

In response to Deputy Ó Feargháil's question, I do not have in my brief any mention of the resources that are available for such commemorations but I am sure the information is available and somebody will convey it to the Deputy. Even though it is more than 150 years since the Great Famine there is still a collective memory of it. One of the proofs is that any time there is a collection for famine relief in underdeveloped parts of the world, in areas such as the Horn of Africa, the Irish people respond magnificently. I believe that *per capita* we are up there in division one with any other country in the world, in spite of the difficulties we have. The Famine left a major and lasting imprint on the psyche of the Irish people and that is the reason for the generosity. I hope it will continue.

There is no reason the commemoration could not be coupled with The Gathering as part of the programme to bring people to this country. That is probably a project that should be taken up by Fáilte Ireland.

Environmental Policy

9. **Deputy Denis Naughten** asked the Minister for Arts, Heritage and the Gaeltacht the steps he is taking to implement the recommendations by the Joint Oireachtas Committee on the Environment report on Shannon Flooding published earlier this year; and if he will make a statement on the matter. [52862/12]

(Deputy Dinny McGinley): The recommendations of the report to which the Deputy refers are being comprehensively examined and considered by my Department. As the Deputy will be aware, the recommendations cover a number of areas within my Department's remit, including Waterways Ireland, which has responsibility for Shannon navigation, and the National Parks and Wildlife Service, NPWS, which has general responsibility for the implementation of

national and EU law under the Wildlife Acts and the birds and habitats directives for the protection of habitats and species. When the process is completed, the Minister, Deputy Deenihan, will respond with his views and observations to the joint committee.

Deputy Denis Naughten: I thank the Minister of State for his response but I put it to him that while this report was presented to the Department of Arts, Heritage and the Gaeltacht in July, it is now November and we are still waiting for a decision and a view from the Department. That is not acceptable.

Is the Minister of State aware that the NPWS is facing potential legal action and fines from the European Commission because of its failure to protect the corncrake? This bird is now extinct in the Shannon Callows because of the lack of action in regard to de-silting of the Shannon between Banaher and Meelick. All of the stakeholders except the NPWS have agreed that work needs to be done on that section of the river, and although the NPWS is responsible for protecting wading birds, including the corncrake, in the Shannon Callows, it is the one organisation that has impeded this work. Would the Minister of State not agree that the NPWS must review its policy in light of the impact it is having on the corncrake in that area, and also because its failure to carry out work on that section of the river is forcing the River Suck to travel north rather than south, thereby compounding the problem and the extent of flooding in the callows?

Deputy Dinny McGinley: The Deputy is correct. The report was presented to the Minister, Deputy Deenihan, last July or August and, as far as I know, it is being considered. We are waiting for recommendations to emerge from the report. This is a very complex matter involving the flooding of the River Shannon. Before I ever came to this House I heard about the draining of the Shannon, which has been going on for a long time. There are many interested parties - the ESB, the OPW, local authorities, Bord na Móna and, under my Department, Waterways Ireland and the NPWS. All have different interests. The report was submitted in July and is being considered. This is something on which we cannot rush to judgment. Whatever we do, we must ensure it is the right action in the matters mentioned by the Deputy, whether these concern wildlife or anything else. We must make the right decision. This was going on before I ever came to the House but I am confident it will be addressed in a meaningful way before I leave it. I am not sure when that will be; only one man knows that.

Deputy Michael P. Kitt: I have a brief question. Many Deputies and Senators were invited to visit Athlone during the summer to see the Shannon flooding. The big question was whether there would be a lead role for the Office of Public Works and whether a single authority should take on the whole issue of flooding.

Deputy Dinny McGinley: Of course the OPW will have a pivotal role, although I am saying that before the recommendations are made. There is also the ESB, which controls a great deal of the area around Ardnacrusha, as the Deputy knows well. I come from west of the Shannon and do not live by its banks but I know some of the difficulties and complexities involved. The matter is being pursued actively in the Department and I hope there will be recommendations in the not too distant future.

Deputy Denis Naughten: I wish to ask two brief questions. The Office of Public Works is putting a proposal to the ESB and Waterways Ireland for a pilot project aimed at trying to reduce the water level north of the weir wall in Athlone and increasing the storage capacity at Lough Ree. Is the Minister of State in a position to give an assurance to the House that Waterways Ireland will facilitate, rather than impede, this initiative? A proposal was put to previ-

ous Ministers of State in the Department who held the heritage brief in respect of flooding the cutaway bogs north of Lough Ree. The report in this regard has been with the Department's heritage section for the past ten years. Is it not time someone examined its contents? The proposal it contains would at least provide for some attenuation during periods of severe flooding.

Deputy Dinny McGinley: The bodies to which the Deputy referred, Waterways Ireland, the OPW and the ESB, have different interests and priorities. The matters the Deputy mentioned are discussed regularly with Waterways Ireland which is a North-South body. Its next meeting is due to take place on 12 December. I am sure the points and concerns he has raised will be brought to its attention at that meeting, if not before.

Tax Reliefs Availability

10. **Deputy Barry Cowen** asked the Minister for Arts, Heritage and the Gaeltacht his views on the impact of Section 481 tax relief on creative industries here; and if he will make a statement on the matter. [53010/12]

(Deputy Dinny McGinley): The entire area of development of the audio-visual industry, including the gaming sector and other digital content, was examined during the preparation of the Creative Capital report, Building Ireland's Audiovisual Creative Economy. The report was published in July 2011 and an implementation committee to pursue the execution of its recommendations has been established. One of the recommendations made in the report concerns the extension of section 481 to the end of 2020. It is currently approved until the end of 2015 and the Minister, Deputy Jimmy Deenihan, recently secured EU state aid approval in this regard. A public consultation process to assist the Department of Finance in examining the operation of the section 481 scheme beyond 2015 was announced on 24 May. As part of this process, interested parties were invited to make submissions on the economic impact assessment of the operation, status and future development of the scheme. My Department was heavily involved in this consultation process and the Minister is working closely with the Minister for Finance on bringing it to a conclusion.

Deputy Seán Ó Feargháil: I am reminded of the controversy in 2008 when people involved in the film industry, in particular, were very concerned that significant changes would be introduced in the budget for 2009 to section 481 of the Taxes Consolidation Act. The relevant provisions were actually strengthened at the time. Does the Minister of State agree that we are seeing the manifest benefits of this in the improved quality and quantity of television, film and other audio-visual output in Ireland? I understand PwC has advocated the extension of the reliefs involved to other areas of the creative arts. Is this a suggestion the Minister of State would support and recommend to his senior colleague? Have meaningful discussions taken place between his Department and the Department of Finance on the consultations in which the Minister for Finance, Deputy Michael Noonan, has been involved?

Deputy Dinny McGinley: As stated, consultations between the Minister for Arts, Heritage and the Gaeltacht, Deputy Jimmy Deenihan, and the Minister for Finance on section 481 are continually taking place. I agree with the Deputy that section 481 makes a major contribution to the economy. I understand some 15,000 people are employed in the audio-visual and creative arts. This brings huge revenue into the country. It also leads to a certain status and recognition being bestowed on Ireland abroad. To date in 2012, some 47 projects have been approved for funding. The Irish spend in this regard is €129 million. In 2011, 58 projects were

approved for funding and the Irish spend in respect of these was €119 million.

There are many projects in the works about which we will hear more in the future. Among the major projects approved for funding to date this year are “Vikings” - or Lochlannaigh - which should be an interesting project and on which €25 million will be spent; “Ripper Street” - I am not sure what this is about, but I have an idea - on which €10.7 million is being spent; “Quirke”, on which €7.3 million will be spent; and “Foyle’s War”, on which €5.9 million will be spent. These are among the many creative projects being worked on in Ireland by the 15,000 people to whom I refer. This must provide adequate proof that there is value for money on offer. I am glad that the section 481 scheme has been extended to 2015, with the possibility of further extensions in the future. I cannot say any more than that at this stage.

Deputy Seán Ó Fearghaíl: We can all enthuse about this because it is a positive news story and that positivity is particularly evident in the area of employment. For example, the level of employment in the film and television sector during the past 20 years has risen from 1,000 to 6,000. Given that the section 481 relief is working, can we expect the Government to consider other areas where it might be made available in order that further employment might be created?

Deputy Dinny McGinley: We are considering all areas in which value for money might be obtained. The section 481 relief provides great value for money. If there are other areas in which it might be applied, I am sure these will be considered by the Government. If the Deputy who has an obvious interest in this matter wishes to put forward proposals in this regard, beimid ag éisteacht.

Scéimeanna Teanga

11. D’fhiafraigh **Deputy Seán Crowe** den an Aire Ealaíon, Oidhreacht agus Gaeltachta an dtabharfaidh sé sonraí faoi líon na scéimeanna nua teanga atá deimhnithe ag Eagrais Phoiblí le bliain anuas agus, de réir an ráta deimhniúcháin, cathain a bheidh scéim teanga deimhnithe ag gach Eagrais Poiblí [52979/12]

41. D’fhiafraigh **Deputy Brian Stanley** den an Aire Ealaíon, Oidhreacht agus Gaeltachta an ndéanfaidh sé ráiteas ar an athbhreithniú ar Acht na dTeangacha Oifigiúla atá ar siúl, agus am-scála a chur ar fáil don athbhreithniú sin [52981/12]

(Deputy Dinny McGinley): Tógfaidh mé Ceisteanna Uimh. 11 agus 41 le chéile.

Ba mhaith liom a chur in iúl go bhfuil naoi scéim teanga daingnithe go dáta i mbliana. Ciallaíonn sé seo go bhfuil 108 céad scéim teanga san iomlán daingnithe ón uair gur tháinig Acht na dTeangacha Oifigiúla i bhfeidhm. Sa bhreis air seo, tá 122 dréachtscéim san iomlán á n-ullmhú ag comhlachtaí poiblí faoi láthair agus tá plé leanúnach agus gníomhach ar siúl ag oifigigh mo Roinne le roinnt mhaith de na comhlachtaí sin i rith na bliana seo. Táim dóchasach go mbeidh toradh dearfach ar an phlé sin agus go mbeidh tuilleadh scéimeanna daingnithe agam go luath.

Tá sé tábhachtach a threisiú go bhfanann forálacha na scéime teanga i bhfeidhm go dtí go n-aontaítear scéim nua. Tá sonraí maidir leis na scéimeanna uilig atá daingnithe go dáta, mar aon leis na scéimeanna atá a n-ullmhú faoi láthair, ar fáil ar shuíomh gréasáin Oifig an Choimisinéara Teanga, www.coimisineir.ie.

Mar atá ráite agam roimhe seo, tá sé aitheanta nach bhfuil córas na scéimeanna teanga gan laigí agus gur próiseas casta atá ann scéimeanna a aontú agus a dhaingniú. Tá sé tábhachtach a chur san áireamh fosta gur féidir leis an phróiseas sin a bheith dúshlánach do chomhlachtaí poiblí, go háirithe leis an bhrú ar acmhainní, mar atá i láthair na huaire.

Tá athbhreithniú ar chóras na scéimeanna mar chuid den athbhreithniú atá ar siúl faoi láthair ag mo Roinn ar Acht na dTeangacha Oifigiúla. Maidir leis an athbhreithniú sin, tá anailís déanta ar na haighneachtaí go léir a fuarthas faoin phróiseas comhairliúcháin poiblí. Chomh maith leis sin, tá breithniú ar an chás do leasú na reachtaíochta ag teacht chun críche agus tá súil agam go mbeidh ar mo chumas moltaí cuí i dtaca leis sin a chur faoi bhráid an Rialtais sár i bhfad.

Deputy Peadar Tóibín: Go dtí seo bhí 105 scéim teanga san iomlán daingnithe ón uair a tháinig Acht na dTeangacha Oifigiúla isteach. Clúdaíonn an 105 scéim sin 191 comhlacht poiblí ach tá 600 comhlacht poiblí san áireamh faoin Acht seo. Dúirt an tAire Stáit féin cúpla mí ó shin go raibh a Roinn ag obair ar 100 scéim nua a aontú. Dúirt sé go raibh naoi scéim daingnithe i mbliana. Ní raibh ach scéim amháin daingnithe an bhliain seo caite. Dá réir sin, beidh deich mbliana de dhíth chun na gealltanais a rinne an tAire Stáit a chur i bhfeidhm. Is léir nach mbeidh sé in ann na gealltanais sin a líonadh agus go mbrisfear iad.

Tá fadhb ann mar tá pobal na Gaeilge buartha go bhfuil an Rialtas ag cur moille ar na scéimeanna teanga roimh athbhreithniú Acht na dTeangacha Oifigiúla a fhoilsiú. Tá pobal na Gaeilge an-bhuartha ar fad go bhfuil an Rialtas ag iarraidh fáil réidh leis na scéimeanna mar atá siad faoi láthair. Cén fáth nach bhfuil torthaí an athbhreithnithe sin foilsithe go fóill? Cathain a fhoilseofar iad? An bhfuil an Rialtas ag iarraidh fáil réidh leis na scéimeanna mar atá siad faoi lathair?

Deputy Dinny McGinley: Mar atá ráite ag an Teachta, tá naoi scéim nua teanga daingnithe go dtí seo i mbliana agus anuraidh tá sé fíor a rá nár daingníodh ach scéim amháin. Mar sin, táim cinnte go n-aontaíonn an Teachta, is dul chun cinn é ar an méid a tharla anuraidh. B'fhéidir go bhféadfadh sé bheith níos tapúla ach mar a dúirt tá brú ar chomhlachtaí anois. Tá oifigigh na Roinne ag plé le go leor comhlachtaí eile a bhfuil scéimeanna á n-ullmhú acu. Tá an dul chun cinn mall ach mar sin féin, ar a laghad tá dul chun cinn á dheanamh. Dála an scéal, aon scéim teanga a chuirtear amach, maireann an scéim teanga i réim, fiú tar éis trí bliana go dtagann ceann eile. Mar sin, clúdaíonn sé beagnach 200 as an 600 comhlacht. Má amharcaimid air mar sin, tá dul chun cinn déanta.

Ba mhaith liom go mbeadh sé níos fearr ach tá athbhreithniú á dheanamh ar Acht na dTeangacha Oifigiúla agus tháinig a lán aighneachtaí isteach agus tá anailís á déanamh orthu agus beimid ábalta leasuithe ar an Acht teanga a thabhairt isteach más gá. Is próiseas fada é sin chomh maith. Sula ndéanfar aon leasú ar an Acht, ní mór dul i mbun comhráití leis na Ranna go léir eile mar tá freagrachtaí agus dualgais orthu uilig.

Tugaim moladh d'oifigigh na Roinne mar tá siad an-ghnóthach ar fad le tamall anuas. Chuir muid Bille na Gaeltachta fríd roimh an samhradh agus anois táimid ag cur an Bille um Choimisiún Thithe an Oireachtais fríd agus mar sin tá reachtaíocht go leor idir lámha sa Roinn chomh fada agus a bhaineann sé le cúrsaí teanga.

Deputy Peadar Tóibín: Tá an Rialtas ag bogadh ar luas seilide faoi láthair. Foilsíodh fógra an athbhreithnithe mí na Samhna anuraidh. Bhí spriocdháta ann chun haighneachtaí a chur isteach i mí Eanáir. Anois, mí na Samhna atá ann ach fós níl an Rialtas sásta na torthaí a

fhoilsiú. In 2007, nuair a bhí an Rialtas deireanach i bhfeidhm, daingníodh 29 scéim agus 17 scéim in 2008. De réir shlat tomhais an Aire Stáit féin, bheadh 100 daingnithe agus an Rialtas seo i réim ach tá an Rialtas ag bogadh ar luas seilide; níl ach deich scéim daingnithe.

Bhí sé le tuiscint nach raibh sna scéimeanna sin ach tús. Bhí ar na comhlachtaí Stáit dul chun cinn a dhéanamh scéimeanna teanga nua a chur i bhfeidhm gach cúpla bliain. Fós, tá sé dochreidte an méid eagraíochtaí nach bhfuil an dara scéim teanga curtha i bhfeidhm acu. Táim ag caint faoi Oifig an Ard-Reachtair Cúntas agus Ciste, an Binse Comhionannais, Gailearaí Náisiúnta na hÉireann, Bord Scannán na hÉireann, an Garda Síochána, Comhairle Chontae Chill Mhantáin, Coiste Gairmoideachais Chontae Chorcaí. Níl ann ach sampla de na comhlachtaí atá ag sárú na bun-chloiche seo chun seirbhísí Gaeilge a bheith ar fáil go forleathan ar fud na tíre. Cathain a fhoilseoidh an Rialtas na torthaí? An bhfuil an Rialtas ag dul ar aghaidh leis na scéimeanna teanga seo tar éis an athbhreithnithe nó an mbeidh cuma dhifriúil ar fad orthu?

Deputy Dinny McGinley: Tháinig an-chuid de na scéimeanna isteach. Tá an méid is féidir leis an Roinn a dhéanamh teoranta go leor nuair atá an oiread sin oibre eile ag dul ar aghaidh. Tá an anailís agus an scrúdú ar na haighneachtaí a tháinig isteach ar tí bheith críochnaithe. Má tá reachtaíocht úr le tabhairt isteach, próiseas Rialtais atá ann, ní amháin ag brath ar an Roinn ach ar an Rialtas féin. Ní mór dul i gcomhairle le hAiri eile ach tá súil agam go mbeidh dul chun cinn le feiceáil agus go mbeidh na moltaí i dtaca leis an athbhreithniú ag dul faoi bhráid an Rialtais go luath.

Written Answers follow Adjournment.

Topical Issue Debate

Bloodstock Industry

Deputy Martin Heydon: Ireland is recognised as a world leader in the horse racing and horse breeding industry. The industry employs in excess of 17,000 people around the country, particularly in rural areas where other employment prospects are scarce. I know this because approximately 4,000 people are employed in the industry in my own county of Kildare.

The bloodstock industry is worth over €1 billion to the Irish economy. It has the potential to maintain and create more jobs if the proper structures and funding are in place to allow it to develop and grow. Ireland is the fourth largest producer of thoroughbreds in the world, producing 40% of the EU output, and 11% of the world total. Irish horses are exported to more than 35 countries around the world with a total value of over €150 million last year.

The industry has for many years been an important source of high value foreign direct investment as many high net-worth individuals are attracted here by our top class young horses. Our position as world leader should not be taken for granted and it will not be maintained without ongoing development and investment. We are open to challenge as a world leader. Many

of our competitors are investing in their industries and providing facilities, prize money and infrastructure in order to attract the top horse breeders and owners to their shores. If we cannot match them and continue to breed top class race horses in this country we will lose our leading industry position with a resultant loss for the economy in terms of jobs and economic activity.

The investment by the French authorities in their bloodstock industry over the recent years in particular, illustrates the need never to take for granted our position as a world leader in the industry. The improved French prize money system and breeder initiatives have attracted an increased number of foreign owners to France.

There has been an increase in the number of top stallions in England and some of our top stallions have gone to France. Elusive City is an example of one stallion who has been lost from the Irish National Stud to stand in France.

A large number of mares come to Ireland each year to be covered by our top stallions. It is the practice to house these mares in small yards all over the country. This brings significant income to many local economies. If we do not retain our top stallions, we will lose those mares and that income.

To retain its standing at the top of the table, the Irish bloodstock industry needs a secure guaranteed funding stream allowing it to plan for its future and to make investment where required. Ours is one of the few horse racing industries in the world that does not have its own guaranteed funding model. Currently, the industry relies on an annual allocation from the Government through the horse and greyhound fund. The lack of a dedicated secure funding stream is a precarious position, particularly when budgets are tight. This is a problem for both the industry and the Exchequer and a solution needs to be found to help both. Exchequer funding from betting tax has fallen. The recently produced Indecon report showed that in 1991 the Exchequer collected €38.5 million in betting duty. By 2001, this had increased to €68 million, but in 2011 only €27 million was collected. This creates a funding shortfall for the industry which has to be met from already-scarce Government funds. This is not sustainable in our current budgetary environment.

The industry does not want, and never wanted, to be reliant on an annual handout from the Government. In light of national financial circumstances and facing into further austerity budgets, the long-term goal of the bloodstock industry is to return to circumstances in which it can survive without the direct support of the Exchequer.

While moves to broaden the tax base on betting are essential, improvements in commercial activity by the racing and breeding industries are also required. I welcome the establishment of the joint HRI-Turf Club implementation task force and its goal of achieving significant efficiencies, as outlined in the Indecon report.

Although Ireland is one of the world leaders in horse racing and breeding, I raise this topic because, if we are not careful and do not have an adequately funded, properly structured multi-annual budget, at a time when we are being targeted by other leading countries, we could be passed out in the final furlong.

Minister of State at the Department of Agriculture, Food and the Marine(Deputy Shane McEntee): I am responding on behalf of the Minister for Agriculture, Food and the Marine. It is crucial that this matter be raised at this time because, as Deputy Heydon stated, the Government has a role in providing annual funding. The objective is to secure the 16,000

jobs involved in the racing industry. It would be nice to be able to say we will allocate so much for the next five years but that is not how it will happen. We will just have to fight for funding on a year-by-year basis.

The Deputy referred to the betting tax revenue of eight or nine years ago. There is much more betting in the State today, yet we are receiving half the tax revenue. We are trying to remedy that. I hope that by the end of next year, the results of our efforts will be evident.

The bloodstock industry is significant to this country. It is estimated to underpin 17,350 jobs and almost €1 billion in economic output. Exports, to 35 countries, were worth some €157 million in 2011.

Horse Racing Ireland, HRI, a commercial State body, was established under the Horse and Greyhound Racing Act 2001, which dissolved the Irish Horseracing Authority and extended the Irish Horseracing Industry Act 1994. HRI is charged with the overall administration, promotion and development of the industry with a funding mechanism established under statute.

The horse and greyhound racing fund was established under section 12(1) of the Horse and Greyhound Racing Act 2001 for the purpose of giving support to the horse and greyhound racing industries. In the period 2001 to 2012, a total of €786.75 million has been paid from the fund to the horse and greyhound racing industries in accordance with the provisions of the Act. Moneys are paid out of the fund in the ratio of 80% to HRI and 20% to Bord na gCon, as specified in section 12(6) of the Act. The total paid from the fund to HRI in the period 2001 to 2012 amounts to €629.4 million. State funding provided through the fund is pivotal to the development of the horse and greyhound racing industries.

The initial funding model for the horse and greyhound racing fund provided that the fund would each year be financed by an amount equal to the revenue from excise duty on off-course betting in the preceding year or the year 2000, increased by reference to the consumer price index, whichever was greater. This formula applied for the years 2001 to 2008 and was abandoned in 2009. The approach employed since 2009 has been for the Minister with responsibility for horse racing legislation to decide on the amount to be provided to the horse and greyhound racing fund, subject to the approval of both Houses of the Oireachtas.

At the outset, in 2001, the fund was financed entirely in line with the proceeds of betting duty, amounting to €58.9 million. However, because of the decrease in the duty collected on betting and the migration of betting to online tax-free platforms, an increasing amount of Exchequer support was required. The Exchequer contribution reached a peak of €39.9 million in 2008 and decreased to €29.3 million in 2012.

Given the importance of the horse racing industry and the challenges it currently faces, the Minister, Deputy Coveney, commissioned Indecon, following a public tender earlier this year, to conduct an independent review of certain aspects of the horse racing industry. Topics covered included, *inter alia*, legislation, governance structures, funding and management of the industry and the scope for streamlining the functions assigned under legislation to Horse Racing Ireland and to the Turf Club.

In its report, Indecon highlighted the importance and potential of the horse racing industry and affirmed that, with appropriate policies and structures in place, the sector can contribute significantly to the economic and social development of the country and the expansion of employment.

The Minister for Finance has published the Betting (Amendment) Bill, which, when enacted and implemented, will increase the yield to the Exchequer from betting duty. The Minister for Agriculture, Food and the Marine, Deputy Coveney, made clear his intention to address the other recommendations contained in the Indecon report. In this context, he intends to bring forward in the new year the necessary legislative provisions for the changes in the board and statutory committees of HRI. He also requested HRI and the Turf Club to establish a streamlining task force with a view to achieving the savings in administration as identified by Indecon. He is aware that this group has since been established and considers completion of this exercise an important prerequisite to future funding decisions.

Additional information not given on the floor of the House.

Deputies will be aware that, despite the current very serious budgetary circumstances and in recognition of the importance and potential of the horse racing industry, the allocation to the horse and greyhound fund was not subject to any significant reduction last year. The allocation for next year will be decided in the context of budgetary decisions. While the need for a secure funding model for the sector is recognised, the current budgetary situation places considerable constraints on commitments which can be made at this time. In this context, it is also important that the sector seek to explore maximising commercial funding possibilities, as recommended by Indecon. For the Government's part it will continue to pay particular attention to the development of the sector and the range of measures in train will ensure it can remain a flagship industry for our country.

Deputy Martin Heydon: I thank the Minister of State for his reply. Having worked for four years in the racing industry and having grown up beside a two-stallion stud farm, I understand the value of the industry to small rural economies. I also understand the value and importance of the funding currently made available through the horse and greyhound racing fund. At times, we almost regard it as a cliché that Ireland is a world leader in the racing industry. Racing is an industry although many regard it as a sport. If one considers the figures and the number employed throughout the country, one realises the industry is doing extremely well to hold on despite the cuts. I accept the Minister did very well last year in not cutting funding for the industry too much but the cuts since 2007 and 2008 have been significant and have had an impact. That the industry is trying to hold on is a testament to the extent of the cuts.

The recession provides us with an opportunity to fix many of the problems in the country but, when one thinks of solutions, one concludes it is not a question of reinventing the wheel or finding something new and golden but of investing in our indigenous industries and what we are good at. The horse racing industry is an example. We have the expertise, climate, correct soil type and natural raw material in the horses. It is important to have the foresight not to keep cutting funding at a time when it is needed more than ever.

The Curragh Racecourse really needs to be upgraded. It is where we showcase our top horses. Its facilities do not reflect the standard of the horses or the standard that the industry stars portray for us around the world, thereby doing our reputation no service. We need to have the foresight to make the required investment.

In 1982, a tax of 20% was levied on bets. This was reduced to 10% by the then Minister for Finance, Mr. Alan Dukes. Subsequent reductions saw the tax fall to 2% and then 1%. In this same timeframe, most other Irish taxes increased. This needs to be borne in mind.

Deputy Shane McEntee: I understand where the Deputy is coming from. What he proposes is crucial because everybody knows there is an attack on the industry, particularly from France and other countries that want to take not only our horses but also our pride in the industry. While I cannot say what the budget will be, we are committed to continuing to fund the industry. When the recommendations in the report have been implemented by the Minister, Deputy Coveney, funding will be made available from sources that should never have been taken away from the industry. I speak for myself in saying the reduction of the betting tax to 1% was crazy. Although I was 16 or 17 at the time, and was not supposed to be betting, I remember that one always paid 5 p in the pound and never minded as long as one won. What was done was stupid, irrespective of the Government in power and even if our own people were involved. It was an awful mistake and we must return to the tax regime that existed theretofore.

4 o'clock

United Nations Resolutions

Deputy Brendan Smith: I thank the Ceann Comhairle for giving me the opportunity to raise this important and timely issue. Like many others in Ireland and across the globe, I was shocked and deeply saddened by the devastating impact of the outbreak of violence in Gaza in recent weeks. More than 150 Palestinians, including many women and children, and five Israelis were killed over eight days in another bloody chapter in the sad history of the region. The loss of life can be added to the litany of tragedies the people of Gaza have endured. Only four years ago the world witnessed Operation Cast Lead when 1,400 Palestinians were killed, including 313 children, and thousands were wounded. The fragile peace between Israel and the Gaza Strip was shattered by the aggressive actions of both sides. No progress has been made since the end of the conflict in 2009. Unfortunately, there has only been simmering violence waiting to boil over as it, inevitably, did earlier this month.

The current ceasefire offers breathing space, but the deeply ingrained problems of the region remain unsolved and in the coming months and years we may once again be visited with images of families destroyed in the Gaza Strip and the people of southern Israel fleeing for bomb shelters if we do not resurrect the promise of the Oslo peace accords. The international community must refocus its efforts on achieving a two-state solution based on pre-1967 borders. However, this goal is becoming ever more distant, with illegal Israeli settlements rendering it unfeasible and the deepening chasm between the West Bank under Fatah and Gaza under the terrorist organisation, Hamas. Time is not on the side of peace.

Tomorrow presents an opportunity to take a step in the right direction. The United Nations General Assembly will hold a vote on upgrading Palestine to non-member observer state status. I call on the Tánaiste and Minister for Foreign Affairs and Trade and the Government to confirm both Ireland's support for the motion and their efforts to persuade as many of our EU colleagues as possible to back the initiative. The issue was discussed earlier this month at the European Council meeting and no consensus on was reached by the 27 member states. However, the support of Britain and France for the measure should help to add impetus to the European Union's consistent support for Palestinian statehood. It is vital that the Tánaiste and the Government continue to press the case for Palestinian statehood. While Israel and the United States have stated their opposition to the move, possibly in the light of the potential for Palestine to access

the International Criminal Court, it is difficult to see how access to justice should be cited as a reason to stymie this potential important step forward. Furthermore, endorsement by the 192 member states hardly constitutes unilateralism by Palestine, as critics of the move have argued.

A failure of the international community to endorse the diplomatic route towards Palestinian statehood will simply entrench the militant hold on the region. Politics needs to be seen to work for the embattled people of Gaza and the West Bank. The peace process needs a spark to light it up again and tomorrow's vote can provide that fresh push. I trust that the Tánaiste appreciates the volatility of the current situation, the changed geopolitical context of the Middle East in the aftermath of the Arab Spring and the importance of the European Union taking a leading role on the issue. This recognition must be the beginning of a restart of peace negotiations between Israel and Palestine with the aim of securing a comprehensive settlement to the mutual benefit of both parties. It is only through an enduring settlement that the events of this month will be condemned to the past. The Minister of State will agree that a positive outcome to the vote tomorrow by the international community will be a chink of light in what has been a dark month for that historically troubled land.

Deputy Shane McEntee: I thank the Deputy for raising this issue which I am taking on behalf of the Tánaiste. It is good that it is being raised. Both the Deputy and I are of a similar age and we can recall all the horrors of the past on this island. Last week, when we witnessed similar atrocities in Gaza, it brought me back in time and one cannot say who is right or wrong. We faced our own horrors in Northern Ireland and, whether it involved the British Army, the UVF or the IRA, somebody always suffered, no matter who committed them. One should not take sides, but there is no question that the Palestinian people need support which I hope is clear from the Tánaiste's reply. If not, I will seek further clarification.

Members will be aware that last year Palestinian President Abbas submitted an application for full membership of the United Nations. That application has not been proceeded with because the Security Council has been unable to agree to a recommendation to the General Assembly, which is the required procedure. This year, as an interim measure, President Abbas has applied for observer state status in the General Assembly, a matter which is decided by the General Assembly alone. This status would be less than full membership of the United Nations but would be an advance on Palestine's current status as an observer organisation. The only current observer state is the Holy See, although Switzerland was also for many years an observer state prior to joining the United Nations. A draft resolution to this effect has been circulated at the United Nations and is expected to be put to a vote in the General Assembly tomorrow.

The move is primarily symbolic. It will not bring about an effective Palestinian state and not short-circuit the need for both Palestinians and Israelis to negotiate and agree to a comprehensive peace agreement. It may improve Palestine's access to other parts of the UN system, but, primarily, it represents a step forward towards the Palestinians' legitimate aspiration to sit, as a fully sovereign state, as a full member of the United Nation and the international system of states.

Ireland was the first western state to declare that the solution to the Middle East conflict must include a sovereign Palestinian state. That was stated by the then Minister for Foreign Affairs, the late Brian Lenihan Snr, in the Bahrain Declaration in 1980. For many years the achievement of that Palestinian state, co-existing peacefully with Israel, has been the centrepiece of EU policy. We believe, as do all our EU partners, that there should be a Palestinian state and that, after many years of frustration, the time to achieve it must be soon. Nonetheless, the resolution

to be voted on tomorrow has posed difficult questions for all EU member states because there is no Palestinian state.

The Palestinian Authority is an autonomous body under the Oslo accord, exercising control over a part of the Palestinian territories only. Some partners believed this move at the United Nations was, therefore, premature or might even negatively complicate the peace process. Ireland has carefully considered all of these issues and, on balance, decided that the proposed resolution is a modest step forward by the Palestinian people in line with the policies and objectives Ireland and the European Union have long espoused and which we could, in principle, support. Last year, in his address to the General Assembly in New York, the Tánaiste stated clearly that Ireland would support a balanced and responsibly phrased resolution to admit Palestine as an observer state.

The draft resolution, as it stands, reiterates the Palestinian aspiration for full UN membership and realisation of a full sovereign state. It reaffirms the Palestinians' commitment to the peaceful co-existence of Israel and Palestine. Crucially - this is the main point on which the Government wished to be satisfied - it confirms the need for the Palestinians and Israel to negotiate between them a comprehensive peace agreement covering the full range of issues to be decided. In this way, the Palestinians have made it clear, as we wished, that this move at the United Nations is not seen by them as a turning away from, or an alternative to, the peace process. President Abbas has stated strong international support in this vote will help him to re-engage in direct talks with Israel without preconditions.

The resolution is, without doubt, unwelcome to Israel and a strong vote in its favour should be seen by Israel as a strong signal of international impatience that the endless delays in the peace process must come to an end, but we see it very much as strengthening the status and confidence of the Palestinians and their leadership and, thus, their ability to re-enter talks with Israel to resolve their differences. A comprehensive peace is still there to be had and Ireland and the European Union will do everything they can to help both sides achieve it.

Deputy Brendan Smith: I am glad that the Tánaiste is confident this resolution will be passed by a large majority. While it is modest, it is a step forward and important that every opportunity is given to the Palestinians to have an appropriate forum in which to air their legitimate grievances. As the Minister of State said, Ireland was the first western state to declare that the solution to the Middle East conflict had to include a sovereign Palestinian state. That was announced on behalf of the then Government in 1980 by the late Brian Lenihan Snr as Minister for Foreign Affairs. I am glad that the European Union has adopted that policy. At all times, as the Minister of State acknowledged, we are horrified by the loss of life, the inhumanity to which both sides have been subject and the desperate conditions in which many Palestinians are forced to live. An issue we raised with the Tánaiste at the Joint Committee on Foreign Affairs and Trade last week was the need to provide additional humanitarian assistance due to the recent conflict prior to the ceasefire of a week ago. Will the Minister of State convey this message again to the Tánaiste on the need to provide additional humanitarian assistance to those injured and affected by the recent violence through our overseas development programme? The European Union needs to have a proactive policy in this regard. At times, attention is focused on an area when there is a conflict there, but if the conflict eases or goes into abeyance without being resolved in the long term, the focus can shift away from providing much-needed humanitarian assistance. During statements on the European Council meeting earlier, my party leader Deputy Martin pointed out that the European Union had promised humanitarian assistance for Gaza, as well as developmental aid for new facilities there. Will the Minister relate to the

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Tánaiste our desire that the maximum assistance be given as rapidly as possible? Following what I hope will be a positive vote tomorrow at the UN, the European Foreign Affairs Council must decide the European Union's role in this conflict.

Deputy Shane McEntee: I will pass on the Deputy's message to the Tánaiste. He thanks the Deputy for his remarks, both at home and internationally, about the Government's position on this important issue. There has been wide support in the Oireachtas and among the public for this position. The Government hopes this measured advance at the UN will encourage the Palestinian people to believe they are slowly moving towards their goal, as well as confirming their commitment to a political path and a negotiated settlement with Israel. To Israel, we say the strong international support expected for this UN resolution is a sign of the international community's deep concern that the peace process needs to be given higher priority and to be actively driven forward.

Most states have, like Ireland, satisfied themselves that this move in no way detracts from the commitment of the Palestinians and of all of us to a negotiated peace among Israel, Palestine and their Arab neighbours, as well as ensuring Israel and Palestine can coexist in peace. As the Palestinians have said, they know that even after a successful vote at the UN they must reach agreement with Israel.

Departmental Properties

Deputy Kevin Humphreys: I thank the Minister of State for taking this matter. I know he has been quite active on the issue of the College Green site. We need to institute a process to examine and encourage the potential of a building swap between the Bank of Ireland on College Green and the Central Bank offices on Dame Street. I, along with many Dubliners, believe College Green has the potential to become one of our finest public spaces. It was previously known as Hoggen Green and is thought to be the site of the burial grounds of the Viking kings of Dublin. We all remember the US presidential addresses by both Bill Clinton and Barack Obama at the green, which highlight the potential of how this space can be used. College Green is flanked by our oldest university and its classic buildings run into Dame Street. The building now occupied by Bank of Ireland was our first Parliament. It was the world's first purpose-built two-chamber parliament, the foundation stone for which was laid in 1729. The Irish Parliament sat there until the Act of Union. After that, it served as a military garrison and an art gallery before eventually being bought by the Bank of Ireland.

It is time this building was returned to public use as a social dividend from the bank bailout. It is a known visitor spot for thousands of tourists from both home and abroad. The Bank of Ireland uses it as its principal bank branch. While negotiations on a transfer of ownership in the past were not successful, we do have a 15% stake in the bank now, which means we have a little bit of muscle in pursuing this swap. The decision by the Central Bank to move to the Docklands will allow the swap to happen. Sam Stephenson's modernistic building design on Dame Street would probably be much more suited to Bank of Ireland while the old parliament building is returned to State use. I hope the stakeholders - the Minister for Finance, the Minister for Transport, Tourism and Sport, Dublin City Council and the Central Bank - will ensure this transfer occurs.

The former parliament is an ideal building to house the central Dublin lending library currently located in the Ilac Centre. It would provide an excellent performance space for theatre

and musical groups, as well as having the potential to house a future regional assembly for Dublin following local government reform. It is pointless to use the building as a bank when it was designed as a parliament. Will the Minister redouble his efforts to consider the potential of this transfer? This landmark site has also held outdoor concerts on New Year's Eve, which shows the fantastic potential this area has. Transferring the building to public use would be seen by the citizens of Dublin as a social dividend from the bank bailout and would enhance the city from an environmental and tourism perspective.

Deputy Shane McEntee: While I convinced several American visitors to stay in Meath for several days rather than in Dublin, when they eventually visited the city, they were impressed by its magnificent buildings. People from both home and abroad are always impressed by Dublin's magnificent and historic buildings.

The Central Bank's principal offices are contained in the famous building designed by Stephenson and Gibney in Dame Street, Dublin. This very distinctive and assertive building, which was controversial when it was built in the late 1970s, was specially designed bespoke accommodation for Central Bank functions. It has been reported that the Central Bank is proposing to move its headquarters into what is currently a partially completed building in Dublin's Docklands once it has been fitted out in about three years' time. I am advised the Central Bank also uses several other offices in Dublin for its staff. I also note that another major banking property in Dame Street is coming on the market soon.

The Bank of Ireland at College Green is also a very distinctive building and is probably one of the most iconic buildings in Dublin city. This building was the first purpose-built parliament in Europe. It was completed in 1739 and it served as Ireland's Parliament until the Act of Union in 1801. After that, generations of Irish parliamentarians from Daniel O'Connell to Isaac Butt to Charles Stuart Parnell campaigned for the creation of a new Irish Parliament, which ironically almost happened. A return of the College Green building to the people and to public use could be a tangible response to the voices of history.

The design of Edward Lovett Pearce for the parliament building was revolutionary in that pre-revolutionary age. The building was effectively semi-circular, occupying almost 1.5 acres. It also underwent extension by the architect James Gandon, the man responsible for three of Dublin's finest buildings, the Custom House, the Four Courts and the King's Inns. Pearce's building was to open directly onto the green. The principal entrance consisted of Ionic columns extending around three sides of the entrance triangle and forming the letter E. There were also statues representing Hibernia, Fidelity and Commerce above the portico. James Gandon was responsible for the new entrance at the east of the building facing on to Westmoreland Street, rendered distinctive by its Corinthian columns. Robert Parke was responsible for the extension to the west side onto Foster Place. Thus, the building is not only important from a parliamentary point of view, it also tracks the history and progress of Irish design through the 18th and 19th centuries.

The Bank of Ireland at College Green has been chosen by two of the great political orators of our time as the site for their seminal speeches in Ireland, namely, Presidents Barack Obama and Bill Clinton. The building is at the hub of the nation's capital, the meeting and convergence point of the main arteries of the city. It is situated close to the original heart of historic Dublin and is almost of a vintage with Trinity College. To Dublin, College Green has the potential to become a cultural and iconic counterpoint to the great city centre nuclei and city squares of the world, including the Piazza San Marco in Venice, Trafalgar Square in London, the Place de

la Concorde in Paris, Times Square in New York, without its craziness, St. Peter's Square in Rome, the Piazza Navona in Rome, Piazza del Campo in Sienna - I have never heard of some of these places before - Covent Garden in London, Hotel de Ville in Paris, Plaza Santa Ana in Madrid, Federation Square in Melbourne, Tiananmen Square in Beijing and the Grand Place in Brussels.

The Minister for Arts, Heritage and the Gaeltacht, Deputy Deenihan, has had several engagements with the senior management of the Bank of Ireland about the College Green building. Bank of Ireland regards this building as the jewel in its crown, commercially as well as architecturally. The College Green branch of the Bank of Ireland is probably its busiest branch in the network and, I am advised, contributes significantly to the group's bottom line.

The Minister for Arts, Heritage and the Gaeltacht, Deputy Deenihan, believes that it is implied in the Deputy's motion that a new cultural asset could simply be created by arranging a straight swop of one building for another. The idea of a swop implies that the Central Bank would have to surrender its current headquarters building in Dame Street and this would involve a significant write-down of asset value on its balance sheet. The Minister doubts if this would be acceptable to the Department of Finance. In addition, there would be substantial costs involved in adapting the College Green building to cultural uses and in professional fees and also in maintaining the building in future. The scale of funding required for such a project is currently beyond that available to my Department. However, the Minister will continue, where appropriate, to engage with Bank of Ireland senior management on the matter of the building lest the policy with regard to the building and other circumstances change. I am unsure whether that is the reply Deputy Humphreys wanted to hear.

Deputy Kevin Humphreys: I thank the Minister of State for his response. I welcome the Minister for Transport, Tourism and Sport to the Chamber. I tabled this topical issue to try to get people to start thinking about the Bank of Ireland and the space between it and Trinity College. It was not necessarily that I did not expect the response to the request to organise a swop. I am keen to put out the idea. Earlier today, the Minister for Transport, Tourism and Sport referred to the launch of the connection of the Luas lines.

Let us imagine College Green with a Luas line running through it, with Trinity College on one side and with a centre for arts and literature in the Central Bank. We could use the space of the old senate chamber for a regional assembly, as part of the reform of local government, to engage people back into local democracy in the greater Dublin area. The development of the area as a piazza as well as the areas referred to by the Minister of State would be good not only for Dublin but for the nation. It would give us a real positive centre. Let us imagine a Christmas market spread between Trinity College, Dame Street and the Central Bank with only the Luas line coming through it. It could be a cultural hub. We could celebrate the greats of our literature in the Central Bank or, for our great musicians, we could utilise the piazza with the backdrop of the Central Bank and its beautiful lighting.

Naturally, we are financially constrained but that should not rule out a vision at this stage for the city, about which I am passionate, as are many Members. This is a once-in-a-generation opportunity to see a transformation of the piazza in front of that building. When we run a Luas line through the area we should think of this generation and the next generation and a cultural hub for the city.

I understand the cost of joining up the Luas lines runs to €360 million. A small proportion

of that could develop the whole piazza. Public opinion and pressure from the State could bring around the Bank of Ireland in some manner. It may not involve a building swap. Anyway, we need to keep a concentration on this area and bear in mind that there should be a social dividend from the banking sector to the citizens of Dublin and Ireland.

An Leas-Cheann Comhairle: I call on the Minister of State for the final two minutes.

Deputy Shane McEntee: I will not take two minutes. I accept and I can see that Deputy Humphreys is passionate and has the matter thought out clearly. I have no doubt I will bring back the message to the Minister, Deputy Deenihan. When one believes in something strongly one should never give up on it. Deputy Humphreys is correct about Dublin city and we are all proud of it. What Deputy Humphreys has outlined has convinced me but the thing is to convince the bank to get out of it. As far as I am concerned, the bank is only as good as what comes out of it. Ultimately, whether something comes out of a hayshed or a fine building, it is the result that counts. Deputy Humphreys referred to history and there is a great deal of history attached to this city and this will bring people to it not only next year but every other year.

Irish Coast Guard Issues

Deputy Joe McHugh: I welcome the Minister for Transport, Tourism and Sport, Deputy Varadkar. I wish to raise this issue again in a public forum. In July for many members from within the fishing community and along the west coast from Malin Head to Valentia it was a case of *déjà vu* or ground-hog day coming back to bite us with respect to the Malin Head and Valentia scenarios. The reality is that we are faced with a situation in this country where reconfigurations are taking place throughout the State boards. All sectors, bar none, are included in the reconfiguration options.

Let us consider the process since July. I wish to acknowledge the type of political process that has been employed. In fairness, it has been cross-community, cross-sector, cross-Border and cross-political in nature. There has been constructive engagement and this reflects the mood of the people from within the coastal voluntary services, within the fishing community and internally within the staff of the Coast Guard. I am keen to see how far advanced this constructive mechanism has come. I commend individuals from within the Coast Guard. I recall the Minister travelled to Malin Head on 27 July. He was accompanied by Chris Reynolds, head of the Coast Guard. That served as an interesting forum to discuss the various permutations within the sector. Certainly, we had a disagreement on what would represent the best mechanism to start off the conversation. I was keen to bring in various sectors and members of the community. In fairness, the Minister was insistent that he wanted to find out what was happening in the area and what services were being employed. The divisional manager at the Coast Guard station was interested in putting forward ideas to the Minister and these ideas have been put back into the system. The Minister stated he would not accept any recommendation made in the Fisher report until he had his own thought process analysed. The hearings by the Joint Committee on Transport and Communications provided people with another opportunity to put across their points of view. It is welcome that extra time has been provided to allow Fisher consultants to undertake a further review. While I am regularly critical of consultancies for the sake of having them, this one allowed people time to get their heads around different reconfigurations.

I have raised the issue today because of the indicative timeframe of the end of October given

in regard to a possible announcement on the issue. We are now approaching December and the Minister has had time to consider the further review undertaken by Fisher consultants. It would be welcome if he could update the House on the current position in terms of a decision being announced.

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): Before I respond on this issue, I would like to divert slightly and endorse the view expressed earlier by Deputy Humphreys. I support the proposed development of a plaza around College Green. If we were to develop a Luas service there and ban cars from the area and, possibly, construct a tunnel underneath, it could be a fabulous space. We have preferential shares in Bank of Ireland which we could perhaps exchange for the building in due course.

Turning to the substantive issue, I thank Deputy Joe McHugh for raising it. Value for money reviews of the Coast Guard and marine surveying functions of my Department have identified a number of issues which need to be addressed in Ireland's maritime transport safety and marine emergency response regimes. They include enhancing Ireland's pollution preparedness and response capability; improving Coast Guard volunteer training and management; addressing deficiencies in legislation relating to maritime safety and addressing various measures to promote greater efficiencies within the services.

I informed the Government in July that I would consider the Fisher reviews in detail and prepare an action plan to address the deficiencies identified. When I published the reviews in July, I made it clear that I would not accept or reject any of the recommendations made until a full assessment of the proposals had been undertaken and actions prioritised to address the issues identified as requiring attention. In publishing the reports I emphasised that preparing the action plan provided a valuable opportunity to create more efficient and effective maritime safety regulatory arrangements and emergency response services. At the same time, it is important to recognise that resources available to the maritime services are very limited and have to be deployed on a prioritised basis and as effectively and efficiently as possible to address the most urgent needs. The action plan is nearing conclusion and I expect to return to the Government in the coming weeks.

One aspect of the review which has attracted significant interest is that of the future of the co-ordination centres at Dublin, Valentia and Malin Head. There has been considerable interest in this matter. I appreciate that in seeking to protect local services passions can overflow. However, I was disappointed by the treatment of officials of my Department at a recent meeting of the Joint Committee on Transport and Communications. While most of those in attendance, including Deputy Joe McHugh, engaged constructively on the matter, contributions from a small number of members were deeply unfair and unjustified. I express my disappointment and disdain at the conduct of these members who embarrassed themselves and all of us, as parliamentarians.

In my Department's review of the Coast Guard and marine survey office services all options had to be considered. This necessarily included looking at whether the current configuration of co-ordination centres was appropriate and whether changes to it would deliver greater efficiency. This was all within the context of the expenditure and human resources constraints under which my Department operates. However, following careful consideration of the various options available, I will be proposing that the three centres remain open and that none be closed. Rather, through the utilisation of the most modern communications and IT infrastructure across a single national Coast Guard network, I will be proposing that the three centres be more closely

aligned and integrated. Therefore, the current structure of three Coast Guards centres at Dublin, Malin Head and Valentia will continue to provide the current service but will be required to deliver new efficiencies in how these services are provided. External consultants are undertaking work on the details to assist in the preparation of the action plan.

Deputy Joe McHugh: I welcome the Minister's reply, in particular the sentence which states the three centres will remain open. This will be welcomed by all those involved in the sector, be it at voluntary or professional level in the Coast Guard, the fishing community or coastal communities in general. This outcome is the result of the application of common sense at the helm with due consideration being given to need closely aligning with process. It has been a lengthy process. While the current process commenced in July, the issue has been with us for the best part of 30 years.

I acknowledge that the Minister is awaiting completion of the action plan. It is hoped the reconfiguration and insight provided by personnel within the Coast Guard will be closely considered. I know that people within the sector have the capability, vision and expertise to make this work. I acknowledge that operation of the three centres, given the constraints in terms of the recruitment embargo, will be a challenge. However, those involved can make this work. I compliment the staff who have shown vision in this process. I also compliment them on not falling into the trap of making a political football out of this sensitive and important matter.

I also acknowledge the Minister's role in this matter, in particular informing us in advance of the announcement of receipt of the report in his office in July. He said at the time that he was prepared to listen and would not react or be forced into a decision based on a consultant's report. It is welcome that he and his officials have engaged on the issue. I acknowledge the work of his officials who attended the recent joint committee meeting. I do not intend to get involved in a discussion on his comments on that meeting which were directed at particular individuals. The officials have been competent throughout this process and had a keen listening ear to proposals from politicians across the political spectrum and community sector.

Deputy Leo Varadkar: I thank the Deputy for his comments and invitation to visit Malin Head over the summer which provided a useful opportunity for me to see the centre in operation. As I said, significant changes in the Coast Guard in terms of efficiencies, information technology and structures will be required. There will also be a need to free up a particular number of staff from the Coast Guard and Marine Survey Office to do more in the space of training and, in particular, pollution control. The action plan should be completed in the next couple of weeks. I see no reason to defer announcing that we will continue to operate the three centre model under the new regime. That will continue to be the case for the foreseeable future.

Estimates for Public Services 2012: Message from Select Sub-Committee

An Leas-Cheann Comhairle: The Select sub-Committee on Public Expenditure and Reform has completed its consideration of the following Supplementary Estimate for Public Services for the year ending 31 December 2012: Vote 12 - Department of Public Expenditure and Reform.

Credit Union Bill 2012: Report Stage (Resumed) and Final Stages

Debate resumed on amendment No. 6:

In page 9, between lines 33 and 34, to insert the following:

“7.—The Principal Act is amended by inserting the following subsection after section 6(5):

“(6) Nothing in this Act shall prevent a credit union from lending to a State guaranteed project which is in keeping with the objects for which credit unions are formed as stated in this section.””.

- (Deputy Pearse Doherty)

An Leas-Cheann Comhairle: We were dealing with amendment No. 6 before the debate was adjourned. Does Deputy Doherty have anything further to add?

Deputy Pearse Doherty: I have nothing to add on the amendment. I welcome the Minister of State, Deputy Hayes, and hope the Minister for Finance provided him with a note to the effect that he is very open to all of the amendments in this group. The Minister engaged very well on Committee Stage and I hope that engagement continues.

Deputy Thomas P. Broughan: I strongly support the comments made by Deputies Doherty and Boyd Barrett regarding amendments Nos. 6 and 8, which are being discussed with related amendments Nos. 9 and 10 in my name. Amendment No. 9 reads as follows:

In page 10, between lines 45 and 46, to insert the following:

“(5) A credit union may lend to State guaranteed projects which are in keeping with the objects for which credit unions are formed as stated at section 6 of the

Credit Union Act 1997.””.

Amendment No. 10 reads as follows:

In page 10, between lines 45 and 46, to insert the following:

“(6) Nothing in the foregoing will prevent a credit union from providing certain services, to be prescribed by the Bank, to a credit union or a member of another credit union registered under this Act.””.

My colleagues went through some of the issues raised by this group of amendments before the sos. Clearly, both of my amendments are related to allowing service organisation development for credit unions and also allowing them to invest in State backed projects which have a social impact and payback. In my local area of greater Coolock, in what will soon be the Dublin North Bay constituency, a major credit union, the Coolock Artane Credit Union, CACU, operates successfully. There are also several development organisations such as Coolock Development Council, which I helped to found 25 years ago, the Northside Centre for the Unemployed and the Northside Partnership operating in the area. Many bootstrap projects in the community,

particularly ones designed to help small businesses to get up and running, have been initiated by these groups. The CACU cannot directly invest in such projects at present and the only option open to it is to keep its money on deposit. It is a bit like the macro situation when we were striving to get national pension funds to invest in this country, including the National Pensions Reserve Fund or what is left of it after the disaster of the last four years, and in particular, in socially useful projects. As the banking sector continues to contract with the exodus of foreign banks from the Irish market and building societies are sidelined or taken over, the role of the credit union becomes more important, in the context of having local, voluntary organisations, controlled by their members being able to take up some of the slack. A representative of the credit union movement of the United States of America recently addressed a meeting of the Joint Committee on Finance, Public Expenditure and Reform. That is an incredibly impressive movement, whose membership is approaching 100 million. The representative detailed the kind of network and electronic banking that is open to credit union members across North America and the Canadian movement is similarly equipped.

I support amendments Nos. 6 and 8 and ask that amendments Nos. 9 and 10, which are closely related, be accepted so as to permit this development. The Minister of State will be aware of the issue of credit union service organisation. The Commission on Credit Unions expressed strong support for the development of linkages between credit unions to give them extra financial clout, connectivity and to provide local economic democracy as an alternative to the banks, which have failed us so badly.

Deputy Michael McGrath: I support this group of amendments. We had a good discussion on them on Committee Stage and they were withdrawn then on the basis of a commitment by the Minister to review the situation. The key issue is section 12 of the Bill, dealing with investments. While the Minister stated that there is no explicit prohibition on credit unions investing in State guaranteed projects, section 12 is quite restrictive in that subsection (2) sets out certain investments that are permitted and then there is a general provision in subsection (3) that any other investments may be prescribed by the Central Bank. We are seeking, with these amendments, that there would be specific mention of credit unions being empowered to invest in State guaranteed projects which involve no additional risk for the credit unions. Of course, this would be done on the basis that funds that are on call cannot be invested because customers must be guaranteed access to their deposits at any time. However, where a credit union has surplus funds and there are relevant projects in the areas of education, enterprise or health which are being promoted by the State, where the return is guaranteed, then it makes eminent sense that credit unions be permitted to benefit from those investments.

Minister of State at the Department of Finance (Deputy Brian Hayes): I thank Deputy Doherty for his remarks. I have been following the very constructive debate that has been taking place in the House and I hope that my entrance onto the pitch does not stale matters at this late juncture.

I am replying to amendments Nos. 6, 8, 9 and 10 and will go through the issues raised by the Deputies. Deputy Doherty moved amendment No. 6; Deputy Boyd Barrett tabled amendment No. 8; and Deputy Broughan tabled amendments Nos. 9 and 10. The first issue dealt with by these amendments is that of investment by credit unions in State projects. The commission report recommends that a formal process of engagement be established between the credit union representative bodies and Government to determine safe ways to invest collective credit union funds in community projects, employment initiatives and small co-operatives. The Minister remains open to proposals from the credit union movement on this front and the Department is

available to engage with credit union groups and other relevant players to explore how this can be done. The Minister would like to hear more from credit unions about the types of projects they have in mind and how they see this working, whether in the form of a public private partnership or some other arrangement. However, I must emphasise that any such projects would have to accord with the main investment requirements in the Bill. First is the requirement that the investment would not involve undue risk to members' savings. It is important to remember that the billions in cash held by credit unions belong to the savers who can call their money on demand and it is not spare money, as such. Second, the potential impact on the credit union must be assessed beforehand, including the impact on the liquidity and financial positioning of the credit union. Third, the funds to be invested must be those which are surplus and not immediately required.

It is worth noting that section 44 of the Credit Union Act 1997 already provides for a credit union to establish a dedicated fund for social and cultural purposes and many credit unions use such funds to support local projects in their own area. An amendment is not required, in the view of the Government, in order to facilitate this as section 12, to which Deputy McGrath referred, is already broad enough to provide the necessary framework for such investments, provided they can be made without undue risk to members' savings. On Committee Stage the Minister undertook to examine the wording to see whether some further clarity could be provided and this is currently under discussion between the Department and the Office of the Attorney General. On that basis, I do not propose to accept the amendments concerned with investment in State projects.

The second issue raised by this group of amendments is that of shared services, which is also referred to in amendment No. 7. The commission report notes that services may be shared in a number of ways, including the establishment of central credit unions, corporate credit unions, credit union service organisations, CUSOs, or local alliances. Shared service arrangements are already in operation in the credit union area, for example, the payments services provided by the Credit Union Services Co-operative. The commission recommended that the establishment of such shared service arrangements should be facilitated by legislation where necessary. The Government agrees that the sharing of services offers credit unions an opportunity to benefit from economies of scale and allows them to access expertise they may not otherwise have sufficient resources to engage. This may become more important in the future given the increasing complexity and running costs expected in a modernised regulatory framework and an enhanced service offering.

The Irish League of Credit Unions has accepted there is no obstacle to establishing shared service arrangements at credit union level. I do not propose to accept the amendments on CUSOs because there is no need to provide for them in legislation. CUSOs are not regulated financial services providers and do not require to be regulated as such by the Central Bank. The Bill already sets out provisions on outsourcing to ensure that services can be shared safely.

The concept of sharing of services at member level, which is more commonly referred to as shared branching, involves the establishment of an entity, usually a company or co-operative, to provide certain back office services to credit unions on a shared basis. This can reduce costs, enhance expertise and improve efficiency. Shared branching is a different concept which involves credit unions providing front of house services to each other's members and is an activity which operates primarily in the US credit union system. Shared branching was not considered by the commission and does not form part of its final report. Shared branching was not a key issue in the submissions received by credit unions and other stakeholders in the public

consultation process nor did it emerge from survey returns from credit unions.

In simple terms, shared branching would allow a credit union member to use the services of another credit union. As the Minister noted on Committee Stage, for shared branching to work certain measures would have to be put in place. First, a settlement system would be needed to prevent an individual from withdrawing his or her savings several times over from different credit unions. Second, underwriting would be required to establish proper assessment of ability to repay at the credit union issuing the loan on behalf of a member's home credit union. We would also need to clarify whether the member's credit union or the issuing credit union would be responsible if a loan went into arrears. Third, an accompanying prudential framework would be required to ensure proper liquidity management practices are put in place to guard against large and unpredictable withdrawals at credit unions connected to larger institutions. Furthermore, shared branching raises fundamental questions about the common bond notwithstanding the commission recommendation that it should remain unchanged.

However, the fact that shared branching is apparently successful in other jurisdictions suggests that it is an option worth exploring. While I consider that it would be premature to provide in legislation for shared branching at this stage I am open to hearing the arguments for it. As the Minister indicated on Committee Stage, he has requested the credit union advisory committee to prepare a report on the possibility of shared branching within the credit union sector by the second quarter of next year. The report will involve an assessment of the current appetite for shared branching among credit unions and their members, an analysis of the framework requirements to support shared branching, an exploration of the various alternative approaches drawing on international expertise and best practice and the recommendation of the committee on any legislative changes that may be required. The report will be prepared through an open process involving consultation with credit union stakeholders, including representative bodies, the Central Bank and other experts, such as the credit union supplies forum. Officials from the Department of Finance are available to discuss further details. The consultation process will allow the committee to indicate what will be required in terms of legislation and whether an appetite exists for the kind of model my colleagues have described. When the report is furnished to the Minister he will consider it, bring it to Government and take action if appropriate.

Deputy Pearse Doherty: While I appreciate the indication from the Minister of State that he will consider the wording of section 12, I do not see why the amendment I tabled on behalf of Sinn Féin cannot be taken in order to provide clarity in this area. There may be nothing to restrict lending and I am willing to withdraw my amendment if this is what the Minister wants to achieve but I seek to include explicit wording to ensure that social lending to State guaranteed projects is not precluded. The problem with section 12(2)(a), (b) and (c) is that the type of lending permitted is variously stipulated in terms of banks, society and the Central Bank. Clarity in this area would be beneficial to all of us because it would allow credit unions to invest in State guaranteed projects provided they can show us the money. The State has projects that it would like to develop but it cannot find investors. If our home grown, not-for-profit institutions are willing to invest, we should ask them to do so. The amendment I have tabled states that nothing in the Bill prohibits a credit union from lending to a State guaranteed project. Perhaps a caveat should be added to ensure compliance with section 12. I ask the Minister of State to reconsider the matter.

Deputy Richard Boyd Barrett: Whatever we may think on this side of the House, the Government often pleads that it does not have the money it needs for the investment and stimulus programme we would like to see. With the credit union movement, we have an institution

with money which wants to assist the State and its citizens in stimulating the economy by backing projects that would create jobs and pay social dividends. I understand the Minister of State's argument that the State has an obligation to ensure credit union members' funds are safe and sensibly invested but given that credit unions have to put their money in the banks, one might ask how safe are the banks. The credit unions are asking to be enabled to invest in State guaranteed schemes not just any old scheme.

5 o'clock

The credit unions are offering money the State says it needs at low interest rates, as long as they are guaranteed a return. I do not know exactly what the credit unions have in mind in terms of how this would work. However, having chatted with them, I understand one example of the sort of thing they might consider would be a social housing project. There is general agreement in this House that we spend too much in moneys to private landlords in rent allowance. If we built local authority houses, that rental revenue would return to the State and would, therefore, be guaranteed. There would also be guaranteed savings in terms of the money paid out in rent allowance. This could be quantified roughly. If the credit unions lent €1 billion, the State could build 10,000 council houses and then receive extra revenue of approximately €120 million per year. The State could guarantee the repayment of the loan and the interest on it and we would have the extra social housing we need. That is the sort of scheme the credit unions and their members would like to back. The State could confidently offer a guarantee because it knows the revenue would be secure. There would be definite savings and a definite revenue return.

On the shared services, the Minister is saying that while not against the idea, the Government's concern is for the welfare of the credit unions and their funds and for whether they have the infrastructure to provide shared services without endangering the solvency and liquidity of individual credit unions. My understanding of what the ILCU suggests in this regard is that the Bill would state that they would be enabled to provide these services, but the Central Bank would put whatever conditions it wished in place to ensure the necessary infrastructure and safeguards were in place. Therefore, there would be conditions on the credit unions moving in this direction and these would be regulated and laid down by the Central Bank. What the credit unions want is the removal of any possible impediment to them moving in this direction. This is a laudable aspiration and is in the interest of credit union members and of offering choices to people in the financial services area. The Government should co-operate with the credit unions in facilitating this.

Deputy Thomas P. Broughan: I welcome what the Minister of State said regarding the advisory committee and the negotiations which he hopes will be finalised by the end of the second quarter. However, I still feel it would benefit the credit union movement if he accepted some variant of the three key amendments with regard to the social projects, because that would clearly provide a legislative basis for involvement. As the Minister of State is aware, the final report of the commission on credit unions asked for shared services and for the possibility of investing locally to be considered on a legislative basis. Perhaps we could shorten the process by considering these amendments.

The Minister of State referred to section 44 of the 1997 Act. We are all familiar with the credit unions and many Deputies are members of unions which have been involved in projects in the social and cultural area in their localities which provide valuable support for local sporting and artistic bodies and so on. However, the limit on the amount that can be spent in this way as prescribed in section 44 of the 1997 Act is 0.5%. Therefore, there is a major constraint on

involvement. The example given by Deputy Boyd Barrett, social housing, is a good example of how the credit unions could be involved. One of the appalling results of the current situation is that the social housing programme has effectively collapsed. We are looking for new models, not just of management, but of provision. The Taoiseach gave a commitment there would be a public housing investment programme provision and I hope this will be confirmed over the next week. We desperately need a programme as there are 100,000 people on housing lists.

This Bill offers an opportunity to make this provision in legislation, notwithstanding the point made that the Minister of State will come back on this. Perhaps he should look at the issue again when putting forward amendments in the Seanad.

Deputy Brian Hayes: On the question of investment, the Government accepts that the credit union movement has always been a key component of local investment. It more than any other financial institution has its eyes and ears on the ground. It knows who needs funds and who needs to be supported and is in a perfect position to make the call on these needs. The model of prudential judgment shown by credit unions *vis-à-vis* what we have seen within our retail banking sector over the course of the past decade is markedly different. One could argue that much of that commonsense knowledge of one's customer base so evidently clear within the credit union movement is exactly the kind of quality we need in our new banking system in terms of understanding risk and the issues that go with it.

I agree there is potential in this area and the Minister has accepted that. The issue he raised on Committee Stage was whether there is a need for this in primary legislation, for example, if as a result of the consultation an agreement was forged requiring some protocol or regulation to be established with the Central Bank. The question then would be whether there was a need for this in primary legislation. The Minister has an open mind on that. He was very clear on Committee Stage that the commission report recommended a formal process of engagement with the representative organisations, particularly with the ILCU. He is open to this and would like to hear more on that. However, whether there is an opportunity for that between now and the taking of the Bill through the Seanad is a matter for the Minister. Discussion is taking place on this between the Office of the Attorney General and the Department of Finance in this regard.

It is worth pointing out that the key problem the retail banking sectors found themselves in related to the difficulty in terms of their loan to capital ratio, a problem never replicated in the credit union movement across the country, apart from a few exceptions. In any argument about lending practice and investment, taking on board what Deputy Broughan said about existing limitations and the total asset base of a credit union, one must always be mindful of how much can be lent and for what purposes. This is an issue to which some consideration must be given, because the existing requirements are quite exacting. They give a clear indication to the credit unions as to what they can or cannot lend, particularly under section 44 of the 1997 Act.

Whether the kind of social housing developments to which Deputy Boyd Barrett referred would be applicable under the existing Act is arguable, given the existing limitations. However, this is a matter for consideration and the Minister has an open mind on it. There is a fundamental question as to whether it is necessary to include this in primary legislation. Would it not be more sensible if we came to some agreement on it for it to be done by way of regulation? This is something we will consider in due course. For that reason, we do not propose to accept the amendments.

The issue of shared services has been raised and is also the subject of the next amendment,

but perhaps I will come to that later.

Deputy Pearse Doherty: I would like to make a final point on the issue of social lending. The Minister of State has indicated that he will examine the wording of section 12. I would like him to include in the section a specific reference to the fact that guaranteed State-backed projects can be invested in.

Deputy Brian Hayes: The Deputy is referring to State-guaranteed projects.

Deputy Pearse Doherty: It is something we should encourage. There have been discussions on the banks in this House previously. I will stay focused on the legislation at hand. We have had a constructive engagement on it. This House has previously discussed the question of burden-sharing with banks including Anglo Irish Bank. It has been argued that some credit unions have made their investments in the form of subordinate bonds. If the State wants to build capital projects and invest in guaranteed products in the economy, we should make it clear that we are encouraging this form of activity. I think the introduction of regulations is probably not the way to go about it. The Minister of State has indicated that he will consider section 12. He mentioned the legal advice that is being examined. I would like to impress on him the importance of making this provision as explicit as possible. If that is done, we should remind the credit union movement, which has a particular ethos, that this money has been made available. At a time when the State is in dire financial difficulties, we should be calling on the credit union movement in that way. Obviously, it will do that for a return. If it is asking for too much, the State should not proceed in this way. We should put it up to the credit union movement because it asked for this legislation to be amended so that it clearly states that credit unions can lend to State-guaranteed projects, with all the caveats in terms of making sure the money is not on call and the amount being loaned in this way is limited to a certain percentage. If we put it up to the credit union movement, it will not be found wanting. I encourage the Minister of State to bring this point to the attention of the Minister before this Bill goes to the Seanad.

An Leas-Cheann Comhairle: I call the Minister of State.

Deputy Richard Boyd Barrett: I have an amendment down as well.

An Leas-Cheann Comhairle: My understanding is that the mover of the amendment can speak three times.

Deputy Richard Boyd Barrett: I am a mover as well.

An Leas-Cheann Comhairle: Deputy Doherty is the mover in this instance. Four amendments are being discussed together.

Deputy Richard Boyd Barrett: Is it only the mover of the first-----

An Leas-Cheann Comhairle: There is only one mover. In this case, it is Deputy Doherty.

Deputy Thomas P. Broughan: It is kind of a lottery.

An Leas-Cheann Comhairle: The Deputy is an expert on the lottery.

Deputy Richard Boyd Barrett: On a point of order, when am I supposed to move my amendment?

An Leas-Cheann Comhairle: Obviously, it can be moved individually but it cannot be

discussed at that stage.

Deputy Brian Hayes: They are all being discussed together now.

An Leas-Cheann Comhairle: Does the Minister of State have anything else to say in response to Deputy Doherty?

Deputy Brian Hayes: I have nothing else to say. We will consider the matter in due course. If we are to put this into primary legislation, we will need the representative organisations to buy into it. That support is not there currently, but that is not to say it could not happen in the future. If the organisations express a unanimous view, or a near-unanimous view, the question of whether this should be done by means of regulation through the Central Bank or by means of legislation will arise. I will raise what the Deputy has said with the Minister, Deputy Noonan, in advance of the Seanad discussions.

Amendment, by leave, withdrawn.

An Leas-Cheann Comhairle: As amendments Nos. 7, 11 and 13 are related, they may be discussed together.

Deputy Pearse Doherty: I move amendment No. 7:

In page 9, between lines 33 and 34, to insert the following:

“7.—The Principal Act is amended by the insertion of the following new section after section 26:

“26A.—(1) A credit union may, once the approval of the Bank has been secured and the necessary capacity and infrastructure put in place, promote, invest in, loan to, and/or contract with a credit union service organisation approved by the Bank (on such terms as the Bank considers appropriate) and engaged in activities and services of the credit union service organisation related to the routine daily operations of credit unions.

(2) Nothing in this section or the following provisions of this Part affects the operation of any enactment which is not contained in this Act and which, in whole or in part, relates to the provision of credit union service organisation activities or services.

(3) Credit union services organisation activities or services may include but are not limited to the following:

(a) clerical, professional and management services:

(i) accounting services;

(ii) internal audits for credit unions;

(iii) credit union risk and compliance;

(iv) management and personnel training and support;

(v) marketing services;

- (vi) research services;
- (vii) procurement related services;
- (viii) debt collection services;
- (b) electronic transaction services:
 - (i) automated teller machine (ATM) services;
 - (ii) debit card services;
 - (iii) electronic fund transfer (EFT) services.”.”.

This amendment relates to shared services. Some of the comments made by the Minister of State on previous amendments will be of relevance to this amendment as well. The Minister, Deputy Noonan, said on Committee Stage that certain shared services, which I described as “member-level services”, are known collectively in the US as shared banking. That term has been repeated today. The Minister for Finance said that the issue of members’ shared services was not discussed by the Commission on Credit Unions. He also said that back-end services were discussed by the commission. While the Minister was correct in the first instance, he was not correct in the second instance because the issue of member-level shared services was the subject of significant discussion by the commission. That discussion is reflected in pages 87, 88 and 89 of the commission’s final report. I agree with the Minister that such services cannot be introduced overnight, but nobody is asking for that. Like hundreds of thousands of other people, my money is in the credit union. We need to ensure the issues of capacity and risk management, etc., are dealt with robustly. That should not prevent us from detailing in this Bill the services that could be available.

I have amended the initial amendment I proposed on Committee Stage to make it clear that these services cannot be commenced without the explicit agreement of the Central Bank and to provide that it cannot be done unless the individual credit union involved has demonstrated that it has the capacity to deliver such services. Some of the issues the Minister mentioned earlier, such as possibility of a credit union being caught out when money is withdrawn, would be dealt with because the Central Bank would have to approve it and the credit union would have to show it has the capacity to deal with it. All of that background work would have to be done.

The purpose of this amendment is to detail the kinds of shared services that could become available to members if credit unions have the required capacity and the support of the Central Bank. It is about detailing the future direction we want the credit union movement to move into. In the section of its report dealing with additional services, the Commission on Credit Unions states that it supports “a new regime for the provision of additional services”. It is clear in the report that such services include both member-level shared services and back-end shared services. I urge the Minister and the Minister of State to consider this area. I agree with the concerns they have expressed in this regard. This should not be introduced overnight because the credit union movement is not ready for it, as far as I am aware. As I have said, this issue has been discussed by the commission.

A survey of credit unions outlined the five key areas where they would like shared services to be developed. In the case of electronic fund transfer services, it does not need permission anyway. There are four other areas. In fairness, the recommendations that have been made

in this regard make it clear that the commission does not intend to specify the products that credit unions should or should not provide. The report makes it clear that “a new regime for the provision of additional services should be developed within the context of the tiered regulatory approach as set out in greater detail earlier in this Chapter”. I urge the Minister of State to examine this recommendation. The credit union movement needs to be able to facilitate its members in the best way possible. While it is important that robust regulations are introduced on foot of this Bill to ensure credit union members and the State are protected - obviously, the State is having to step in with citizens’ money in this case - it is also important that there is a future pathway for the credit union sector. This sensible amendment was modified after I listened to what the Minister had to say on Committee Stage. I am not saying that these services will be provided - I am saying that these services could be provided. That will not happen until the capacity of the credit union movement has been developed. The double catch is that it will not happen without the explicit approval of the Central Bank.

Deputy Richard Boyd Barrett: The amendments before the House, which are of the same nature, relate to what has been termed “shared banking”. The Irish League of Credit Unions is well aware of the need to protect the funds of credit union members and to ensure the necessary infrastructure is in place to support any move towards the provision of shared services to members. Obviously, there is no question of running into this blindly without the necessary regulations, protections and infrastructure. In light of the need for that level of regulation and protection to be in place, it is equally valid to say nothing should impede credit unions that want to move in this direction. If we were to pass this Bill without using it to spell out the fact that credit unions which might wish to move in this direction will be facilitated when they are ready to do so, it would seem to be a huge missed opportunity. I believe the credit unions are being eminently reasonable in this. The obvious point to make is that, as the Minister of State has said, by and large - with a few exceptions - the credit union movement is not in trouble, has not acted in a reckless fashion and is very responsible in how it uses and protects the funds of its members. Its general orientation is such that it is far less likely to engage in a reckless manner, as we know the banks did with gusto.

It is fair to accede to this request that the Bill should set out the right of credit unions to move in this direction, but with all the protections and caveats that would be necessary to ensure they are actually capable of doing that and protecting credit union members. It is quite possible for the Government to come up with a formulation that deals with those concerns, given the need to be cautious, while on the other hand facilitating the credit unions to move in this direction. It is something that will be of benefit to citizens in providing them with an alternative to the commercial, for-profit retail banking system.

Deputy Thomas P. Broughan: It was at the 2010 AGM of the Irish League of Credit Unions that the CUSO - credit union services organisation - or shared services idea was approved by the member credit unions. They had obviously done a lot of research about the idea of shared services, shared branches and developing the attributes that would be necessary to promote a network approach. The amendments I and my colleagues have put forward concern these types of service - for example, internal audits, risk and compliance management, HR, marketing, research, procurement and debt collection.

One can understand why, following the passage of this Bill, credit union members would want to develop this type of facility. However, one of the issues I raised earlier was the lack of a detailed regulatory impact analysis of the additional costs that will be imposed on credit unions by the passage of this Bill. Compliance management, risk management, HR, marketing,

research and procurement are all areas in which there will be obvious economies of scale and sharing of costs, which could be advantageous to the credit union movement if the CUSO idea of shared services is allowed to proceed. As one response to the far tighter regulation which I critiqued in my first contribution earlier, and given that the Government has not provided a detailed impact analysis of the Bill, there would seem to be enormous merit in proceeding down this road. The Irish League of Credit Unions is also of this view. It would, of course, be a historic development for the credit union movement. If electronic banking can be developed in branches across the country and throughout Northern Ireland, we would be talking about a real alternative for ordinary people to the present banking network, which has failed us so badly in the current crisis. There is much merit in incorporating these carefully chosen lines which the Deputies and I would like to see inserted in the Bill. I ask the Minister to accept this.

We have had discussion with the Commission on Credit Unions and there is a recommendation that we revisit this issue in legislation. This is perhaps the opportunity for the Minister to examine the matter. I accept it would be another remarkable milestone in the history of the credit union movement in this country but, given the types of constraint under which credit unions operate in terms of liquidity, solvency and assets, it would also be another important economic tool and facility for all the people of this island who are members. I urge the Minister of State to accept the amendments.

Deputy Michael McGrath: I support the amendments and I put forward a similar amendment on Committee Stage. Amendments Nos. 7, 11 and 13 relate specifically to CUSOs and the sharing of services at the level of the credit union. The Minister's response on Committee Stage was essentially that this is actively encouraged and is already happening - I know it is happening in west Cork, for example. The view he expressed was that by explicitly listing the functions, we could actually be narrowing the scope of what credit unions could do.

There was a separate debate on the issue of sharing services at member level, which the Minister of State has again referred to as shared branching, a term the credit unions do not like, although we understand what the Minister of State means by that. There was a separate amendment on this point on Committee Stage, amendment No. 11, which we withdrew on the basis of a commitment that the credit union advisory committee would examine it and engage with the stakeholders. As I interpret it, the amendments we are now discussing relate to the sharing of services at credit union level.

Deputy Brian Hayes: I understand no legislation is needed for that. It can happen, so prescribing it in law is not required. The Minister's point on Committee Stage was exactly as Deputy McGrath has suggested - namely, that by specifying such areas, one might well be precluding areas around which there could be the potential for greater co-operation in the future. On the question of additional services, which is really the issue, my understanding is that once this Bill is established, there is nothing to prevent a credit union or group of credit unions applying to the Central Bank for the purpose of additional services. It is then a matter for the Central Bank to create regulations in this regard.

The report of the Commission on Credit Unions states:

The Commission recommends that a new regime for the provision of additional services should be developed within the context of the tiered regulatory approach as set out in greater detail earlier in this Chapter. Within this new regime, decisions to offer (or apply to offer) new services can be taken by the board of directors. It was suggested that the issue of ad-

ditional services be designated a standing item on credit unions' AGM agendas which would provide an opportunity for a two way exchange of information ...

The point is that on the question of existing shared services locally, there is nothing to prevent that from happening at present. However, when it comes to additional services, a tiered approach along the lines of the recommendation has been set out in the Bill in terms of the applications that can be made to the Central Bank. We are not accepting amendment No. 7, 11 or 13 on the basis that if additional services were at some point to be established, it would be a matter in the first instance for the Central Bank, without explicitly prescribing it in law in the primary form.

Deputy Pearse Doherty: We need to be careful that we are not mixing things up. We know there are additional services that credit unions can provide. These have to be approved by the AGM and so forth, and the credit union would then apply to the Central Bank. If it is approved and has the capacity to provide the additional services, it can provide them. We also know the position with regard to shared services at the back end. The concern is in regard to shared services at member level. This is where the Bill is lacking, in that it does not stipulate the process whereby such shared services can happen at member level. There are the CUSOs, whose "activities or services may include but are not limited to ...", as the amendment states. The wording rules out the concern the Minister of State and Deputy Michael McGrath have raised that this could limit the type of shared services to be provided because it is clearly stated that those are the services that may be provided but it is not limited to them. The purpose of the amendment from the point of view of the Oireachtas is to ensure that this is way we would like to see the credit union movement evolve in the future, but we will not allow it to do so unless it has proven it has the capacity to do it and that it has satisfied the Central Bank. We would be saying that, as a Parliament, we want to see the credit union movement, which has a fantastic history – there have only been a couple of black marks against smaller institutional members – go in this direction. If the credit union movement wants to keep up with where people are at, we need shared services at member level but we are putting in two very clear restrictions. The section might never be enforced or perhaps none of the institutions will be able to meet the criteria set out.

This is about signalling to the credit union movement that such a change is possible. It is not happening currently. I welcome the Minister's commitment to refer the proposal to the commission. If he accepted the amendment he would still have to refer it because there is much work to be done in the background to ensure it could go ahead. As we heard from Deputy Broughan, some of the work is already under way but it must be dealt with by the advisory group. The intention of the amendment is to send a signal. I am happy to withdraw the amendment if the Minister of State would consider a suitable formulation to the same end. The legislation is burdensome – rightly so in certain areas – in terms of regulation, and a signal is being put down for shared services at member level in the future.

Deputy Richard Boyd Barrett: The points have been made but I will put one other argument. The Minister of State could call me a conspiracy theorist.

Deputy Brian Hayes: Deputy Boyd Barrett is a conspiracy theorist.

Deputy Richard Boyd Barrett: It is highly likely that the commercial retail banking system would not be enamoured by the idea that credit unions could offer a greater level of shared services for members. We are talking about front-office services not back-office services. I accept the Minister of State's point that there is no obstacle to the latter currently. This is about

credit unions, through sharing services, being able to offer a wider range of services to their members which they are somewhat limited in their ability to do at the moment. I suspect – one could call me a conspiracy theorist – that the for-profit banking sector would not be terribly pleased with that and could lobby intensively at some point in the future behind the scenes or in some way try to exercise influence to prevent credit unions moving in that direction. I do not suggest the Government would be in any way complicit with such efforts by the banking system but it is not beyond the bounds of possibility that a private banking system would use its influence to try to prevent credit unions offering an alternative to its network. From that point of view it would be useful and it would give the credit unions confidence if it were explicitly stated that the legislation allows for the future development of shared front-office services for members of credit unions with the necessary conditionality on the need for regulation, protection and infrastructural capacity. The Minister should examine the matter and consider how we could come up with a formulation that sets that out in the legislation while putting the necessary protections and safeguards in place.

Deputy Thomas P. Broughan: The information I have from the Irish League of Credit Unions is that the capacity exists in up to 150 credit unions to develop shared services, not just back-office services, and they are ready to approach that milestone.

Great minds sometimes do think alike because I also am concerned that there would be political pressure from the larger banks. I accept we own most of them now. Pressure was brought to bear prior to the 1997 Bill and earlier Bills, perhaps going back as far as 1960, to ensure that the credit union movement did not become a serious competitor to branch banking for households and small businesses. That concern exists. I again appeal to the Minister of State to examine the formula. Perhaps following the Seanad debate he could return to the House with a proposal on shared services.

Deputy Brian Hayes: On the subject of the larger banks I am sure everyone was pleased to hear the good news from today; for the first time in four years AIB managed to obtain a bond of €500 million on the open market. That is good news in the circumstances for a bank which is currently wholly ours. Good news came from the Bank of Ireland only two weeks ago that moneys were raised independent of the guarantee. It is a tentative sign of some normalisation in terms of the international money markets being prepared to lend to Irish banks again.

My understanding is that the Minister had a long discussion on the matter on Committee Stage and he has an open mind on it. We do not have a difficulty with the concept if there is a great appetite across the credit union movement for shared services, but we must demonstrate that the appetite exists and there is a capacity and willingness to do so.

The Minister will ask the group that is to be established to report to him on the issue by the second quarter of 2013. Part of the assessment will be on the appetite for such a service, the requirement framework and how it would work, and to examine from an international perspective how it has worked in other jurisdictions. Deputy Broughan raised the latter point in his contribution.

If there is agreement, then the Minister will come forward with legislative change. His view is that it is premature at this stage to make provision for something that might not be required on the basis of an assessment. The issue did not feature in the commission's recommendations, which says something in itself. I do not wish to second-guess what colleagues have said as matters come on the agenda as an administrative model changes and moves, but it was not on

the agenda in terms of the commission's report. If there is an appetite for such a change and a willingness to put such a system in place locally the Government would want in the first instance to hear about it. That is why we are asking that the possibilities around the matter would be established. When the report comes to Government in the middle of next year we will be in a better position to judge the potential for it on the ground, as it were. If there is a willingness to move the process forward I do not see the Government standing in its way, but to do it in this way – to put it in place without the debate – would be illogical. It would be more sensible to have the debate first to ascertain the level of interest and then if that is on a mainstream basis across credit unions, provision can be made for it. That is the Minister's position.

Deputy Pearse Doherty: To be fair to the Minister of State and the Minister, they have said they will move the issue forward following examination by the advisory group. I welcome the Minister of State's comment that he expects the report by the middle of next year. The Minister has given an indication that if the capacity exists the Government will not stand in the way of such a change. That said, I genuinely believe provision should be made in the Bill at this point. Putting it in the Bill will not present a danger but it will set down a commitment that this is the way we would like credit unions to operate, but it will only happen if they can meet the mark and the criteria set down and it would leave the final say with the Central Bank.

The Minister of State asked about the appetite for this. It exists; the ILCU has been lobbying both the Government and the Opposition for member-level shared services. Beyond that, as any member of a credit union or anybody who knows about them will realise, it just makes sense that credit unions should share services in this day and age. They must not be left behind and I do not want to see them left behind. I agree with the Minister of State's comments in regard to banks and raising money on the international markets, which is great progress. However, I also want to see great progress for the credit union movement so that it can reach its full potential in years to come.

This Bill could have been a statement of intent by the Oireachtas that we want to see the movement develop and flourish, but its purpose is to provide tight regulation for a sector that needs to be regulated. Nobody is opposed to that, but we also want to see it grow. I am disappointed in that element and also that the Minister of State did not agree to the suggested change even though I have tweaked this amendment since Committee Stage. I am trying to inform the Minister's opinion and influence him when he brings amendments to the Bill during its passage through the Seanad. I will not press the amendment now because it may be considered again at Seanad level, but I ask the Minister of State - and the Minister, Deputy Noonan, if he reads this transcript or is briefed on it - to consider the amendment. There is no reason not to include this measure in the Bill. It would be a positive statement.

Rightly or wrongly, there is a fear among credit union members, both volunteers and management, about the Central Bank and about regulations that reveal a lack of understanding of the credit union movement. The move proposed would be a positive one. This Government has already redesigned banks in this State. Some have been merged with others; we have made some into pillar banks, have taken on ownership of others and have got rid of deposits in certain banks. We have done all of this in the past two years, and we did it because there is a direction in which we want to see retail banking going in this country. What is missing in this Bill is that type of direction for the credit union movement. It is very much about regulation, which is important, but this step would have given a positive signal. I will leave it at that. I welcome the positive steps taken but am disappointed this one did not go the other way. I hope there will be a change of mind in the Seanad.

Amendment, by leave, withdrawn.

Deputy Richard Boyd Barrett: Do we move an amendment and then withdraw it? Is that how it works?

An Ceann Comhairle: One can press an amendment if it has been moved.

Deputy Richard Boyd Barrett: Has amendment No. 8 been moved?

An Ceann Comhairle: No; it was discussed with another amendment. It is only a technical point.

Deputy Richard Boyd Barrett: I understand that, but if an amendment is not moved does that mean we can discuss it at a later stage?

Deputy Michael McGrath: This is Report Stage.

An Ceann Comhairle: No. The Deputy discussed it already. It is merely technical.

Deputy Richard Boyd Barrett: Does one have to move an amendment to be able to withdraw it?

An Ceann Comhairle: Yes. If it is not moved, nothing happens. The Deputy is not moving it and it will be recorded as not having been moved.

Deputy Richard Boyd Barrett: I hope the Ceann Comhairle is not pulling a fast one.

An Ceann Comhairle: I am not. I am afraid my job here is purely technical.

As a point of information, sometimes a person formally moves the first amendment in a series. The others are discussed along with the one that was moved but when it comes to their turn they must be formally moved before they can be pressed. Does the Deputy understand?

Deputy Richard Boyd Barrett: Thank you, a Cheann Comhairle.

Amendments Nos. 8 to 12, inclusive, not moved.

Deputy Thomas P. Broughan: I move amendment No. 13:

In page 17, after line 48, to insert the following:

“14.—The Principal Act is amended by substituting the following for section 48:

“48.—(1) A credit union may promote, invest in, loan to, and/or contract with a credit union service organisation approved by the Bank (on such terms as the Bank considers appropriate) and engaged in activities and services (‘CUSO activities or services’) related to the routine daily operations of credit unions.

(2) Nothing in this section or the following provisions of this Part affects the operation of any enactment which is not contained in this Act and which, in whole or in part, relates to the provision of CUSO activities or services.

(3) CUSO activities or services may include but are not limited to the following:

(a) clerical, professional and management services:

- (i) accounting services;
 - (ii) internal audits for credit unions;
 - (iii) credit union risk and compliance;
 - (iv) management and personnel training and support;
 - (v) marketing services;
 - (vi) research services;
 - (vii) procurement related services;
 - (viii) debt collection services;
- (b) electronic transaction services:
- (i) automated teller machine (ATM) services;
 - (ii) debit card services;
 - (iii) electronic fund transfer (EFT) services.”.”.

Amendment put and declared lost.

Amendments Nos. 14 and 15 not moved.

An Ceann Comhairle: Amendments Nos. 16 to 22, inclusive, are related and will be discussed together. Amendment No. 17 is an alternative to amendment No. 16, which arises from Committee Stage proceedings.

Deputy Thomas P. Broughan: I move amendment No. 16:

In page 19, to delete lines 25 to 27 and substitute the following:

“(a) an employee of the credit union;”.

These amendments go to the heart of the ethos of credit unions, which are voluntary, not-for-profit, locally controlled organisations. If we look at the history of the more than 400 credit unions in the country we can see that the key value of their ethos has been the role of volunteers. These are the people who, week after week, month after month, year after year, play a fundamental role in protecting and developing their credit unions. Every locality has been lucky to have had particularly gifted volunteers - people who may have had some accounts experience, worked in small businesses or trained in the public service, all in ways that proved valuable to the credit union.

My concern with certain aspects of the Bill - which I am trying to amend - is the way in which the Bill impinges on volunteering. Up to now, anybody could come forward at an annual general meeting and stand for election to the board of directors and be elected. That is covered here under section 15. The fear within the membership of the ILCU is that we are putting impediments in the way of that facility, telling members they can elect only certain people while there are others whose franchise is to be restricted to some extent. We are also introducing term limits in an area, although there are no similar limits in corporate governance in general, par-

ticularly in family-owned and developed businesses, where people can continue to be directors for a number of decades, often brilliantly so, while employing a number of workers during their period of office. We are introducing restrictions that we do not impose in the banking sector and are thereby putting up a higher hurdle for credit unions.

I refer briefly to amendment No. 16, which deals with exclusions from the board of directors. These include an employee or voluntary assistant of the credit union in question, or an employee or voluntary assistant of any other credit union. In the amendment I try to recast that, stating instead that employees of the credit union are excluded while volunteers are allowed to serve at all levels of the organisation.

Amendment No. 18 is in a similar vein and proposes that the words “or a member of the board oversight committee of any other credit union” be deleted. It relates to people who are members of vocational credit unions but who might also be members of their local credit unions in Monaghan, Carlow or wherever. They might have great experience in working for a large vocational credit union and under the Bill they will be excluded from serving on the boards of their local credit unions.

Amendment No. 19 proposes the deletion of the words “a director of any other credit union”. This would encompass the same situations to which amendments Nos. 16 and 18 refer.

On amendment No. 20, in the past we have always encouraged those very talented men and women involved with the credit union movement. As stated, we owe a great deal to the women of Ireland because they were involved in founding the movement and have often been responsible at local level for running audit committees and taking on supervisory roles. They have kept the movement moving forward which has enabled people to literally put bread and other things on the table in their homesteads. We should reconsider excluding the persons to whom I refer from proceeding to serve on representative bodies such as the Irish League of Credit Unions, ICLU, or the Credit Union Development Association, CUDA, which has a smaller number of credit unions that are often highly developed.

Amendments Nos. 21 and 22 relate to the exclusion of persons in arrears for 90 consecutive days and voluntary assistants. In effect, all members of credit unions are under some debt obligation to them. Circumstances could arise where someone might have slipped into arrears, but surely he or she would have shares in his or her credit union, etc. I have made the case for such individuals not being excluded.

I was not present when the Select sub-Committee on Finance took Committee Stage of the Bill, but I did monitor the debate which took place. My three colleagues on the Opposition benches strongly supported the maintenance of the concept of voluntarism. Outside sport, the arts, politics and the church, this is one of the areas in which people are delighted and proud to serve their communities on a volunteer basis. I must question whether the exclusions provided for in the Bill in respect of directorships are appropriate. Those of us who have served as directors in companies know that there must be a very clear divide between employees and chief executives and the oversight boards and various committees which run such companies. In view of the nature of credit unions, excluding volunteers in this way is inappropriate. The Minister of State should, therefore, consider accepting the amendments.

Deputy Pearse Doherty: Amendment No. 17 in my name deals the prohibition being put in place to prevent voluntary assistants from becoming members of the boards of credit unions.

When we discussed this matter on Committee Stage, the Minister for Finance indicated a willingness to deal with all but one of the exclusions about which my party and I are concerned. He indicated that he would bring forward proposals in respect of someone who fell into arrears for more than 90 days. He also stated he would deal with the prohibition on voluntary assistants from one credit union not serving on the board of another. Further, he indicated a willingness to deal with the position on the board oversight committee. He stated he would take action on all of these issues and indicated that he could strengthen other parts of the Bill in order to deal with conflicts of interest. I will be very interested in discovering the progress that has been made in this regard, particularly in the context of the type of wording he is considering introducing, etc. I will park these issues because we are of the view that he may deal with them.

The issue which was not dealt with in a satisfactory manner on Committee Stage was voluntary assistants being barred from serving as members of the boards of credit unions. This prohibition is going to have an effect on credit unions across the board, particularly in view of their nature and the number of volunteers who work for them. It will have a particular impact on smaller credit unions which rely on voluntary assistant to try to keep their costs low. This allows them to offer products to their members at a low cost. If we put in place a prohibition such as that suggested, not only will it undermine the democratic ethos whereby the members of credit unions are entitled to elect the members of their boards, it could also have an impact on the overall cost burden of credit unions. When a member of a board volunteers within a credit union, it allows him or her to witness, at first hand, the impact of the decisions made by the board. It also allows for a flow or exchange of information in this regard. Not only is there a cost issue, there is also a practical consideration. I reiterate that nowhere else in the world is there a prohibition on voluntary assistants in credit unions serving on their boards. Introducing such a prohibition in Ireland will bring us to a destination we do not need to visit. The parts of the Bill relating to conflicts of interest could be strengthened to deal with genuine conflicts of interest which might arise in the work of a board and that being carried out by a voluntary assistant. It is not fair to prohibit voluntary assistants from becoming members of boards. A voluntary assistant with a credit union who passionately believes in what it is doing, agrees with its ethos and wants to serve on its board could encounter difficulty in seeking election as a board member. The reason is that other members would be aware that, once elected, such an individual would be obliged to vacate his or her voluntary position with immediate effect and there might not be another person available to carry on his or her work. Volunteers are, therefore, restricted from playing a more enhanced role within credit unions.

I have not pressed any amendment to a vote thus far, particularly as we are making progress. However, this issue must be dealt with and we have not yet received an indication from the Minister that he is going to take action on it. What is proposed in the Bill is genuinely unfair on volunteers. God knows, we need more, not fewer, volunteers. Putting in place a restriction which does not apply anywhere else in the world is not the way to proceed. There are other ways in which we can deal with conflicts of interest and overseeing people's work. There are better ways to proceed than putting in place restrictions of this nature. I ask the Minister of State to be open-minded in this matter.

Deputy Michael McGrath: We had a good discussion on this matter on Committee Stage. I share the sentiments expressed by Deputies Tommy Broughan and Pearse Doherty. The issue is that many credit unions are, to a large extent, dependent on the work of volunteers. In that context, some of the exclusions provided for in the Bill, as drafted, are overly restrictive. I welcomed the Minister for Finance's comments on Committee Stage to the effect that he was

prepared to revisit these exclusions. We brought forward alternative suggestions in this regard. One was that there be a cap on the number of volunteers serving on any given board.

It is welcome that the Minister agreed to examine the exclusion relating to those in arrears for 90 days or more. It could be extremely humiliating for a person who has served a credit union well for many years and, through no fault of his or her own, run into financial difficulties to be forced to resign from the board of that credit union and disclose his or her reasons for doing so. In the context of the operation of credit unions, the principle of democracy should remain at the centre of the Bill. If the members of a credit union wish to elect a person, subject to certain restrictions - we do not object to all of the restrictions being put in place - their wishes should be supported.

Deputy Richard Boyd Barrett: The exclusions and term limits provided for in the Bill have excited a considerable amount of concern among credit union members, particularly as they strike at the heart of the credit union movement.

6 o'clock

They are based on volunteerism and on a principle of democracy. While it is entirely reasonable that the Government and the regulatory authorities would want to ensure that no conflicts of interest arise - some of the inclusions are reasonable in this regard - but the inclusion of voluntary assistants, employees and those who might have fallen into arrears, are problematic and should be removed. I refer in particular to the voluntary assistant because such individuals are at the heart of the credit union movement. One might well argue it is precisely someone like a voluntary assistant who is willing to give his or her time to the credit union that would be wanted on the board of a credit union. It does not make sense to include that exclusion. On the matter of the term limits, the Minister's defence on Committee Stage for these limits was the need to uphold a principle of rotation, as he called it. The credit unions have indicated a willingness to look at something at local level in the credit unions that would try to vindicate that principle of renewing boards and officer positions. However, the idea of Big Brother imposing these term limits in a way that could adversely affect the functioning of the credit unions and the right of the members of credit unions to democratically decide who should be a board member or an officer of the union, strikes at the heart of the democratic basis of the credit unions. The opposition and concern expressed by the credit unions and their members on this issue is entirely understandable. I suggest the Government should consider acceding to these concerns.

Deputy Brian Hayes: We are dealing with amendments Nos. 16 to 22, inclusive. I will deal with Deputy Doherty's question about the progress on some of the commitments given by the Minister for Finance on Committee Stage. I am aware of the discussion that occurred.

Amendments Nos. 16 to 22, inclusive, relate to board membership. Amendments Nos. 16 and 17 relate to section 15(10)(a). As highlighted on Committee Stage, one of the core purposes of the Bill, as expressed in its Long Title, is to change the governance requirements for credit unions by removing certain management functions from boards of directors of credit unions, providing for a separate management structure and to improve the oversight and general policy functions of the board.

The core change at the centre of the governance provisions is to separate the role of the board in overseeing the operations of credit unions from the day-to-day operations. These exclusions are designed to ensure that individuals do not oversee their own work and are answerable to

themselves as a result. Exclusions from board membership are specifically recommended in the commission report and were examined in some detail by the commission. These exclusions were agreed by the Irish League of Credit Unions. These exclusions were also discussed in great detail on Committee Stage and to which colleagues have referred.

The exclusion in this subsection only, prevents a voluntary assistant from being a director at the same time. That is, there is nothing to stop a person from being a volunteer holding a position on a board otherwise. The risks of a conflict of interest are much lower in the case of a volunteer at another credit union as such a person will have no financial or employment interest at stake. As the Minister flagged on Committee Stage, on that basis, he is considering removing voluntary assistants of other credit unions from this provision.

Amendment No. 18 would amend subsection (10)(b) to allow a person sit on a board of one credit union and also be responsible for overseeing the board of another, possibly neighbouring, credit union. The Minister stated on Committee Stage that he accepted that the Bill contains safeguards regarding conflicts of interest and that a member of a board oversight committee at one credit union could bring significant skills to bear on the board of another credit union. As I have outlined, the Minister stated he would reflect further on this case. However, the priority will be to avoid any conflict that might compromise the best interests of credit union members.

Amendment No. 19 seeks to amend subsection (10)(c), as raised on Committee Stage. If this amendment were to be accepted, it would allow a director of one credit union to also become a director of another credit union. Members need to have confidence that board members are free from conflicts of duty and also conflicts of loyalty. A director who must make decisions about business strategy or a possible amalgamation, may find it difficult to maintain sufficient objectivity where the decision might also affect the neighbouring credit union of which he or she may also be a board member. Therefore, I do not propose to accept amendment No. 19.

If accepted, amendment No. 20 would allow employees of representative groups to sit on credit union boards even where to do so could expose them to a potential conflict of interest. As stated on Committee Stage, the Minister did not propose to accept the amendment on that occasion. I note the Irish League of Credit Unions made it expressly clear when it came before the joint committee in September that it had no difficulty with this particular exclusion. It is not proposed to accept amendment No. 20.

Amendment No. 21 relates to subsection (10)(m). The amendment would allow a person who is in arrears for more than 90 consecutive days under a debt obligation to that credit union, to sit on the board. The core functions of boards of credit unions are lending, provisioning and credit control. Allowing those with a manifest arrears problem to remain on the board and to continue to make key decisions about lending and arrears in the wider credit union, creates potential for conflict of interest. However, I am sensitive to some of the concerns raised by Deputies about how this might be handled. Therefore, the Minister has undertaken to examine the issue with the Office of the Attorney General, with a view to bringing forward an amendment to allow this matter to be dealt with in the rules of the credit union. We do not propose to accept amendment No. 21.

Amendment No. 22 relates to subsection (10)(m). It would allow family members or voluntary assistants to serve on the boards of credit unions. This provision was specifically recommended by the commission to avoid conflicts of interest where the board members must undertake effective oversight of volunteers, including members of their own families. Given that the

Bill also provides against conflict of interest, it will be important to retain sufficient scope to draw on a sufficiently wide pool of volunteers. On that basis and subject to further consultation with the Office of the Attorney General, I intend to bring forward an amendment on that issue. Therefore, I am not prepared to accept amendment No. 22 in its current form.

I refer to some of the issues raised on Committee Stage. The Minister gave commitments in respect of a number of these matters. I do not need to remind the House that when the Minister gives commitments he delivers on them. The difficulty is that the time schedule between now and the Bill being considered in the Seanad is quite short. The amendments will require a formal approval by the Government. We are working with the Office of the Attorney General in respect of the precise wording. The Minister has given a commitment and he reiterates he will bring forward amendments in the other House. The benefit of that is that any amendments made to the Bill by the other House will have to come back to this one to be agreed before the legislation can be enacted. That commitment stands. The Minister's dilemma, and mine, concerns the short legislative period available, notwithstanding that this is a matter for the House. I do not attempt in any way to second-guess the decision of the House but the Minister has asked me to say his commitment stands. The amendments will be discussed in the other House. If any are accepted by the Seanad, they will be discussed and decided upon in this House. The Minister is very cognisant of the very good discussion on all these matters on Committee Stage. He will honour the commitments he made.

Deputy Thomas P. Broughan: I welcome the comments of the Minister of State. He said he would examine amendment No. 16 in respect of the expertise of a volunteer from another credit union. Similar considerations apply to amendments Nos. 18, 19 and 20. The Minister of State's positive remarks on amendments Nos. 21 and 22 are quite welcome.

A number of these amendments apply to small credit unions, in particular. I refer to credit unions in which the pool of voluntary expertise may be quite small. Obviously, we want these credit unions to continue to thrive and succeed. If restrictions are too great, the volunteering aspect will be seriously damaged. I welcome the Minister of State's comments and hope there will be progress made on the Bill when it returns to this House.

Deputy Pearse Doherty: I welcome the reiteration of the Minister's commitment through the Minister of State. I appreciate that the Minister of State cannot accept my argument now and must consult the Minister. However, I will make my argument in any case to try to inform his approach. I appreciate that this matter must be dealt with before the end of the year.

It is not sustainable to have a board comprised solely of volunteers overseeing their own work. However, if there are but one or two volunteers on a board, it is the board that holds those volunteers to account, not the volunteers themselves. The Minister of State has indicated that he would deal with the issue of family members where conflicts of interest arise. If I were on the board of a credit union for which my wife, son or daughter worked as a volunteer, I would almost be in the same position as the one I would be in if I were to oversee my own work as a volunteer. The reason the Minister of State is accepting the point on family members is that there are sufficiently robust provisions in other areas that can be strengthened in terms of conflicts of interest.

The board oversees volunteers, and there are ways in which this can be dealt with. This happens in respect of boards of companies throughout society. I make this point because the circumstances I describe do not arise in any credit union throughout the world. They do not

arise in banks but I acknowledge there are no volunteers working in banks. I ask the Minister of State to revisit this issue. If I wanted to be elected to the board of a small credit union in which it were known that my volunteering kept costs down, my election would be unlikely because there would be nobody to replace me in my voluntary position. Issues arise in this regard.

I have tabled an amendment stipulating the possibility of introducing a waiver. We will discuss this later. The best approach to volunteers is the one I have described. We are halfway there because conflict-of-interest rules exist and can be strengthened. The existing provisions make sense on paper but not in practice, particularly for small credit unions that have a small pool of staff. It would be great to have a perfect scenario in which volunteers were beating down the doors of credit unions to become involved in the movement. However, credit unions are competing with all other voluntary organisations. I appeal to the Minister of State to take some of my concerns on board.

Deputy Brian Hayes: The Deputy makes a fair point. Sometimes when we talk about credit unions, we assume they are all part of an homogenous entity. Of course, they are not. There are big and small ones and they are located in different parts of the country. When this issue was brought to my attention by a network of credit unions in my area, I could see some of the difficulties that arose. I suspect that in a large urban setting the scale of the problem is totally at variance with that in more rural parts of the country.

Everyone accepts legislation is required, and there is considerable buy-in in that regard. However, we do not want to diminish the extraordinary amount of volunteering that exists at board level and throughout the organisation. In so far as we can reflect a common sense approach in the legislation that is ultimately passed by both Houses, we will do so. We are mindful of the concerns that Deputies have raised. Although there was support for the proposal when the commission's report emerged, many smaller credit unions began to find their voice and told us all the concerns that could arise for them with regard to the full application of what is suggested. We do not want circumstances in which the very people who have been keeping the organisation going for a long time are forced to withdraw. These people are at the heart of their communities. However, one does not want circumstances in which conflicts of interest cannot be addressed from a prudential perspective. This matter can be dealt with in the context of the rules referred to by Deputy Doherty. We are going to attempt to strike the required balance. When the Bill returns from the other House, I hope the concerns raised by Deputies on Committee and Report Stages will be reflected in the final text.

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

Amendment declared lost.

Amendments Nos. 17 to 22, inclusive, not moved.

An Ceann Comhairle: Amendments Nos. 23 to 27, inclusive, are related. Amendment No. 24 is an alternative to amendment No. 23, and amendment No. 27 is an alternative to amendment No. 26. Amendments Nos. 24 and 27 are cognate, and amendments Nos. 23 to 27, inclusive, are to be discussed together.

Deputy Thomas P. Broughan: I move amendment No. 23:

In page 21, to delete lines 2 to 6.

Amendment No. 23 seeks to delete lines 2 to 6 in page 21, which states a member may not be appointed or elected to the board if he or has served more than nine years in aggregate in the previous 15. Amendment No. 26 also refers to the nine-year period.

The joint committee also covered the term limit provision in detail in the context of the concept of voluntarism. There is grave concern in credit unions and communities about such an exclusion. When Mr. Kieron Brennan of the Irish League of Credit Unions appeared before the joint committee to discuss the legislation, he stated:

Credit unions will not be allowed to elect whomsoever they wish to serve on their boards. In addition, it would be inequitable, unnecessary and potentially detrimental to some particularly small credit unions to impose a legal restriction on the number of years an individual can serve as a director or on the board oversight committee. Were this proposal to be implemented, the Republic of Ireland movement would be the only credit union movement worldwide where such a limitation would exist.

The introduction of such a limitation is a fundamental issue in terms of the concept of voluntarism and democracy. At the same meeting Deputy Heather Humphreys pointed to the importance of encouraging the next generation. The same applies to political parties, clubs and local community bodies. It is necessary to get younger generations involved and develop people with ability, expertise and skill. Clearly, some restrictions would apply. A number of the most outstanding credit union officers have willingly served for a number of decades on boards of directors, audit and supervisory committees and so on and that has been their fundamental contribution to their community.

Terms limits for politicians have often been discussed. Tomorrow is my 20th anniversary as a Member after five elections.

An Ceann Comhairle: I congratulate the Deputy.

Deputy Thomas P. Broughan: Thank you, a Cheann Comhairle. Term limits have been debated in the context of involving more people in the Parliament by having Members serve only a few terms, similar to the US President or US state posts, before bringing their expertise elsewhere. Generally, in the corporate world, this does not happen. Companies try to hang on to talented executive chairpersons or directors for as long as they are willing to serve, particularly in a voluntary capacity. The Irish League of Credit Unions stated this provision could be addressed through local credit union by-laws and that they could decide in their own good time how many terms a volunteer might serve. The American credit union leader also addressed the joint committee and said Ireland would be unique if it introduced such restrictions. It could be a body blow to voluntarism in small credit unions. The Minister might examine this issue again, as I tried to do in amendments Nos. 23 and 26.

Deputy Pearse Doherty: Tomorrow is the second anniversary of my election to the House for the first time, but Deputy Tommy Broughan has served 18 more years than me.

I have tabled three amendments, two of which deal with term limits and the other with a waiver. I will not rehearse the arguments I made on Committee Stage regarding term limits, with which I do not agree. The renewal of boards is important, but democracy is also important in the credit union movement. Renewal is happening without term limits, but it is clear the Minister will impose them. Given that is the case, I seek in amendments Nos. 24 and 27 to extend the provision whereby board members can only serve nine years out of 15 to 12. I urge

the Minister of State to accept them.

I tabled amendment No. 25 following the consideration of issues I raised at the joint committee. I suggested focusing on smaller credit unions. While accepting there will be term limits, the impact of having to comply with the legislation will be that some credit unions will have to prevent directors from continuing after nine years service. This will be a problem where they have a small number of people with the necessary skills from which to draw. They cannot just appoint anybody as a director. He or she must have experience and so on, as provided for in the Bill. A waiver clause must be provided for small credit unions that will be unable to fulfil the requirements of section 14.

When I raised this issue with the Minister, I was invited to table an amendment. My amendment provides that, “The requirement of this subsection may be waived by the Bank in exceptional circumstances upon application by the credit union”. This would not mean credit unions could disregard the section, but if they considered it was having a detrimental impact on them or they could not comply with it, an appeals mechanism should be provided and the Registrar of Credit Unions and the Central Bank would have the final say. This is an attempt to deal with unintentional consequences of the Bill. If there are term limits, it will impose renewal on the sector, which is fine in the context of from where the Government is coming, but in imposing renewal it needs to be ensured smaller credit unions will not be detrimentally affected. The safety clause is that the Registrar of Credit Unions and the Central Bank would have the final say. Perhaps the Minister might examine the wording. I was invited to do this and this is the wording I have brought forward. It is important that this provision be included because there could be unintended consequences of term limits if it is not. If the final decision is left to the Central Bank, there should be nothing to fear.

Deputy Michael McGrath: I recognise the Minister’s logic in encouraging rotation and a turnover at board level, but it is not necessary. What is the problem we are trying to solve? What is not happening that should happen? There is a natural turnover of directors in the vast majority of credit unions. They must all go before their members at AGMs and if their positions are renewed, it is because their members have faith in them that they are doing their job correctly. No such rotation provisions apply to the banks, for example, and directors can serve indefinitely.

Deputy Pearse Doherty’s waiver amendment is positive and should be accepted by the Government because there will be cases, particularly in small rural credit unions, where they will be unable to do without directors. This provision will not kick in for any individual for 12 years following the enactment of the legislation if amendments Nos. 24 and 27 are accepted, as the Minister indicated he would. The credit unions, therefore, have plenty of time to adjust to rotation at board level, but it will present problems down the road. The issue has consistently been raised around the country. It will not necessarily be a problem in the Minister of State’s area or in mine, as they are largely urban and the credit unions are of a certain scale, but it will present a problem in rural communities.

Deputy Richard Boyd Barrett: Everybody is sympathetic to the notion of renewal, bringing new people in and developing them to run credit unions. That is a laudable aspiration. However, there is a problem in artificially imposing limits which could actually have a detrimental effect without resolving the problem, particularly in small rural areas and towns where one might not have the base of people with the necessary skills and abilities. The Government will have to reconsider this.

Initially, the Irish League of Credit Unions was agreeable to the term limits. However, when it went back to the local credit union branches and members, people were up in arms about it, expressing strong opposition and reservations about the limits. The Government should take this on board. The grassroots of the credit union movement are deeply concerned about this issue, seeing it as a threat to their ability to function and an erosion of the democratic right of credit union members to decide who they want on their boards. It is a powerful argument when it is pointed out that no such limits apply in the banking sector or, indeed, in politics where one could argue they are more required. That is not to say that one does not get cliques or stagnant leadership in a credit union and some form of dealing with these is required. However, the credit unions' proposal that there should be protocols at local level to ensure there is rotation and renewal of board members is a reasonable compromise. This will bring together the Minister's reasonable concerns with those of the members about their right to make decisions about who they want serving on boards and as officers. The Minister should consider the concerns of the grassroots of the credit union movement and bring forward a formula that allays them.

Deputy Thomas P. Broughan: The arguments have been well put. Will the term limit contained in sections 14 and 15 be examined again and be left to the local organisation itself to decide if it will impose restrictions? Elsewhere in general company law, corporate governance conditions for directors have become very strict over the past six years. This type of approach in the case of credit unions, however, has not been pursued. The provision's implications were only realised by the smaller credit unions when the Bill was finally published. I urge the Minister to look at our amendments again.

Minister for Finance (Deputy Michael Noonan): Amendments Nos. 23, 24, 26 and 27 relate to term limits for board members. There was a lengthy discussion on Committee Stage on this matter. My priority is to retain the principle of board rotation. However, I am flexible on the number of years and I intend to bring forward an amendment, following consultation with the Attorney General's office, to change the term limits to 12 years in aggregate in a 15 year period. This will be done when the Bill is taken in the Seanad and it will be returned to the Dáil.

Amendment No. 25 follows on from an exchange I had with Deputy Pearse Doherty on Committee Stage relating to exceptional circumstances where the term limits might be dis-applied, namely where the board would not be able to attract sufficient skills and expertise otherwise. Deputy Pearse Doherty instanced the case of small credit unions where the pool of eligible directors could be small. My Department is exploring options for this with the Attorney General's office to see what can be done to address this point. On that basis, I do not propose to accept this amendment. However, the issue is being examined closely and in a constructive way.

Deputy Pearse Doherty: I welcome the commitment from the Minister. I am particularly pleased he will examine the waiver issue and has agreed to extend the term limits.

Deputy Thomas P. Broughan: I welcome the Minister's commitment in this regard.

Amendment, by leave, withdrawn.

Amendments Nos. 24 to 30, inclusive, not moved.

Acting Chairman (Deputy Jack Wall): Amendments Nos. 31 and 51 are related and will be discussed together.

Deputy Thomas P. Broughan: I move amendment No. 31:

In page 34, between lines 14 and 15, to insert the following:

“22.—The Principal Act is amended by substituting the following for subsections (1) and (2) of section 64:

“64.—(1) The treasurer of a credit union shall be responsible for ensuring the timely preparation of accounts and their presentation to members at general meetings.””.

The position of treasurer has always been an important position in the credit union movement. There is a feeling among the Irish League of Credit Unions and CUDA, the Credit Union Development Association, that it is an office that should be retained with functions. It is accepted the Bill is proposing additional professional approaches to the management of credit unions. However, there is still a role for the treasurer for ensuring the timely preparation of accounts and their presentation to members at general meetings. The Irish League of Credit Unions made the point to the finance committee that the definition in law of treasurer under the 1997 Act as managing director is inappropriate but does not believe it should be abolished in its entirety. The 1997 Act sets out the role of treasurer as a board member responsible for governance at a strategic and policy level and assigned several operational functions to the office. While the governance and strategic spheres are being separated, a role should be maintained for this historic office. The point has also been made that in many voluntary community organisations, such as the GAA, the treasurer plays an important role while still not being the operational leader. Will the Minister look at the formula put forward in this amendment?

Deputy Michael Noonan: Amendments Nos. 31 and 51, Schedule 52, relate to the role of the treasurer under the 1997 Act which is being removed by this Bill. As I outlined on Committee Stage, this is to give effect to the commission’s recommendations concerning the separation of the governance and the executive functions in credit unions. The governance requirements recommended by the commission set out the roles and responsibilities of two key positions within the credit union, those of chair of the board and the manager of the credit union. Under existing legislation the treasurer is identified as the managing director of the credit union and his or her responsibilities include executive responsibilities such as submitting financial statements to the board. To ensure the roles and responsibilities of the board and management do not overlap and that board members have governance rather than executive responsibilities the commission recommended that the 1997 Act be amended to remove the role of treasurer and assign executive responsibilities to the management of the credit union. On Committee Stage I indicated that I would consider an amendment to allow one of the directors to assume responsibility for presenting the accounts of the credit union at the annual general meeting. This role was previously fulfilled by the treasurer. Currently, my officials are working with the Office of the Attorney General on drafting an amendment to this effect and on that basis I do not propose to accept amendments Nos. 31 and 51.

Deputy Thomas P. Broughan: I welcome what the Minister has said because he is moving towards an accommodation with representations that have been made to him as well as the representations made at the Select Sub-Committee on Finance. That is useful and on that basis I withdraw the amendment.

Amendment, by leave, withdrawn.

Deputy Richard Boyd Barrett: I move amendment No. 32:

In page 35, line 10, after “committee” to insert the following:

“as expressed through a written statement issued to the director in question”.

We discussed this on Committee Stage and the Minister indicated sympathy with the purpose of the amendment. Perhaps it was a mistake in my office or in the Bills Office, I am unsure, but the line number is incorrect. The original amendment referred to line 16 on page 35 rather than line 10. I wish to clarify that although I am unsure where the error was made.

The amendment relates to section 23 which states “the board oversight committee of a credit union considers that a member of the board of directors has taken any action or decision which, in the opinion of the committee, is not in accordance with the requirements of this Part...”. This relates to where there is a suspension or where disciplinary action is taken against a member of the board. This was requested of me by someone who was previously on a board and who had certain issues with how this disciplinary procedure operated. The amendment calls for any opinion, in cases where the oversight committee believes that disciplinary action is required or where someone has not acted in accordance with this part of the Bill, to be a written opinion in order that there is a clear record and transparency, accountability and recourse for the person in question. It seems a small but important and perfectly reasonable amendment and the Minister indicated on Committee Stage that he believed it had merit. I hope the Minister still believes this and that he intends to bring forward his own amendment which will take this concern on board.

Deputy Michael Noonan: As Deputy Boyd Barrett stated, this amendment was discussed on Committee Stage. At that stage I indicated that I accepted the principle behind the amendment. This would require the board oversight committee to provide its opinion in writing regarding any action or decision of a director which it considered to be in conflict with the relevant part of the Act. My officials are discussing this with the Attorney General’s office with a view to an amendment being brought forward to this effect.

Amendment, by leave, withdrawn.

Amendment No. 33 not moved.

Acting Chairman (Deputy Jack Wall): Amendments Nos. 34 to 39, inclusive, are related and may be discussed together.

Deputy Thomas P. Broughan: I move amendment No. 34:

In page 52, to delete lines 35 to 38 and substitute the following:

“(a) an employee of the credit union;”.

When the Minister was out we held a long discussion about volunteerism and volunteering in the credit unions. These amendments refer to the restrictions on board oversight committees. I examined the restrictions the Minister has put in place for the board of directors and applied them to the oversight committee as well. During the discussion earlier the Minister of State, Deputy Hayes, indicated that with regard to the board of directors the Minister was seriously considering all the issues relating to facilitating volunteering, the case of members of other credit unions and such exclusions. On the basis that we would end up having the same discus-

sion again I call on the Minister to consider amendments Nos. 34 to 39, inclusive, in respect of the oversight committee to establish whether we can ensure that volunteers are not arbitrarily excluded from this important function of every credit union.

Deputy Michael Noonan: Amendments Nos. 34 to 39, inclusive, relate to membership of the board oversight committee. The amendments raise similar considerations to those discussed on board exclusions dealt with by amendments Nos. 16 to 22, inclusive. As I stated on Committee Stage, I intend to ensure consistency in the approaches to exclusions in respect of membership of the board of directors and membership of the board oversight committee. Therefore, I intend to bring forward similar amendments to those outlined by the Minister of State, Deputy Hayes, earlier in respect of section 15.

Amendment, by leave, withdrawn.

Amendments Nos. 35 to 39, inclusive, not moved.

Acting Chairman (Deputy Jack Wall): Amendments Nos. 40 to 42, inclusive, are related and will be discussed together. Amendment No. 41 is alternate to amendment No. 40.

Deputy Thomas P. Broughan: I move amendment No. 40:

In page 53, to delete lines 47 to 50 and in page 54, to delete lines 1 and 2.

These relate to the earlier discussion we held about term limits. Amendment No. 40 refers to page 53, lines 47 to 50. It deals with the oversight committee and the nine and 15 years limits. We held a lengthy discussion about this and we concluded that this is something the Minister could consider on the oversight board as well as the main board. We have had the discussion and I call on the Minister to reiterate what his colleague said.

Deputy Pearse Doherty: I have two amendments in this group but we have discussed the issue already. The Minister has indicated a proposal to extend the limit to 12 years. I presume that will extend to this section as well.

Deputy Michael Noonan: Amendments Nos. 40 to 42, inclusive, relate to term limits for board members and I will deal with them together. There was a lengthy discussion on Committee Stage on boards of directors and term limits. My priority is to retain the principle of rotation which is at the core of this measure and in line with the commission recommendations. I have stated that I intend to bring forward an amendment following consultation with the Attorney General's office to change the term limits to 12 years on aggregate in a 15 year period.

Amendment No. 42 follows from an exchange with Deputy Doherty on Committee Stage relating to exceptional circumstances where the term limits might be dis-applied, in particular, where the board is unable to attract sufficient skills and expertise otherwise. My Department is currently exploring options for this with the Attorney General's office with a view to seeing what can be done to address this point. On that basis I do not propose to accept the amendments at this stage. However, I assure the Deputy that the issue is being examined closely and in a constructive way.

Amendment, by leave, withdrawn.

Amendments Nos. 41 to 44, inclusive, not moved.

Acting Chairman (Deputy Jack Wall): Amendments Nos. 45 and 46 are related and will be discussed together by agreement.

Deputy Pearse Doherty: I move amendment No. 45:

In page 59, between lines 20 and 21, to insert the following:

“30.—The Principal Act is amended by the insertion of the following new section after section 84A (inserted by the *Credit Union Act 2012*):

“84B.—As soon as is practicable, the Bank shall enter into a memorandum of understanding with credit unions the form of which shall be agreed in consultation with credit unions and representative bodies.””.

We discussed this issue on Committee Stage. While I said earlier that I did not wish to rehash amendments, it was necessary to do so in respect of this amendment. This amendment seeks the insertion into the Bill of a new section to provide that as soon as practicable the banks shall enter into a memorandum of understanding with credit unions, the form of which shall be agreed in consultation with credit unions and representative bodies. It does not seek to put the memorandum of understanding on a statutory footing rather it makes statutory that a memorandum exist and that its content be agreed between the different partners.

There was confusion on Committee Stage about my proposal regarding a memorandum of understanding and the existing consultation protocol for credit unions. Credit unions believe there is a need for a memorandum of understanding which would resemble a customer charter. The purpose of the memorandum of understanding is to ensure the Central Bank and the credit unions are clear about what is required of them under the new regulatory regime. I am sure the Minister is well aware of the many instances of lending restrictions being imposed on credit unions by the Central Bank without any real explanation in this regard or, more important, without any guidance as to how they could remedy the situation.

Some credit unions, while not happy about it, recognise that restrictions in some circumstances are needed. When in place, they are happy to comply with them. However, credit unions want clarity on what they have to do for these restrictions to be eased or lifted. More recently, credit unions have had onerous requirements imposed on them at one of their busiest times, namely, during preparation for their AGMs. We all know that the timeframe in respect of the AGM process is very strict in that members must be notified at least 21 days in advance of all of the different arrangements that must be in place to facilitate the AGM. In several cases, the Central Bank has instructed credit unions to carry out a full asset review of loans, investments and fixed assets in the middle of the AGM process. This has caused the delay of some AGMs. Given that the credit union movement is a voluntary and democratic organisation, the knock-on effect of this in terms of member confidence is not good, in particular given that the asset review could have been undertaken during June or July. There was no reason it needed to be undertaken during the middle of the AGM process. This may be due to a lack of understanding of how the movement works and the importance of this element of it.

The memorandum of understanding should set out reasonable timeframes for future dealings with the Central Bank and the credit unions. It is important to say that the memorandum of understanding is not only about what the Central Bank is doing rather it is about making clear the responsibilities of credit unions under the new regulatory regime. The detail of the memorandum of understanding will, as provided for in the amendment, be worked out by the

implementation group which consists of representatives of the Central Bank and credit union movement. Placing the production of a memorandum of understanding on a statutory footing is, in my view, the only way to ensure this will happen. I strongly urge the Minister to accept amendment No. 45.

Let us consider what problem could arise as a result of the Minister accepting this amendment. I have read the consultation document. It is a different animal to a memorandum of understanding. It outlines how the Central Bank will consult with the credit union movement when introducing regulations. Ireland is currently party to a memorandum of understanding with the troika. As such, the Minister knows well what it means, namely, it is a clear understanding between two parties of what is expected of them. Obviously that detail should not be put on a statutory footing but there should be a requirement to put in place a memorandum of understanding.

I referred earlier to situations wherein suspicion could arise. I have given incidents of where the Central Bank has not been clear as to why it has imposed limits on credit unions or what they need to do in such situation. I also referred earlier to the Central Bank forcing credit unions to undertake asset reviews during the AGM process. There needs to be a clear understanding of what is expected of both parties. In my view, a memorandum of understanding can only enhance the process. It fits well with the commission report on credit unions and with the Credit Union Bill 2012. All sides can only benefit from a formal memorandum of understanding, which will ensure a greater understanding of what is expected of them. This should be complemented by the consultation protocol currently in place.

Deputy Thomas P. Broughan: I support the comments made by Deputy Doherty. It would be a valuable asset to the credit union movement if such a clear memorandum of understanding were provided for in this legislation. Such memorandums of understanding would be agreed in consultation with the credit unions, representative bodies and the banks.

We are moving into a markedly different regulatory environment with new onerous obligations on credit unions. It is critical that this communication channel between the credit unions, representative bodies and the bank would be clear, with no possibility of misunderstanding. The concern remains that misunderstandings may arise in the future if written instructions are sent to the credit unions from the Central Bank through their representative bodies and the unions, which abruptly introduce new regulatory conditions. The provision of a general channel of communication, namely, the memorandum of understanding, would be of assistance.

I agree with Deputy Doherty that the Minister is knowledgeable about memorandums of understanding given he is party to one, on behalf of the country, with the troika. We are now heading into our third horrendous year of that memorandum of understanding. The Minister will, therefore, at least understand the reason it is important it is clearly written down in a memorandum of understanding exactly what is required of both parties. This request from the credit union movement is a reasonable one. Also, I believe the Bill should make provision for the regulatory impact analysis to which I referred in my opening contribution on Report Stage. The changes that are coming in terms of new structures, officerships and costs for the credit union movement generally, must be explored by the Central Bank in close consultation with credit unions so that there can be no misunderstanding or belief that it is a one-way channel of diktats from the Central Bank to the smallest financial institutions in the State.

I ask that the Minister give serious consideration to adopting amendment No. 46 and tabling

it for for debate in the Seanad, following which we can discuss it further when the Bill comes back to this House.

Deputy Michael Noonan: These amendments provide for a memorandum of understanding between the Central Bank and credit unions. The commission recommended that a consultation protocol should be in place between the Central Bank and credit unions. Since we last discussed this issue on Committee Stage, that protocol has been developed, following consultation between the Central Bank, the Minister, the credit unions, representative bodies and the credit union advisory committee. The protocol was sent to all credit unions earlier this week. I have asked that it be placed in the Oireachtas Library and advise Deputies to have a look at it.

The protocol sets out how the Central Bank proposes to engage with credit unions in any formal consultative process prior to the introduction of the new regulations. The protocol states that the bank is committed to having clear, open and transparent engagement with stakeholders and fulfilling its financial regulation and supervisory objectives. The bank commits to engage formally and informally with credit unions, representative bodies and relevant stakeholders and to ensuring it complies with any relevant legal obligations relating to consultation.

7 o'clock

The bank will consult on new regulations that will have a significant impact on the business of credit unions. As part of the consultative process, it will invite credit unions, their representative bodies and other relevant stakeholders to make written submissions which will be reviewed and considered before regulations are made.

It has been suggested a broader memorandum of understanding should be agreed between the Central Bank and credit unions. I understand one of the concerns driving this suggestion is that the Central Bank should issue written directions, but the Bill already provides for this, as well as for an appeals mechanism. I do not favour having a statutory memorandum of understanding, nor was one recommended by the commission. We should be careful not to undermine the independence of the regulator. We have learned enough from the financial crisis to know that the Central Bank must be able to act within its powers, when required. Therefore, I do not propose to accept amendments Nos. 45 and 46. The protocol has now been published and is available in the Oireachtas Library and I refer Deputies to it because it is comprehensive.

Deputy Pearse Doherty: I have read the consultation protocol for credit unions and it does not do what I am or the Irish League of Credit Unions is asking for. I note the Minister's point that he does not want to have a statutory memorandum of understanding, but I again reiterate the point that the memorandum would not be on a statutory footing. The only thing that would be on a statutory footing is the requirement to have one. If the Minister is not willing to include it in the legislation, would he be willing to ask both parties to enter into a formal memorandum of understanding? This is not a one way street, but there is nothing in the communication protocol that actually places a requirement on the credit union sector. It only deals with how the Central Bank will consult the sector on new regulations. There is nothing in it that places a requirement on the credit union movement to understand how it will fulfil its side of the bargain in terms of the new regulatory regime. That is important because, as we know, a memorandum of understanding is a two way street and iabout having a better understanding of what is expected.

I take on board the Minister's point that there must be flexibility and that the Central Bank cannot have its hands tied. He seems to see a memorandum of understanding as somehow

limiting the ability or power of the bank to intervene when it needs to and as being restrictive. The important point is that the bank will have to agree to the memorandum of understanding and scope can be provided within it to allow the bank to deviate from its provisions in certain circumstances. The key point about a memorandum of understanding is that it does what it says on the tin, namely, it allows the parties to understand each other. It is about making sure there is a clear understanding of what is required of both parties.

The credit unions will have their own view on the consultation protocol which was developed by the Central Bank and issued to them. The document in the Oireachtas Library is the second draft, but it does not represent the type of understanding about which I am talking. It could sit alongside such a memorandum because it would deal with how the bank would consult credit unions. If the Minister is not willing to accept the amendment and a statutory requirement to have a memorandum of understanding, I ask that, in the interests of better understanding between the two parties, he ensure there is an attempt by both sides to reach a formal memorandum of understanding in order that they would know how the regulatory regime would apply to them and what was expected of them.

Deputy Thomas P. Broughan: I share Deputy Pearse Doherty's views. Obviously, the protocol is welcome, but we are talking about two-way communication and having a formal memorandum of understanding would seem to be the best way to advance this. In the context of major new Central Bank legislation that will be brought before the House, is this approach something the Minister would consider *vis-à-vis* financial institutions generally, given the catastrophic failure of the Central Bank to regulate the financial sector up to 2009? I know we will be faced with new banking supervisory rules at some stage next year and perhaps memorandums of understanding could be incorporated into them. Alternatively, the Minister might review the position when the Bill goes before the Seanad and give further consideration to the memorandum of understanding proposal.

Deputy Michael Noonan: There is material in the protocol which comes close enough to the position espoused by Deputy Pearse Doherty. He will recall that the commission's report recommends a regulatory impact analysis when the Central Bank is introducing new regulations and the consultation protocol confirms that the bank will do this. When it promulgates regulations, an impact analysis will be carried out. This is something the credit union movement will welcome. The bank also intends to issue a prudential rule book which will make it clear to credit unions what is expected of them and, again, there will be consultation on it. While it is not on a statutory basis, there will be an interchange of opinion, when both sides will know what is expected of them. It will then be detailed in a rule book, after completion of the regulatory analysis. We are there on a non-statutory basis and I am not of a mind to move to a statutory basis.

Deputy Pearse Doherty: I have heard the Minister say a number of times that he is not willing to move to a statutory basis and at this late stage in dealing with the Bill I am not going to push that issue. I acknowledge that section 7 of the consultation protocol deals with the regulatory impact assessment, which is to be welcomed as it will look at options and the implications in terms of regulation of the credit union movement. A prudential rule book will also go some way towards clarifying what is required of the movement. A regulatory impact assessment is one element, but there are others that should or could be included in a broader memorandum of understanding. I return to my point about this being a two-way street.

I do not understand the Minister's reluctance. I understand his fear that it might tie the

hands of the Central Bank and agree that is something we should not do. However, a memorandum of understanding could be developed between both parties that would provide a clear understanding of the requirements on both in terms of the new regulatory regime. Part of this is included in the communication protocol in terms of how communication on the part of the Central Bank will happen, but how communication on the part of credit unions will happen has not been spelled out. There are other elements that are missing too.

I will park the statutory requirement issue and again appeal to the Minister to request the two parties, in the context of the rule book and communication protocol, to attempt to formulate a memorandum of understanding. If the Central Bank is not happy with it, obviously, there will be no memorandum of understanding. I am acknowledging that it would not be on a statutory footing. However, an attempt should be made because memorandums of understanding give clarity in terms of what is expected. I will not split hairs over this, but the provision would fit well with the Bill and the report of the commission. The intention is that there would be a better understanding between the credit union movement and the Central Bank and *vice versa*. I, therefore, ask the Minister to ask them to see if they could reach agreement on a formal memorandum of understanding that would not be on a statutory basis.

Deputy Michael Noonan: I will ask my officials to engage in consultations along the lines suggested by the Deputy. Seeing as the next step is to be taken in the Seanad, would it be okay if I wrote to the Deputy on this matter?

Deputy Pearse Doherty: That would be fine. It would be appreciated.

Amendment, by leave, withdrawn.

Deputy Thomas P. Broughan: I move amendment No. 46:

In page 62, between lines 39 and 40, to insert the following:

“185.-As soon as is practicable, the Bank shall enter into a memorandum of understanding with credit unions the form of which shall be agreed in consultation with credit unions and representatives bodies.”.”

Amendment put and declared lost.

Deputy Heather Humphreys: I move amendment No. 47:

In page 63, between lines 15 and 16, to insert the following:

38.-The Credit Union Act 1997 (Exemption from Additional Services Requirements) Regulations 2004 (S.I. No. 223/2004) (as amended by the Credit Union Act 1997 (Exemption from Additional Services Requirements) (Amendment) Regulations 2007 (S.I. No. 838/2007)) is amended by the substitution of the following for paragraph 3 of the Schedule:

“3. Debit cards and automated teller machine services (ATMs):

(a) that is to say a service which enables a credit union member to debit their credit union account by use of a debit card or to withdraw funds from his or her credit union account by means of a single credit union branded debit card/ATM card,

(b) conditions to be fulfilled-

(i) terms and conditions of use of such a card(s) must be agreed by the credit union and the member,

(ii) the member must complete the relevant registration form prior to the issue of the card(s).”.”.

I acknowledge the co-operative manner in which this Bill has been discussed and pay tribute to the Minister's genuine commitment to the credit union movement and his willingness to support it. This amendment would allow credit unions to issue debit cards under the same regulations as those which cover ATMs and electronic funds transfers. Credit unions need to be able to provide debit cards if they are to retain members. The financial needs of their members have changed considerably over the years and while we all open accounts for our children, they move to banks in due course because they want instant access to their money. The best example is the student who always needs money in a hurry. If these young members are to become life-long members, it is important that credit unions be allowed to issue them with debit cards. The provision of debit cards would also go a long way to addressing the issue of shared services.

This Bill will strengthen credit unions, which augurs well for the future of the movement. If the credit union movement is to be successful into the future, however, it will need full engagement by the Central Bank. The Bill will encourage credit unions to progress to the next stage of their development while at the same time taking cognisance of their special place in society, their mutual nature and their strong voluntary ethos. If credit unions embrace this legislation and the Central Bank improves the delivery of services, we can look forward to a sustainable, volunteer-led credit union sector that meets the needs of the community.

As a former credit union manager, I am a strong advocate of the ethical banking values upheld by credit unions which put their members before profit or personal gain. I want to see credit unions continuing to serve communities in cities, towns and villages. This Bill, together with the €250 million being set aside this year and the commitment that a further €250 million will be forthcoming, ensures credit unions will have an enhanced role to play in providing financial services.

Deputy Michael Noonan: The amendment would exempt debit cards from the additional services requirements set out under section 48 of the Credit Union Act 1997. Under the Bill the Central Bank will be able to exempt certain services from the additional service requirements set out under section 48, subject to certain requirements. To streamline procedures, the Bill provides that decisions to provide new services can be taken by a board of directors rather than decided at a general meeting of members. On the specific recommendation of the commission, it also facilitates greater use of debit cards by dealing with the issue of withdrawals and attached shares.

The commission did not consider it appropriate to specify which services credit unions ought to provide but recommended that a new regime for the provision of additional services should be developed within the context of the tiered regulatory approach set out in its report. Credit unions in tier one would be able to provide certain exempted additional services, while tiers two and three would be able to offer a wider range of services.

On that basis, I do not propose to accept the amendment at this stage but I will give the matter further consideration. In general terms, it is my view that the Bill enables credit unions to

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exercise various options to provide debit cards without requiring further amendment.

Amendment, by leave, withdrawn.

Amendments Nos. 48 to 51, inclusive, not moved.

Bill received for final consideration and passed.

Electoral (Amendment) (Dáil Constituencies) Bill 2012: Second Stage (Resumed)

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

Deputy Patrick O'Donovan: I welcome the opportunity to speak on the Electoral (Amendment) (Dáil Constituencies) Bill 2012. The Bill primarily focuses on the changes that the Government has announced to Dáil constituencies.

I welcome that the legislation commits to respecting county boundaries where possible. This is important to me because the boundaries of County Limerick, which I represent, were not respected at all by the previous Constituency Commission. To facilitate the retention of six seats in County Kerry for this Dáil, 17,500 people were taken out of County Limerick and, essentially, disenfranchised. While this was seen as a cynical exercise by the people of Limerick, the reversal of the decision by the current commission was broadly welcomed. Ironically, the last commission could not possibly be regarded as having had a political agenda or of fighting for one corner over another. Although it recommended six seats in Kerry and the then government failed to get one of them, had Kerry been a five seater, Fianna Fáil would probably have won one seat. In fairness, the people were spared that.

The reduction in the number of Deputies to 158 - within the constraints set out by the Constitution currently - together with the reduction in the number of councillors, the abolition of town councils and the proposed constitutional amendment on the abolition of the Seanad demonstrate the commitment by the Government to reducing the number of politicians and bringing about a slimmed down political structure. This should be welcomed. However, we need to ask what we expect of our political structure and how it needs to change and adapt to reflect what we want.

Yesterday, I saw the worst spectacle I have seen since I came into this House, where the independence of the Chair and of the position of Ceann Comhairle were openly and aggressively attacked. In my time as a member of a local authority, I never saw a spectacle like that to which we were subjected yesterday, where the acting leader of the Sinn Féin Party launched what can only be described as a totally unprovoked and unnecessary attack on the independence of the Chair and the Ceann Comhairle. Time should be afforded to that Deputy, by either the Government or the Opposition, to come into the House and apologise to it and the Ceann Comhairle for her behaviour. It was totally disrespectful not only to the position and the person who holds the position of Ceann Comhairle, but to the parliamentary position of the House also.

In terms of the political changes that have taken place, while there is no doubt the House has structures that are old and outdated and need to be changed, some of the initiatives the Government and the Government Whip have taken are welcome. These include the introduc-

tion of topical issues and the facility for backbench Deputies, whether from the government or opposition side of the House, to bring forward legislation. However, there is scope for further engagement with Opposition parties with regard to their view on how the Dáil could operate more effectively. To date, no proposal has come forward from the Opposition, but perhaps something will come from this discussion over the next couple of days.

Another issue that needs to be addressed with regard to how the House operates is the definition of what constitutes a party. Some people have it both ways. They are paid as Independent Deputies, but they operate as part of a party. They have a Whip structure and get time as a party and vote and operate as a party. They even kick people out of their group as a party and hold parliamentary meetings when they need to. However, they are paid as Independent Members.

Deputy Mattie McGrath: Tá an Teachta caillte. He is lost in the woods.

Deputy Patrick O'Donovan: There is a huge anomaly in that regard. The foreign channel has a bad habit of breaking through across the air waves here. There is an anomaly and I urge the Minister to address that. The political parties in the Dáil must keep a set of accounts with regard to what they do with the Leader's allowance and these accounts must be audited and assessed annually. However, the same does not apply to a group which calls itself a Technical Group, operates as a party and votes as a party, but the members of which are paid as Independent Members. This is grossly unfair.

Deputy Mattie McGrath: When did we vote as a party? The Deputy is making a mockery of the House.

Deputy Patrick O'Donovan: The electorate has the right to know what way the Independent Members are spending their money. I must have touched a nerve, because all of a sudden the Independent Members have woken from their slumber.

The electorate has a right to know how their money is being spent. Essentially, that €43,000 comes on top of Deputies salaries of €86,000, for which they do not need to produce a single receipt.

Deputy Mattie McGrath: What about the €1.6 million Fine Gael gets?

Deputy Patrick O'Donovan: These are the people who talk about austerity, household charges, VAT and so on, yet they have no problem taking this unvouched payment into their hands. If we are to have political accountability, we should start with that.

Another anomaly that has arisen is that we have a party in the Dáil, which claims to be an all-island party, which has six Members of a foreign parliament who never sit in that parliament. However, they receive, on average, £180,000 a year for those Members despite the fact they never take their seat. It is a great situation that people who do not turn up to work and do not represent the people who elected them draw these huge sums of money. Then, their colleagues come in and pontificate here about what the Government should be doing.

Deputy Michael Colreavy: On a point of order, could we remind the speaker that he is addressing the Electoral (Amendment) (Dáil Constituencies) Bill 2012?

Deputy Patrick O'Donovan: I do not need to be reminded of it. Some of the people who hold Dáil seats were former non-participating representatives in a foreign parliament and had no problem drawing the £180,000 allowance on offer.

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Deputy Phil Hogan: The Deputy is talking for the 32 counties.

Deputy Patrick O'Donovan: Absolutely. I never believed in the partitionist politics of Sinn Féin, where it says one thing in this House and another thing in the North.

Deputy Mattie McGrath: Tá sé ag magadh fúinn.

Deputy Patrick O'Donovan: What the Minister proposes in terms of boundaries must be looked at also in terms of local electoral areas. I urge him, when looking at the make-up of local electoral areas, to consider the rural counties. Councillors are serving rural electoral areas in constituencies throughout the country that are bigger than some Dáil areas and cognisance needs to be taken of this. I have often mentioned this in the House. Take for example County Cork. Currently, the number of electors in the Carrigaline electoral area would be totally different to the number in the Skibbereen electoral area because of the geographical multiplier applied. There is room there ----

Deputy Phil Hogan: The Deputy should not interfere with Cork or Limerick.

Deputy Mattie McGrath: Or Tipperary.

Deputy Patrick O'Donovan: I am only using Cork as an example.

Acting Chairman (Deputy Jack Wall): Allow the Deputy continue and do not cause problems for him.

Deputy Patrick O'Donovan: It is unusual to be heckled from both sides of the House.

Deputy Mattie McGrath: On a point of order, will the Chair ask the Deputy if he is standing for Europe?

Acting Chairman (Deputy Jack Wall): That is not a point of order. I ask the Deputy to continue.

Deputy Patrick O'Donovan: The Deputy breaking through on the air waves there should be more concerned about Roscrea and Templemore than Europe.

With regard to the electoral area boundaries, there is an opportunity with this Bill to consider the size of electoral areas, which will be huge in some parts of the country. Cognisance needs to be taken of the size of areas councillors are expected to cover. My constituency of Limerick has grown and is probably one of the largest geographically in the country. Deputies in rural areas are under a lot of pressure in terms of the obligations on them to cover the constituency and offer a service. Deputies on all sides will appreciate this. Our councillors are also under intense pressure and they operate in a situation where the supports and resources available to them are limited. Therefore, I urge the Minister, when developing the boundaries for electoral areas to take on board the need to include a multiplier for geographical areas.

I welcome the fact the constituency of Limerick has been reformed to a proper structure committed to the boundary of the county. Deputy Olivia Mitchell raised the issue of the names of constituencies, in reference to Dublin South. There may be an issue in that regard with regard to the Limerick constituencies also, in terms of the county and the city, where a sizeable amount of a rural area has now become part of what is termed a city constituency. By and large the Government commitment in the programme for Government to reduce the size of the Dáil,

to abolish the Seanad and to reduce the number of elected officials across the country must be welcomed.

However, it cannot all be about costs. It must also be about efficiency, but in a country that is in the financial situation in which we find ourselves costs must be a significant part of it. The savings the Minister proposes to make over the lifetime of the Dáil must be welcomed. How we account for and audit the expenditure of allowances in this House must also be examined, not just the expenditure of those in political parties but of those outside the political party structure.

Debate adjourned.

Medical Treatment (Termination of Pregnancy in Case of Risk to Life of Pregnant Woman) (No. 2) Bill 2012: Second Stage (Resumed) [Private Members]

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

Deputy Mary Lou McDonald: I am pleased to open this section of the debate this evening. Seven months have passed since the House last debated legislation to give effect to the 1992 Supreme Court ruling in the X case. Sinn Féin supported the passage to Committee Stage of that legislation, which was tabled by Deputy Clare Daly last April. We will support this Bill in the same way tonight. We are taking this position because we recognise there is an urgent need to legislate to give legal protection and clarity to pregnant women and to their doctors. We are taking this position because the inertia and negligence of successive Governments on the basic issue of protecting pregnant women’s lives must be ended now.

The Sinn Féin motion that was tabled and debated last week called for the publication of the report of the expert group. This has since happened, as we know, albeit following extensive leaking of the document last weekend. It is strange to reflect that the Government which last week urged us all to postpone action and patiently await this report felt it appropriate or opportune to leak the report before any one of us had sight of it. This kind of game-playing does nothing to build confidence in the Government’s approach to dealing with this issue. The expert group report sets out four options for Government action. While it does not make an explicit recommendation, it makes it clear that legislation is necessary.

It is worth stating for the purposes of clarity that the circumstances in which any woman may lawfully obtain a termination of her pregnancy in this State are very restrictive. In 1992, the Supreme Court ruled that a termination might be lawful only if there is “a real and substantial risk” to the life of the woman in question. It further ruled that if the life of a pregnant woman is in jeopardy, a termination is not lawful unless a termination is the only way of averting that risk. In other words, the pregnant woman must be at “a real and substantial risk” of death and there must be no other means of saving her life. Those are the tests to be applied if a termination is to be lawful. The X case ruling and the legislation arising from it do not comprise a formula for a liberal abortion regime. It is not a prescription for what is termed “abortion on demand” - far from it. Any attempt to describe it as such deliberately ignores and distorts the constitutional and legal realities that exist in this State today.

In the past week, I have heard many people express the fear that suicide will be included in

legislation as a ground for obtaining a legal termination of pregnancy. As we know, the X case ruling arose because of “a real and substantial risk” of death by suicide in the case of a teenage girl who became pregnant after being abused and raped. It is important to be precise in respect of how the Supreme Court found on the question of the suicide threat. The court ruled that a termination of pregnancy is lawful where the threat of suicide poses “a real and substantial risk” to the life of the woman and where no other intervention can save the life of that woman, or child in the case of X. This is not a prescription for what some people have inaccurately and erroneously described as “abortion on mental health grounds”. It is wrong to suggest that legislating for the X case is some kind of slippery slope that will lead to an open-ended liberal abortion regime. It is not true.

Abortion is a long-running and divisive issue across Irish society. The sincerely held differences of view on the matter are not likely to be reconciled soon. In my opinion, that difference and that debate can and must be accommodated in a democratic society. I do not think anybody should fear this debate. It is important to say that any extension of the circumstances in which abortion might be permissible is not the subject of this evening’s debate. We are dealing with a Bill that seeks to give legislative expression to something which is already lawful. The abject failure of Government after Government and Dáil after Dáil to respond to the Supreme Court judgment of 20 years ago, thereby leaving a legal vacuum and treating women’s lives in a cavalier manner, cannot and must not be tolerated in a democratic society.

It is a great pity that the Minister, Deputy Shatter, has signalled the Government’s intention to vote this legislation down. He said last night that he believes there are imperfections in the Bill as drafted. Sinn Féin also has a number of concerns about the Bill as it stands. The Minister said there is a need for clarity on the constitutional balance being struck in the Bill. He spoke about the “blanket immunity” that is being given to doctors in section 5 of the Bill. He referred to deficits in “decision-making processes” and issues with regard to the appeals panel. I am not saying these are not matters of substance. These issues require precise consideration, redrafting and amendment. Such changes can be made on Committee Stage. That is normal when we process legislation through the Oireachtas. Regardless of what members of Fine Gael, the Labour Party or Fianna Fáil might say - the same people delayed on this matter for two decades - it must be emphasised that the imperfections in the Bill are not good reasons to vote it down.

I notice that this Bill has changed over the past seven months. It is now identified as an interim and necessary measure to protect women. That is very important. We should not lose sight of it. The Government has set out a timetable of sorts for the consideration of the expert group report. We know that the Joint Committee on Health and Children will hold hearings on the matter after Christmas. We have not yet been given a definitive commitment or timetable for legislation on the X case. What should women and doctors do in the here and now? Where do they stand in the meantime?

I appreciate that this Government wants to get the legislation right. I will give it credit in that regard because it is the proper approach to take. However, I would like to set it a challenge. The medical profession has made it clear that as a result of 20 years of delay, it has been facing difficulties in those grey areas. As legislators, we have been resoundingly told by public opinion that we must get on with our job. In that context, it is clear that the rationale for voting this Bill down is very threadbare indeed. Perhaps the Government will vote it down simply because it can. That is entirely the wrong way to approach this issue.

I commend the Deputies who have introduced this Bill. It is worthy of the support of this House. It should be allowed to proceed to Committee Stage. It does not stand in the way of any of the other debates or deliberations that are being led by the Government. The women and doctors of Ireland have made it clear to the Members of the Dáil that we must make right the failure to legislate and we must do it now.

Minister of State at the Department of Health (Deputy Alex White): I wish to share time with Deputies Jerry Buttimer, Derek Keating, Regina Doherty, Arthur Spring, Aodhán Ó Ríordáin, Tony McLoughlin and Liam Twomey.

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

Deputy Alex White: The Bill before the House is a genuine attempt to give legislative effect to the Supreme Court decision in the X case. Deputy Daly's interest and commitment on this issue is clear, and it is a commitment that is shared by many in this House and outside. It is a pity to have to acknowledge that this whole debate essentially has been forced upon us by a judgment of the European Court of Human Rights in the A, B and C case. In any event, we are now having the debate, at last, and we are progressing towards a resolution.

As I said last week during the Private Members' debate on the Sinn Féin motion, the expert group and indeed the programme for Government referred to how, not whether, the European Court of Human Rights judgment should be implemented. Of course, implementing that judgment, as we must, means implementing in turn the X case decision. It is vital to recognise that, as the expert group points out and Deputy McDonald correctly said, there is in existence already a constitutional right arising from Article 40.3.3°, as interpreted by the Supreme Court in the X case. The expert group is correct in observing that "implementing the judgment could not be considered to involve significant detriment to the Irish public, since it would amount to rendering effective a right already accorded, after referendum, by Article 40.3.3° of the Constitution."

The case against addressing the X case appears to me to be reducible to one argument, namely, that the Supreme Court was wrong in its interpretation of Article 40.3.3°. This perhaps was what motivated people in 1992, and again in 2002, in the attempt essentially to reverse the X case. The people declined to do so on two occasions. Almost 30 years ago the people passed an amendment to their Constitution. Much of what transpired later was in fact foreshadowed by the wording of that amendment, given that it stated: "The state acknowledges the right to life of the unborn and, with due regard to the equal right to life of the mother, guarantees in its laws to respect, and, as far as practicable, by its laws to defend and vindicate that right."

This is not a debate for "I told you so" arguments. However, the case was made in 1983, as I remember well, that the very wording being proposed would lead to the outcome that in fact transpired. In any event, that debate occurred in 1983 and the decision was made by the people to put that clause into the Constitution. We respect and accept fully the will of the people as set out in their Constitution.

The Supreme Court was then called upon in 1992 to interpret the true meaning of the clause that was put by the people into the Constitution. That interpretation of the Supreme Court in the X case in 1992 stands and it is the law of this State on this question.

We have a Supreme Court which the people, in my experience, hold in very high regard. It is a court, like all courts in our system, that is wholly independent of the Government. It gave its judgment in 1992 and we cannot proceed, in a democratic state, on the basis that the court

was wrong or that we do not like its decision so let us ignore it, as some would urge us to do. We cannot cherry-pick decisions of the Supreme Court in this way.

That court did its duty under our Constitution. In contrast, the Oireachtas has failed to do its duty. While it was suggested by some in the Fianna Fáil Party that legislation was brought forward, no legislation was brought forward to seek to implement the X case, apart from the two proposals brought into the Houses to amend the Constitution and reverse the X case, which were defeated by the people. This has been a lamentable failure on the part of the Oireachtas and of the six Governments that have held office since 1992.

In the A, B and C case, the successful applicant, C, had to go to the European Court of Human Rights to enforce the implementation in her own country of her own country's laws - that is the truth of it. We have had that judgment for a considerable period and it is time to act on it. There is no question as to the binding effect of the judgment on Ireland, and the expert group sets this out very clearly in the course of the report. There is clearly a legal obligation on us, if for no other reason than that we still have the 1861 Act, with its serious associated criminal sanctions. It was the absence of clarity for an Irish woman that led her to bring her case to the European Court of Human Rights. It seems beyond argument that an Irish citizen, an Irish woman, should be entitled as an absolute minimum to know where she stands as to what is lawful and what is not and, in regard to what is lawful, that there should be access to such treatment in her own country.

Many of us, perhaps not a majority but very many people, believe as I do that our laws are unduly restrictive on women and that the Constitution should be revisited on this issue at some stage in the future. I note and share the view expressed last night by the Minister, Deputy Alan Shatter, that foetal abnormalities such that the baby simply cannot survive ought, in all humanity, be grounds for the availability of a termination. As Deputy McDonald rightly said, however, that is not an issue that is before us in this debate. Any change to the Constitution on this difficult question would be in the hands of the people. That was the intention of the amendment in 1983 and that is its effect. However, it is critical to bear in mind that implementing the X case, as we are now required to do, does not have the effect of changing our law in any respect - I emphasise that. If and when we implement this and bring forward legislation, it will do no more than confirm and codify in our law arguably the most restrictive laws in the developed world on the termination of pregnancy.

As to how we should proceed now, we are greatly assisted by the expert group report. Each of the various options is carefully considered there, and the implications, merits and demerits have been explored and explained. There is a legitimate question as to the appropriate detail or scope of the legislation or other measures that will be put in place. Most people agree there must always remain a high level of professional discretion on the part of medical staff, and there is no legislation or set of rules that will ever be able to contemplate every given scenario. Doctors need to know, in the exercise of their discretion within the law, that they have the protection of the law. This is what we need to provide, namely, the protection of the law for the exercise within the law of a doctor's professional judgment in collaboration, of course, with the woman involved, who should always be at the centre of this discussion and debate.

The report is very clear on the question of guidelines. We had the beginnings of this debate last week in regard to guidelines versus legislation and I hope we will have a full debate in the course of the coming weeks. The report is absolutely clear in regard to essentially disposing of the suggestion that we can deal with this simply by way of guidelines. It makes the point

at pages 44 and 45 that a guidance document would be required in any scheme that would be brought forward, and it goes on to state:

an argument can be made that guidelines in isolation do not fulfil all the requirements set by the European Court of Human Rights judgment for a number of reasons. Guidelines are, by their nature, non binding and do not have force of law [I emphasise this point]. The Courts, both domestic and international, have made it clear that in a democracy, measures which affect rights must have a secure legal basis.

We give those measures a secure legal basis in this Chamber. This is the Parliament of the people and this is where we should make these decisions. I have no doubt this is what will occur.

It does not seem at all conceivable to me that we could achieve legal clarity through such guidelines. We will need legislation. I agree strongly with the Minister, Deputy Shatter, when he said in the House last night: “I believe it is absolutely clear that the only appropriate action to take is to repeal and replace the 1861 Act, using modern language which does not criminalise the termination of a pregnancy where its continuation poses a real and substantial risk to the life of the mother.” That is the course on which we should set ourselves, and that is the clear view I have as to how we should go.

It is a debate we ought to have in these Houses and let us have that debate on a foundation of respect. If it is about flushing out the Labour Party, flushing out people who are alleged not to care about the issue or flushing out people in some way to gain some political advantage-----

Deputy John Halligan: It is not about that.

Deputy Alex White: -----we will not achieve the outcome we want. I hear it already over there. We can actually work this issue through in this Parliament in a mature way if we listen to one another, and if we do not always assume bad faith of the opposite side of the argument. The default position is constantly that the people on the other side are delaying, dragging feet and so on. Let the House understand this. There is no one in this House who does not have an absolute commitment and sense of purpose for this issue to be resolved in the interests of the Irish people and in particular in the interests of Irish women. That is what we are all dedicated to do. Let us listen to one another for once on an issue that does not have to divide the House. I commend Deputy Clare Daly on her introduction of the Bill and on the work she has done, but I join with others in asking her and all of the parties, in the spirit of trying to resolve the issue, to put aside the attacks and allegations and spend time debating the issue.

Let us assume that Second Stage of the Bill were to be passed tonight. Deputy McDonald made the rhetorical point that we must do it now because we need to address the issue quickly. However, the passing of Second Stage does not equate to the enactment of the Bill. The Bill would in any event require close consideration and scrutiny and a lot more work. I do not believe Deputy Daly’s Bill is in a form that would allow it to be amended to reach the outcome that we want to achieve. We will need a new Bill. Much of the work she has done will be helpful. I appeal to people of all parties and none to join in the debate in a true fashion-----

Deputy John Halligan: The Minister of State should tell us why.

Deputy Alex White: Sorry?

An Leas-Cheann Comhairle: Please.

Deputy John Halligan: The Minister of State should tell us why.

Deputy Alex White: If Deputy Halligan does not know why we are discussing this, then he is a long way away from being able to resolve anything.

An Leas-Cheann Comhairle: Order, please.

Deputy John Halligan: The Minister of State should tell us why. He is the one who raised the issue.

Deputy Jerry Buttimer: For the third time this year-----

Deputy John Halligan: The Minister of State is supposed to tell us what is wrong with the Bill.

Deputy Jerry Buttimer: -----we are finally discussing an issue when we have the full expert review group report. I compliment Mr. Justice Ryan on his excellent report, and I encourage all citizens to read the report calmly and analytically and then to reflect upon it.

I do not come to this House tonight with the complete answer to what is before us. I am the person in this House who was born out of a crisis pregnancy. I was born early and weighed 2 lb. 11 oz. - look at me now, one might say - but, thankfully, I survived. As citizens and legislators we must end the uncertainty, create certainty and give a sense of confidence to the medical professionals and the women of this country. Let us park our political differences and ideology, whether we are pro-choice, pro-life or whatever. The issue is far too important. For 30-odd years it has bedevilled Irish society and there has been a failure to act by all sides. It behoves all of us, in the interests of everyone, to be calm and to debate the issue. We are going to do that.

Tomorrow 12 months ago, the Government set up the expert review group. Today, within a year, the report has been published and is being debated. The Government has given its clear intent on what will happen in the next couple of months. When the Minister established the review group some people were fearful of what its recommendations would be. I hope those fears have been allayed. What we have is a considered report which sets out options that are practical and consistent with the Constitution and the laws of the State. The report acknowledges that its brief was "to advise the Government on how to give effect to the existing constitutional provisions", not to change the Constitution. Regardless of our opinions, the debate we are having now is necessary. The debate we will have on the report of the expert review group is warranted. I welcome the fact that every Member of the House will be able to have his or her say. As Chairman of the Oireachtas Joint Committee on Health and Children, I very much welcome the fact that when we hold our hearings they will be fair and impartial. We will consult wisely and widely and everyone who wishes to make a contribution will be able to do so.

Deputy Derek Keating: I very much welcome the opportunity to speak briefly on tonight's Private Members' business. I reject the motion out of hand. This attempt is scurrilous and irresponsible. I find some of the material distributed by this particular group, and by Deputy Clare Daly, nauseating, particularly in light of the tragic and sad circumstances to which we have alluded so often in this House and beyond, namely, the death of Savita. Reference is made in the leaflet to her death and in the same sentence to "the hypocritical politicians that have failed to act and legislate for abortion". In a short period the Government has responded by setting up

two comprehensive and separate independent investigations to examine the cause of the tragic circumstances and the reasons Savita died some weeks ago. I reject the motion out of hand and I also reject the scurrilous piece of propaganda that is being distributed at shopping centres and in Grafton Street today.

There is reference on the reverse side of the leaflet to what is really at the heart of this effort, namely, “free, safe and legal abortion”. I wish to hear clarification of whether Deputy Clare Daly is prepared to deny that she is in favour of what I consider to be walk-in, walk-out abortion. There is no will on the part of the Irish people for abortion on demand. The Government has acted quickly. It has published the expert group’s report this week. As the Chairman of the Joint Committee on Health and Children has said, there will be ample opportunity for debate. We have set aside 20 hours for debate on the subject next week and we are approaching it in the most responsible way. We wish to reach consensus. It is incumbent on us to do so. As the Tánaiste said some weeks ago, doing nothing is not an option. The Government will not do nothing, but we will arrive at a consensus. That is the appropriate way. To discuss the matter in this way and to divide the House in the short term is most irresponsible.

Deputy Regina Doherty: I gave a speech at a women’s event on Monday, the underlying premise of which was the 1960s statement by the women’s liberation movement in America that politics is about the personal. I do not think any issue is more personal than the one we are discussing tonight and will discuss in the coming weeks. It is sad, and I am disappointed that the motion has been tabled again-----

Deputy John Halligan: It is a Bill.

Deputy Regina Doherty: -----given that we intend to arrive at a consensus position across all parties and for the majority of the Irish people. We are elected to represent all people, not just those who are on one side or the other.

A number of months ago my position was clear in my head. It was very different from the position I hold today. This is probably as a direct result of making myself open and available to different points of view and arguments. I give a similar commitment to my colleagues. What I hope we will do when we arrive at the end of this series of debates and committee hearings is to provide clarity through legislation, regulation or both in order to provide the best medical care for women and children in this country. If every man, woman and child in this country were to genuinely put themselves in the shoes of either the mother of a child who has been raped or the friend of a woman who has a desperate crisis pregnancy, they would probably arrive at different conclusions than when they are just talking about some random person, which we seem to do quite a lot. My commitment in the course of the coming weeks is to be as open and honest as I can, to listen to all of the scenarios and to try to come up with the best mechanism, be it through legislation or regulations, to provide clarity to women who need medical intervention. The terminology we use is genuinely important. If one were to ask me today whether I would vote for legislation on abortion my gut instinct would be to say “No”. But if one were to ask me whether I would vote on legislation to provide for desperately needed medical intervention to save a woman’s life, while still respecting the life of the unborn, I would probably say “Yes”. I hope to arrive somewhere in the middle of that at the end of this series of debates.

8 o’clock

I ask Deputy Clare Daly to withdraw the Bill and allow us time and space in the course of

the coming weeks and months to reach a general consensus in the House by which we could all agree to provide the best medical care for women and children.

Deputy Arthur Spring: There are three important considerations when discussing this topic. One must look at it from the legal, medical and moral perspectives. Morally, without question, we have a responsibility to protect the lives of women. We should never have a scenario where an intervention is not made or is questioned because of legal uncertainty. As a man, I will never biologically experience or deal with this situation, but as a husband, brother, son and friend, I am aware it could affect me personally. I am worried it could affect my sister or my wife. My hope is that we can prevent another such occurrence or a related worry that might affect people in our society.

Medically, I find it difficult that doctors and women run the risk, under sections 58 and 59 of the Offences against the Person Act 1861, of being criminally prosecuted for conducting a medical abortion when a woman's life is at risk. It is wholly inappropriate to base medical decisions on an Act created in 1861. The medical field is constantly changing and adapting to what is best for patients. As legislators, it is our responsibility to ensure legislation reflects medical reality. We are able to assess and increase the well-being of the child and mother through regular scans that can detect prenatal conditions.

It is important to note also that there is much speculation about what happened in Galway. I reiterate that, as outsiders, we do not know and should not speculate on what took place. The medical team and the husband of Savita Halappavannar must be privy to an examination which should be undertaken using whatever is the correct legal procedure.

I commend Deputy Clare Daly for presenting us with this issue once again. I would like to have more time to speak on it, but I am proud to note the Labour Party's track record in this regard. Of the four main political parties represented in the House, ours was the only one that included this provision in its manifesto for the last general election. We will see to it that this debate is conducted in a proper manner and that the matter is legislated for in a proper way during the term of the Government.

Deputy Aodhán Ó Riordáin: Being an advocate of legislation to deal with the judgment in the X case has been a lonely position to adopt. My party, the Labour Party, has fought a lonely battle on this front for 20 years. Before the last general election no other party mentioned the X case. We stood alone on that platform and suffered the consequences. As a party, we take the flak, receive the vulgar letters and the abusive telephone calls and encounter the protests. It is our family members who are targeted, homes that are picketed and campaigning that is systematically disrupted. It is we who suffer the dirty tricks of other candidates, both party members and Independents, who scaremonger in whispered tones on the doorstep and laugh at us when the inevitable happens when we knock on the same doors. However, we have no difficulty with this when we know we are right. What we want to do is to protect women and vindicate their constitutional rights and the sacred votes of the people cast in 1992 and 2002. Neither I nor my party have any apology to make in regard to the course we are taking because we know that it will lead to legislation being presented to the House by the sovereign Government of the land, legislation that will be scrutinised by the Office of the Attorney General and survive the many challenges that will inevitably follow in every court.

I thank the hundreds of my constituents who contacted me, horrified by recent events and determined not to be intimidated any longer, to demand legislation. I pay tribute also to the

dignity of those who have taken part in vigils outside Leinster House, including this evening, and those who have marched through Dublin city and attended demonstrations throughout the world. My sister in London reported that she felt sick in her stomach thinking of Savita and that she had flash memories of the people who had shouted at us during the election campaign.

In this debate what we witness from one side is a corruption of language. How dare they describe themselves as being pro-life if they let a situation to persist where women's lives are endangered, rather than introducing the legislation the Supreme Court and the people have demanded? How dare they describe anybody as being pro-abortion? I do not know anybody who is. Abortion is always a tragedy, but it is a greater tragedy to put at risk the life of a mother to satisfy the washed-out ideology of a failed Ireland.

I have no interest in political perception or showmanship. I vote to win. Unfortunately, the legislation before us has no chance of success in the House and it would have a smaller chance of success were it to be challenged in the Four Courts. However, I am convinced that we will legislate as a Government. Let us not be divided by tactics; rather, let us be united by our determination. We have more allies on this issue within the House now than we have ever had and refuse to be intimidated any longer. The day is gone when the fanatical tactics of a few dominated the considered compassionate view of the many. This is a Government that takes its responsibilities seriously. We will act in order that no woman or medical professional will be in any doubt as to his or her constitutional and legislative rights and responsibilities. Too often in the recent past we have been ashamed as a people internationally. On this issue we will not be found wanting.

Deputy Tony McLoughlin: I took the opportunity to oppose the Bill when Deputy Clare Daly introduced it before and will oppose it again when the vote is called. A number of events have taken place since last April when the Deputy introduced the Bill. At the time the Minister for Health, Deputy James Reilly, told the House that the report of the expert group would be brought before it. It has now been published and will provide clarity as to the options open to the Government which will be debated both in the Chamber and at the Joint Committee on Health and Children. For that reason, this is not the appropriate time to vote on a Bill dealing with matters covered by the report.

The Bill is flawed in many respects. There are no provisions to vindicate as far as practicable the right to life of the unborn. There are further concerns around the duty of a medical practitioner to consider whether the life of the foetus is capable of being preserved. Like many of my colleagues, I am deeply concerned that whatever is considered and passed after the Government has brought forward its proposals should deal with the following matters. There must be the maximum level of safety for pregnant women. The background is that Ireland is considered to be one of the safest places in the world in terms of maternity services and childbirth, something that is borne out by statistics and has already been noted by other speakers. There is a need to ensure any proposal from the Government is carefully debated and considered in order that our collective deliberations will lead to an outcome that will ensure the health and life of a pregnant woman are protected, while, at the same time, ensuring Ireland does not end up with an abortion regime similar to that in place in some European countries which, in effect, offer abortion on demand. I share this concern with many others in the House and look forward to the debate in the Dáil after the Government publishes its proposals.

Deputy Liam Twomey: I ask Deputy Clare Daly to withdraw the Bill in order that we can have a proper Second Stage debate on the matter because many other issues have not been

covered, nor could they be in such a short space of time. It is clear to everybody that Medical Council guidelines are inadequate to provide legal protection for doctors and women in terms of the security and confidence in the health care system that they need. This was pointed out last night in reference to the 1861 Act. On this issue alone, legislating becomes very urgent in order to protect patients and doctors. The guidelines do not provide enough protection.

I refer to the report of the expert group which deals exclusively with Article 40.3.30 and the Supreme Court's interpretation in the X case. It held that a termination of pregnancy was permissible if it was established as a matter of probability that there was a real and substantial risk to the life of the mother and that this risk could be averted only by the termination of her pregnancy. The entire debate boils down to one very simple question. Do we believe the risk of suicide by the mother is a real and substantial one which can only be averted by the termination of her pregnancy? If we believe the risk of suicide is real and substantial, we have to legislate and must decide how doctors measure that risk and the type of legislation we will need in measuring it. This will be a little more complex than what is presented in the Bill. We will have to decide who has the authority to decide there is a real and substantial risk to the life of the mother before a termination can be carried out.

When we present legislation, we must also allow for the fact that in years to come international research may show that there is not a real and substantial risk of suicide by a woman who is pregnant. Matters of this nature must be taken into account. Depression is more common in pregnant women but international research to date shows that the risk of suicide is lower. I am not stating that suicide does not happen, it is merely that the risk of it occurring is lower. These are the complexities which must be taken into account.

Constitutional referenda would be required before many of the considerations relating to termination which have been raised during the debate could be dealt with. In such circumstances, I request that the Bill be withdrawn so that we might engage in a broader debate on the matter we are discussing right now. What is involved may seem quite narrow but there are many issues involved.

An Leas-Cheann Comhairle: I call Deputy Boyd Barrett who is sharing time with Deputies Mattie McGrath, John Halligan, Thomas Pringle, Tom Fleming and Catherine Murphy.

Deputy Richard Boyd Barrett: My anger at the failure of this State to vindicate the rights of women over a period of 20 years or more has really risen in recent days. That failure has emboldened so-called pro-life advocates to once again argue about the lives, rights and bodies of women. This is the spectacle we have witnessed in recent days. They are arguing as to whether suicidal feelings represent a real threat to a woman's life, about when the threat to a woman's health becomes a threat to her life and what are the best interests of a woman who has been raped, is the victim of incest or has become pregnant with a child with genetic abnormalities. Those discussions are both obnoxious and medieval in nature. Some Deputies on the opposite side of the House have stated that we must discuss the intricacies of these matters. We do not need to do so because it is not possible to make definitive adjudications on psychological matters, on when a threat to a woman's health becomes a threat to her life, on whether suicidal feelings may lead someone to commit suicide or on when the continuation of a pregnancy represents a real and substantial threat to the life of a woman. The fact that any of these things might come to pass should be sufficient to ensure that the women involved would have the right to terminate their pregnancies. The only way to proceed is to allow women to decide.

Savita Halappanavar should have been allowed to have an abortion because she asked to have one. That is the right we need to uphold and vindicate. In fairness to the Minister, he accepted this and indicated that the current legal and constitutional framework means that even if we legislate for women who are pregnant with children with genetic abnormalities, who are the victims of rape or who find themselves in the other circumstances to which I refer, their rights would not be vindicated. That is medieval. If those in government are serious about this matter and if they really mean what they say when they make statements such as that, then they should indicate that they are going to bring forward legislation to repeal the eighth amendment to the Constitution. They should also clearly state that a referendum will be held in order to remove these medieval restrictions on women.

I saw a post on Facebook yesterday in which someone said they had discovered the meaning of the word feminism, namely, that women are human beings. We need to establish women's rights in this regard. The Government - if it means what it says - can commit to holding the referendum to which I refer. In the interim, however, emergency legislation is needed in order to cater for the judgment handed down in the X case. The argument that the Bill before the House is not perfect is not an adequate reason to vote it down. Neither is the argument that we have not had adequate time to consider it and the matters relating to it. If the Government really believes the latter, then it should offer to make time available for us to continue the debate on the Bill next week. If the Government indicates that we can use its time to engage in a non-guillotined debate on the Bill - this would give those opposite and everyone else in the House an opportunity to frame the amendments necessary to refine it - then we will not push the matter to a vote.

The Bill was put forward in the aftermath of a terrible tragedy which we never want to see repeated and in order to expedite matters in respect of this issue. Doctors should never again be expected to operate in a position of legal uncertainty with regard to when they can act in the interest of saving a woman's life. I wish to put an offer to the Government, namely, that it should extend the debate on the Bill into next week, at which point it can put forward its own amendments. If it does not do this, then it appears that the Government is not serious about this matter and is again guilty of facilitating the type of delays that have marked the past 20 years.

Deputy Mattie McGrath: Deputy Tom Fleming has volunteered two minutes of his time to me.

An Leas-Cheann Comhairle: There are 30 minutes in total for the group.

Deputy Mattie McGrath: I welcome the opportunity to contribute to the debate on this Private Members' Bill. It is a pity, however, that it has come before us again. We are stampeding over the rights of different people and the procedures and rules relating to the Technical Group. The United Left Alliance, ULA, has tabled 37% of the Private Members' motions and Bills brought forward by the Technical Group to date. There are 16 members in the group, only four of whom are in the ULA. I will leave that matter to people's judgment.

The pro-life perspective is founded on the equal right to life of all human beings, regardless of age, sex or any other attribute. There is no worse discrimination than disregarding the right to life of an entire class of human beings on account of their being too young. According to official United Nations and World Health Organization statistics, Ireland, without abortion, is among the top three safest countries for pregnant women, that is, it has one of the lowest maternal mortality rates in the world. In the context of Savita Halappanavar's tragic death - her family must have our complete sympathy on their loss - it must be remembered that in Britain,

where abortion on demand is legal, 13 women died as a direct result of sepsis in pregnancy between 2006 and 2008. We do not know the full facts of Savita's case and yet pro-choice activists are using it to bring abortion into Ireland. I am concerned that the Government appears to have bought into their deception but I hope this is not the case.

A recent internationally acclaimed obstetrics and gynaecology conference in Dublin affirmed that direct abortion is never necessary as a form of treatment to save a woman's life in pregnancy. The ruling made by the European Court of Human Rights in 2010 in the *A, B and C v. Ireland* does not require the authorities of this country to legislate for abortion. The court simply asked for legal clarity in the area and it has consistently said that there is no such thing as a right to abortion under the European Convention on Human Rights. Further, the court's concern was to ensure that women will be provided with an effective procedure by which to determine what treatment is lawfully available to them. This mechanism should include an appeals process. Importantly, the court has consistently stated - it affirmed this in the *A, B and C* judgment - that it is not concerned with the means by which states vindicate convention rights and that it is merely concerned with whether they are vindicated. This means that the court is not concerned with whether we implement legislation, regulations or guidelines. In that context, in its report the expert group erred in suggesting that guidelines may not suffice for the European Court of Human Rights.

Ireland can introduce clarity without introducing abortion. We can ensure that medical and professional guidelines relating to necessary medical treatment are strengthened. We can also ensure that these guidelines provide for an appeals process for women who have had their requests for terminations refused. To comply with the decision in the *A, B and C v. Ireland* case, such guidelines must also allow for a woman to make her case in person and for a written explanation of the decision to be given. We can also hold a referendum - we are good at holding these - to clarify matters by overturning the decision in the *X* case and protecting the right to life of unborn children and their mothers. There is no question that holding a referendum on abortion is compatible with the jurisprudence of the European Court of Human Rights. Previous referendums on the decision in the *X* case failed because both pro-choice advocates and pro-life advocates voted against the measures put forward for various and conflicting reasons.

It must be acknowledged in any debate on this matter that major studies in the past ten years have shown that abortion has a negative psychological impact on women. It is utterly irresponsible to claim that abortion somehow protects women's mental health. No psychiatric textbook available in the British Isles, the United States or anywhere else claims that abortion is a treatment for suicidal thoughts. This fact undermines the ruling in the *X* case. What undermines it even further is the emerging consensus that abortion can actually harm women's mental health in some instances. The 20 year old *X* case judgment is a very poor basis for abortion law and it completely disregards the equal right to life of the unborn child. It had no medical evidence to support the view that the abortion is a treatment for suicide. It is badly out of step with the recent research which shows that abortion has a negative impact on women's mental health. It made no mention of time limits and would allow for abortion up to birth. Providing for abortion on mental health grounds would allow for a very liberal abortion regime similar to that in the United Kingdom.

We should be aware of what happened when abortion was legalised in the UK. It was introduced on very limited grounds but now, sadly, one in five pregnancies end in abortion. Abortion on demand is available up to 24 weeks and up until birth in cases of disability, including the disability of a cleft palate. According to official British Government figures, every year dozens of

children survive abortion and are left to die in British hospitals. Some survive for hours outside the womb before they die.

A total of 95% of Britain's 190,000 abortions in 2009 were performed on mental health grounds. We have passed the children's rights referendum. It would be a tragedy if we enacted legislation allowing for unborn children to be directly killed. Abortion is the direct and deliberate destruction of the unborn child. Abortions are not currently carried out in Irish hospitals. The rare case in which necessary life-saving treatment is given to a woman in pregnancy and which results in the death of her unborn child is not an abortion because the death of the child is not the purpose, intention or aim. Even if the death were foreseen as a possible or likely outcome, unlike abortion, every effort is made to preserve the life of the child if at all possible. I am totally opposed to this untimely Bill.

Deputy John Halligan: Last April the House discussed at length the need to bring forward legislation for the safe and legal termination of pregnancy. The Government, made up of so many so-called liberals, shot down that motion to legislate in the X case, a ruling which would allow access to termination for a woman if her life was in danger. This was not the first time these acrimonious divisions on abortion were stirred up. We have been listening to the same argument in one form or another over the past three decades. One Government after another has engaged in the ultimate act of political cynicism by failing to clarify the circumstances in which abortion is permissible. Like it or not, those of us who supported the motion last April had to accept the Government's promise that the expert group's report was on its way. What we did not know was that it would take the tragic death of a young woman to force the Government to sit up and take notice of the legislative void that is preventing the termination of pregnancies. It is a full 20 years since the Supreme Court ruled that a suicidal pregnant teenager had the right to an abortion because there was a real and substantial risk to life.

We cannot yet know what happened in the last days of Savita's life, no more than we can judge the actions of the particular doctor or nurse nor their collective actions. However, there can be no denying that in the final days, Savita requested treatment which was denied to her. This is a shameful occurrence in a State which lays claim to membership of a civilised world.

The Government must now step up to the mark and leave 20 years of political cowardice behind. There has been anger outside the Dáil last week and this week and a shocked response throughout the country. This could have been any woman of child-bearing age. The longer we in this House procrastinate, the greater the possibility that this could happen again. It could happen tomorrow or next week. This is not about pro-choice; this is about women's health which the past seven Governments - this one included - have made clear matters very little. This tragic young woman was denied the basic human right to choose what happens to her body. It is horrendous. Last year, the grand chamber of the European Court of Human Rights ruled that a woman had her rights violated because the Irish Government had failed to legislate for the X case. This Government established a commission which took a full 12 months to report, during which time at least 12 women every day travelled outside this country for an abortion. The Government seemed quite content to sit idly by and to allow this problem to be exported across the water. In 20 years we have exported more than 100,000 women to the shores of Great Britain. It is shameful.

There has been a significant rise in the seizures by Customs of risky unrelated abortion pills ordered over the Internet. Last April I referred in the House to figures released under the freedom of information legislation. I was shocked at the revelation that Customs seized 1,216

packs of DIY abortion pills which had been ordered online in the period since 2009. It is tragic and appalling that women are reduced to this. We should hang our heads in shame. The Minister will know that women who use these pills risk excessive blood loss, womb infection, blood poisoning and even death. These women receive no professional confirmation that they are no longer pregnant. An incomplete abortion could leave the baby with defects or part of the foetus could remain in the uterus leading to infection. This could damage a woman's fertility if left untreated. How can this be allowed to happen in a civilised country? Thousands of women are still buying these pills online. If this is what women in the Irish State in 2012 are reduced to doing, every one of us should hang our heads in shame.

The Government needs to get off the fence on this issue. If the timeframe is a problem, let us sit through the Christmas holidays to deal with this legislation. We are putting more women's lives at risk. I remind the House of a picture in *The Irish Times* some years ago. It showed an image of Ireland surrounded by barbed wire and woman trying to climb out over it. How shameful.

Deputy Thomas Pringle: I welcome the opportunity to contribute to the debate. I acknowledge the work of Deputy Clare Daly in amending this legislation to reflect the debate last April when the No. 1 Bill was debated in the House.

This debate takes place following the tragic death of Savita Halappanavar in Galway in October. It takes place in an atmosphere of anger and grief experienced by everyone in the country at the death of a young woman in the prime of her life and at the public heartache of her husband. I hope the Government sees sense and makes arrangements for an investigation that will meet the needs of Praveen Halappanavar and the demand from the public for a full and open inquiry. We are unsure as to the full reasons behind her death. A full investigation is needed to ensure the full story can be told. If it is the case that the lack of a clear, legislative basis for a termination was a factor in her death, we all have to say this can never happen again.

If the Government does not act now, once and for all, I fear it will happen again. The need for legal clarity has been demanded for 20 years. It has been restated many times that six Governments have not delivered on legislation. The Minister for Health said this Government will not be the seventh. I hope this will be the case. Given that this Government may have three years left to run, we are at the point where legislation and clarity is needed within months rather than years.

Women cannot be left to live in the shadow of these grey areas where treatment may or may not be available to them should they need it. We are the legislators. This legislation could be the start of the process if the Government had the courage to accept it. I do not understand why the Government could not accept this Bill and allow it to proceed to Committee Stage where, over the next few months, the required amendments could be drafted and debated. The Medical Treatment (Termination of Pregnancy in Case of Risk to Life of Pregnant Woman) (No. 2) Bill 2012 would then meet all the requirements recommended by the expert group. The only reason the Government will not accept this Bill is political expediency. It knows that it cannot be confident it will be acceptable to its backbenchers. Abortion legislation in the UK is decided on a vote of conscience. What can be so wrong with allowing all Members of the House to vote in conscience on this legislation? Is the Whip system so weak that it could not survive a conscience vote?

The Medical Council ethical guidelines allow for a medical practitioner to exercise a con-

scientific objection with regard to termination, yet the political system does not. The expert group report outlines a number of options that could be pursued and lists the advantages and disadvantages of the various options. It is clear from my reading of the report that the only option is to provide legislation and regulations on foot of that legislation. The question is whether the legislation should include the repeal of the 1861 Act or be based on existing legislation. The most robust legislation would involve the repeal of the 1861 Act, thus providing clarity and certainty as to the legal situation.

The issue of a woman accessing a termination in circumstances where there could be a risk of suicide is provided for in this Bill and can be strengthened if necessary. The expert group has recommended that a psychologist be included in the decision-making process in this case. That is in line with the Bill. The group states the woman's general practitioner could be consulted to give the woman's medical history. Considering that it is the medical practitioner who knows the woman best, this is a reasonable suggestion and could aid the decision-making process.

There is no intention in the Bill to suggest a termination could be seen as a solution to a woman's mental health issue in the case of a threat of suicide. For any patient with mental illness, there is no single treatment that will offer a so-called cure, and there should always be follow-up treatment to ensure the individual's mental health does not deteriorate any further and she can recover as much as possible. This would be a challenge for our health services at any time, but in the current climate it is more so. Provision should be made to ensure that access to follow-up treatment is a right.

This Bill is not the full solution but it provides the basis for one. The Government can accept it and amend it if necessary. The expert group pointed out that the legislative process is slow and has highlighted this as the sole disadvantage of its proposal for legislation to repeal the 1861 Act. The last thing we need now is to slow down the process. What we need now is to ensure the Legislature does not let any woman down again.

Deputy Tom Fleming: It appears that people interested in the health of the mother and foetus during pregnancy are being categorised into two polar extremes, namely, the so-called pro-abortion constituency and the pro-life constituency. These categorisations are simplistic and are misnomers. The vast majority of people I meet are anxious that, during pregnancy, the life of the mother and foetus be given optimum clinical consideration. However, in the event of a medical complication that could put the life of the mother at risk, they believe there should be relevant medical intervention by clinicians to safeguard the mother's life. Many citizens believe clinicians have been exercising their judgment within the parameters of the Supreme Court ruling of 1992 in regard to this matter; hence my surprise to hear that some eminent masters of the maternity hospitals are indicating that the legal position lacks lucidity. They seek legislative guidance in this area.

I have noted the report of the expert group and I will consider the Government's proposal on foot thereof. The onus is now on the Minister for Health and the Office of the Attorney General to introduce legislation promptly for debate so Members can express their mature views on the matter and, I hope, learn from one another having thought the issue through and discussed it constructively. I await the Government's legislation and ministerial regulation, which are to be to the benefit of the mother and child.

Deputy Catherine Murphy: I thank Deputy Clare Daly for introducing this Bill. Its Title indicates it is intended as an interim measure. It is important that there be a timely response to

current circumstances. The April legislation has been revised to take account of some of the concerns that were raised by the Minister at the time, yet we hear that there is no intention of supporting the Bill. There is no doubt that the present ambiguity, of which people are very well aware, is leading to considerable fear. There needs to be, at the very least, a temporary plugging of the law to address the issue.

There have been numerous expert reports over the past 15 years. The current one is in response to the ruling of the European Court of Justice. It could have been responded to not through an expert report but through legislation and guidelines for the medical profession. The concern is that this is or is potentially a delaying tactic.

I considered the report of the all-party Oireachtas committee in 2000. It refers to the advantages of legislation, stipulating that it would provide legal certainty. The stated disadvantage is that “due to the nature of this legislation, the process of drafting and democratic scrutiny is likely to take a considerable period of time”. This was stated 12 years ago.

The case of Savita Halappanavar demonstrated in a very clear way the kind of risk to which a pregnant woman can be exposed. While there is considerable collective sympathy for her husband and family, many women are expressing fear because the pertinent issues have come into sharp focus. The debate that followed the tragedy has shown that the eighth amendment excludes the right of a pregnant woman to be assured of her health and deals only with the issue of the right to life. Others are way ahead of us on this and regard it as a medical issue. In Ireland, it is deemed to be a moral issue.

It is almost two years since the ruling of the European Court of Justice, and we are only now dealing with the report of the expert group. The report refers to previous expert reports and states the means of providing for the X case have been considered by other bodies, all of which have concluded that legislation in some form is the most appropriate way in which to regulate access to lawful abortion in Ireland.

This Bill is on Second Stage. My understanding of Second Stage is that one should either agree or disagree with the principle of the legislation. Tonight, Members are being asked to agree with the principle. Committee and Report Stages allow for a refinement of the legislation. I do not doubt that there are many provisions in the legislation that could be changed to make it better. People cannot understand how the troika can come here and click its fingers such that very complex legislation can be introduced and rammed through the Dáil using guillotines to ensure its timely passage. Emergency legislation can be framed and all Stages can be considered in double-time on economic matters, yet, where legislation on the right to life of a pregnant woman is concerned, the sensitivities of politicians seem to take precedence.

We have been told that to ensure the passage of legislation, one must have 83 Members willing to support it. Clearly the Whip system is determining that this cannot happen. This is not radical legislation but a genuine attempt to address the need to legislate for the X case, even as an interim measure. The real concern is that this will be pushed out and that all sorts of reasons will be advanced as to why certain complexities cannot be dealt with, even if the Government decides to legislate. Tonight, Deputy Daly is being asked not to press this Bill. Her not doing so would be a mistake. There is no certainty on the Government side as to how we are to proceed. I will be supporting the legislation.

Minister for Health (Deputy James Reilly): I thank Deputy Daly and her colleagues for

the work undertaken in the preparation of her Bill. I also thank the Deputies who contributed on the difficult and complex issues raised.

My colleagues last night provided a thorough analysis of the Bill and pointed out the areas where it is deficient. As a result, we cannot support it. However, I reiterate my determination to give the women of Ireland and the professionals working in the health system the legal clarity they require on the issue of lawful termination of pregnancy in Ireland. I have said previously - and I restate it now - that the Government, unlike previous Governments, will not allow this issue to remain unaddressed. Anyone who has read the expert group report will agree it provides a clear analysis of the issues that need to be addressed to implement the ECHR judgment in the *A, B and C v. Ireland* case. It sets out four options and they are now being considered. I want to put on record my gratitude to the members of the expert group and, in particular, Mr. Justice Seán Ryan, for their commitment and dedication to this matter.

The issue of abortion has divided this country for decades and it has divided political parties and families. It is my earnest hope that this time we can reach a cross-party consensus on the action required in light of the expert group report. The people have made it clear that they do not wish abortion on demand. Equally, however, it is clear to me that the great majority of our citizens regard the current position as unsustainable. We cannot have a situation where there is any doubt about the right of a woman to a lawful termination of pregnancy in certain clearly defined situations. That is what the ECHR judgment calls for; that is what the Government wishes to deliver and will deliver.

Some people feel the Government is moving too quickly to address the issue. May I respectfully suggest that the people of Ireland have waited long enough for their politicians to do what is right and necessary? However, it is also important that this House debates the report fully and I will listen clearly to the views expressed on all sides. It is also vital that the Joint Committee on Health and Children holds public hearings on the implementation of whatever option the Government chooses on this matter.

While I share Deputy Daly's undoubted concern for the welfare of pregnant women in Ireland, I call on Members to oppose her Bill. A vote on this Bill would be premature, as Members require more time to study the expert group report. In addition, it is flawed and it is not in line with our constitutional obligations. The expert group report provides us with a clear roadmap for ensuring the lives of pregnant women will be protected while also more clearly vindicating the right of the unborn. I appeal to all in this House to participate in the 20 hours of debate planned over the next few weeks and this will help inform the Government decision. I hope we can conduct this debate in a calm way, which will lead to a consensus on how to move forward to achieve what we all want: certainty for the women of Ireland on the service available and clarity for those who are charged with delivering it.

Deputy Mick Wallace: For the past three Wednesdays, crowds have gathered outside the Dáil to express their anger. On Saturday, 17 November, they marched through the streets of Dublin in their thousands and they will do so again next Saturday in Galway. It is clear, as it has been for two decades, that the majority of people in this country want action on abortion. It is often difficult for individuals in Ireland to be openly pro-choice and, for too long, women who have had abortions and those who advocate for reproductive rights have been stigmatised, shamed and silenced.

The point has been rightly made over the past two weeks that the tragic death of Savita

Halappanavar should not be seen in isolation but as the latest example of how problems within the maternity services and policies concerning reproductive rights in Ireland continue to fail women. The Bill is just the first step. It will not stop the misery that persists for many women who are faced with crisis pregnancies and are left with little alternative but to pack a bag and leave the country for a medical procedure that is not available on our island of saints and scholars. During the debate last night, the Minister for Justice and Equality, to his credit, was strong on the issue when he said:

“...whatever decision is taken by Government, we cannot provide in this State for the termination of a pregnancy resulting from rape in the absence of the victim being suicidal. Neither can we provide for the termination of a pregnancy where there is a foetal abnormality which will, as a certainty, result in the birth of a baby unable to survive.”

I remind him that the Government is in a position to call a referendum to repeal the eighth amendment of the Constitution and if such a referendum were called, I believe it would pass with the support of a significant majority of the Irish people.

A crisis pregnancy can have an adverse effect on the ability of a woman to enjoy a range of human rights. An adolescent who becomes pregnant is often forced to drop out of school, thus depriving her of the right to an education. An unintended pregnancy can endanger a woman's health, undermine her opportunities to earn a living and trap her, and often her entire family, in a cycle of poverty and exclusion. A recent internal report by Mr. Anand Grover, the UN special rapporteur, on the right of everyone to the enjoyment of the highest attainable standard of physical and mental health examined, among other issues, how laws and other legal restrictions are used to regulate abortion and the negative impact that such criminal laws and other legal restrictions may have on health care, the freedom and human dignity of affected persons, particularly women, and public health outcomes. He took a general look at how these laws may violate the right to health.

Abortion is a health issue and a human right and the report notes that women's right to health requires the removal of all barriers interfering with access to health services and mandates that women be provided with the right to decide freely and responsibly on the number and spacing of their children. Sexual health is a state of physical, emotional, mental and social well-being related to sexuality and is not just confined to the absence of disease or illness. Criminal laws are enacted by countries to regulate conduct perceived as threatening, dangerous or harmful to an individual or society but where criminal law is used as a tool by a government to regulate the conduct and decision-making of individuals in the context of the right to sexual and reproductive health, the government substitutes its will for that of the individual. This amounts to an interference with human dignity.

Respect for dignity is fundamental to the realisation of all human rights. Dignity requires that individuals are free to make personal decisions without interference from the state. Women often experience infringements of their rights to sexual and reproductive health. Persistent stereotyping of women's roles within society and the family establish and fuel societal norms. Many of these norms are based on the belief that the freedom of a woman, especially with regard to her sexual identity, should be curtailed and regulated. The same thinking seeks to justify state control over women's lives such as forcing women to continue unwanted or unplanned pregnancies. Criminalisation generates and perpetuates stigma. Laws and other legal restrictions disempower women who may be deterred from taking steps to protect their health to avoid liability and out of fear of stigmatisation. These laws can also have a discriminatory ef-

fect, as they disproportionately affect women, particular those aged under 18 or from less well off backgrounds or whose immigration status may be uncertain. Governments sometimes try to justify these laws on the grounds of public morality. Public morality cannot serve as a justification for enactment or enforcement of laws that may result in human rights violations such as the deprivation of dignity and autonomy.

Ireland's ban on abortion is a clear expression of State interference with a woman's sexual and reproductive health because it restricts her control over her body, possibly subjecting her to unnecessary health risks, as well as having a severe impact on her mental health. In some cases, women have committed suicide because of the accumulated pressures and stigma related to unwanted pregnancy and having to face the option of carrying the pregnancy to term or having to seek an illegal abortion. As legislators, we have a responsibility to ensure all our people have a right to all forms of health and human dignity. This Bill can be a start to that process. It should be viewed as an interim measure to prevent any further unnecessary loss of life for pregnant women and until we can address all the issues relating to a woman's right to health and dignity, a woman's right to control her own body and a woman's right to choose.

Deputy Clare Daly: Some Deputies have called our Bill scurrilous and that they are disappointed we tabled it. It is absolutely scurrilous that we are back here again and I am disappointed with the Government's reaction. Much of what has been said could be summed up as excuses, excuses. When we were here in April, the Government told us we would have to wait for the report of the expert group. In April, Savita Halappanavar was not yet pregnant but now the woman is tragically dead. This time we are told the Government needs time to read the report when the whole country read it in last weekend's Sunday newspapers.

Even if they did not, we have to face it that it is not that complicated. It is a 58-page straightforward report with many diagrams and pictures. That is not out of any disrespect to those who wrote this report. The reason we make this point is that it is patently obvious that we have to legislate. This was the outcome of all the other previous expert groups and that is reality. We are not proposing to take up the opportunity of legislation tonight but to have 20 hours of discussions about it in the coming days. As the Minister for Justice and Equality, Deputy Shatter, said last night, a woman has had a legal right - he called it clear and unambiguous - to have an abortion where her life is in danger including a risk from suicide. Women have had that right for 30 years, yet during this time women have not been able to exercise that right because of the successive failures of this House to legislate for it.

It is not petty point-scoring but last week the Opposition supported a call for legislation in this area and tonight we provided it. We are not saying it is perfect but it is a start. Failure to make the start tonight means inevitably this legislation will be delayed for another six months. Is there another woman who is not pregnant now but who may find our six-month delay has tragic consequences for her down the line?

We have had to listen to quite a few excuses tonight. I take offence at Members from Fianna Fáil and the Labour Party who lectured us about being divisive and that we need to get 83 votes to get this through. If those two parties supported us for a start, we would be well on the way to getting 83 votes for the Bill. What is their point? What are they hiding behind? The Government pleads with us to withdraw it, saying we are being divisive. We are not. We are offering our Bill to the House to make it the collective property of all of us and to send a signal to women, the Irish people and the people of Europe that we as a Parliament will begin to take action on a matter we have ignored for so long.

It is all very well for Ministers to claim they have a roadmap for action. We have had this map for some time. What we need is the car's ignition to be turned on. The problem is there has been a huge amount of talk rather than action. It is regrettable the Government will not allow this Bill pass Second Stage. On this, as well as several other issues, this House is out of touch with people in society. We have had an outpouring of emotion with ordinary citizens demanding we take action as they are sick of us talking about it. I received one e-mail from a woman who described herself as a mother, a daughter, a woman who has been through a life-threatening pregnancy that resulted in abortion. She told me she protested for the first time since she was in college as she never felt so moved to stand up and be counted in her life. She has just had her second child, a beautiful baby girl, and this is not what she wants for her or her country, for which she is usually proud. Another woman wrote to me, "As a woman with grown-up children, I thought I had lost the urge to fight. Well I am telling you now, I have refound it". Another women wrote, "I want legislation. Please do this for me, for the child I am carrying, for my grandchildren who one day will be Irish".

Irish people have evidently moved on with regard to this issue. What this discussion really shows is that the campaign to repeal the eight amendment to the Constitution starts here tonight. Let me say this to Deputy Keating who could not be bothered to stay to listen to the debate: it is not about just removing the eight amendment but to provide for legislation for free, safe and legal abortion in this country. That is not walk-in, walk-out abortion. What an insult to women and their doctors to describe all the many and difficult reasons that women face when choosing whether to have an abortion. Many of these reasons are complicated; all are valid. How dare Deputy Keating slander women in this regard. Against the backdrop of increased austerity, our delay on this matter will jeopardise more lives. People will not have the money for the boat or the plane to go to England and will be forced to resort to emergency medication as described by Deputy Halligan.

I am embarrassed our Bill could only legislate for the X case. It gave us the start to do that, however. The Minister for Justice and Equality, Deputy Shatter, correctly last night said that even if this legislation is passed or the Government comes up with legislation in six months' time, we will still have one of the most restrictive abortion regimes in the world. We will still not be dealing with the thousands of women who every year have to leave this country for an abortion. We will not be providing for those who become impregnated because of rape or incest or for women with fatal foetal abnormalities. The Minister for Justice and Equality described this as an indefensible cruelty.

However, the Minister in his reply to this Bill, put his hands up in the air stating this is a not a matter for government. If it is not, then for whom is it a matter? The Minister with responsibility for equality said women are not equal as they have a limited right to health and bodily integrity. That is not enough in a modern civilised society. The people in every corner of this country will not tolerate women being treated in this way. The reason we are treated in this way is because of this clause in the Constitution, which restricts our right to health.

We know our Bill tonight is only the first step but it is a necessary one to deal with this long overdue issue. We are not bringing abortion into Ireland. Irish abortion already exists for thousands of women every year. What we are asking for is an end to the hypocrisy and to allow people treat this private and personal matter as one of personal choice between them and their doctors. We, along with all the people who have been in contact with us over the past several weeks, will not rest until the House starts to deal with these issues. I am not withdrawing the Bill. We want to press it, not as a panacea but as a signal to our citizens and future generations,

as well as to the eyes of the world looking in on us, that we are at last beginning with some seriousness to address this long overdue issue.

9 o'clock

Question put:

The Dáil divided: Tá, 27; Níl, 101. Tá Adams, Gerry.Boyd Barrett, Richard.Broughan, Thomas P.Collins, Joan.Colreavy, Michael.Crowe, Seán.Daly, Clare.Doherty, Pearse.Donnelly, Stephen S.Ellis, Dessie.Ferris, Martin.Flanagan, Luke 'Ming'.Halligan, John.Healy, Seamus.Higgins, Joe.Mac Lochlainn, Pádraig.McDonald, Mary Lou.McLellan, Sandra.Murphy, Catherine.Nulty, Patrick.Ó Caoláin, Caoimhghín.Ó Snodaigh, Aengus.O'Brien, Jonathan.O'Sullivan, Maureen.Pringle, Thomas.Stanley, Brian.Wallace, Mick.NílBannon, James.Browne, John.Burton, Joan.Butler, Ray.Buttimer, Jerry.Byrne, Eric.Calleary, Dara.Carey, Joe.Coffey, Paudie.Collins, Áine.Collins, Niall.Conaghan, Michael.Conlan, Seán.Connaughton, Paul J.Conway, Ciara.Coonan, Noel.Corcoran Kennedy, Marcella.Coveney, Simon.Cowen, Barry.Creed, Michael.Daly, Jim.Deenihan, Jimmy.Deering, Pat.Doherty, Regina.Donohoe, Paschal.Dooley, Timmy.Dowds, Robert.Doyle, Andrew.Durkan, Bernard J.English, Damien.Farrell, Alan.Feighan, Frank.Fitzgerald, Frances.Fitzpatrick, Peter.Flanagan, Terence.Gilmore, Eamon.Griffin, Brendan.Harrington, Noel.Harris, Simon.Hayes, Brian.Healy-Rae, Michael.Heydon, Martin.Humphreys, Heather.Humphreys, Kevin.Keating, Derek.Kehoe, Paul.Kelleher, Billy.Kelly, Alan.Kenny, Seán.Kirk, Seamus.Kitt, Michael P.Kyne, Seán.Lawlor, Anthony.Lowry, Michael.Lynch, Ciarán.Lynch, Kathleen.Lyons, John.McConalogue, Charlie.McEntee, Shane.McFadden, Nicky.McGinley, Dinny.McGrath, Mattie.McGrath, Michael.McHugh, Joe.McLoughlin, Tony.McNamara, Michael.Maloney, Eamonn.Mathews, Peter.Mitchell O'Connor, Mary.Moynihan, Michael.Mulherin, Michelle.Murphy, Dara.Murphy, Eoghan.Nash, Gerald.Neville, Dan.Noonan, Michael.Ó Cuív, Éamon.Ó Fearghaíl, Seán.Ó Ríordáin, Aodhán.O'Donnell, Kieran.O'Donovan, Patrick.O'Reilly, Joe.Phelan, Ann.Phelan, John Paul.Rabbitte, Pat.Reilly, James.Ring, Michael.Ryan, Brendan.Shatter, Alan.Shortall, Róisín.Smith, Brendan.Spring, Arthur.Stagg, Emmet.Stanton, David.Timmins, Billy.Tuffy, Joanna.Twomey, Liam.Varadkar, Leo.Wall, Jack.Walsh, Brian.White, Alex.
Tellers: Tá, Deputies Clare Daly and Mick Wallace; Níl, Deputies Emmet Stagg and Paul Kehoe.

Question declared lost.

The Dáil adjourned at 9.15 p.m. until 10.30 a.m. on Thursday, 29 November 2012.