



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Céadaoin, 23 Eanáir 2013

Wednesday, 23 January 2013

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

Paidir.
Prayer.

Leaders' Questions

Deputy Micheál Martin: A medical breakthrough that can double life expectancy is something that we should embrace and not shy away from. The discovery and emergence of the drug kalydeco is regarded as the biggest single breakthrough in relation to cystic fibrosis, CF, since the discovery of the gene mutation involved in 1989. Forbes has described this drug as “The most important drug of 2012”. For all those involved in the treatment of cystic fibrosis, the drug is genuinely seen as a game-changer in terms of the quality of life and life expectancy of persons with the condition. The drug received FDA approval in July last. It is now available in the United Kingdom, Germany and Canada.

It is the first drug to treat the underlying cause of the CF condition, particularly those with the G551D mutation. Some 11% of Ireland's CF population has that particular gene. Ireland has the highest occurrence of cystic fibrosis in the world. It strikes me, to say the least, as very disappointing that we are so late to the game in terms of having this drug available for those concerned, given its impact. There are very convincing arguments for this life-changing drug, but it is still not cleared for use in Ireland. In the clinical trials alone, it decreased relapses by 55% in patients.

An Ceann Comhairle: I thank Deputy Martin.

Deputy Micheál Martin: We have known about this drug for quite some time. Over the past number of years, it has been going through the various regulatory systems and clinical trials. It could have a significant impact on inpatient attendances, etc.

Has the Minister for Health or anyone in the Government met the drug company, Vertex, or has there been any proactive engagement with a view to ensuring the availability of this drug in the marketplace? Can the Taoiseach outline to the House the steps that have been taken by the Government to ensure the availability of this drug to those with this condition?

The Taoiseach: The Minister for Health announced on 15 October last that intensive ne-

gotiations involving the Irish Pharmaceutical Healthcare Association, IPHA, the HSE and the Department of Health had reached a successful conclusion on a major deal on the cost of drugs in the State and that the deal is an important step in reducing the cost base of the health system here. That deal, with a value in excess of €400 million over the next three years, clearly means reductions in the cost of drugs for patients and a lowering of the drugs bill to the State, but also timely access for patients to new cutting-edge drugs for certain conditions, with the cost attached to that of €70 million annually and, therefore, reducing the cost base of the health system in the future.

For Deputy Martin's information, the HSE received an application for the inclusion of kalydeco, with the generic name of ivacaftor, in the GMS and community drug schemes. That application is being considered in line with the procedures which have been agreed with the Irish Pharmaceutical Healthcare Association in recent drugs agreements such as the one I mentioned. These procedures include clearly documented processes and time lines for the assessment of new medicines in as timely a fashion as possible. In accordance with those procedures, the National Centre for Pharmacoeconomics, NCPE, conducted a health technology assessment which provides detailed information on the potential budget impact of the medicine involved. It also assesses whether the medicine involved is cost effective at the price quoted by the company in question, which, at €234,000 per patient per year, is very costly.

The NCPE published its report on 21 January. That report concluded:

In view of the very high drug acquisition cost, the significant budget impact, the absence of long term clinical data and the fact that the company has failed to demonstrate the cost-effectiveness of ivacaftor, we cannot recommend reimbursement of ivacaftor at the submitted price of €234,804 per patient per annum. A mechanism such as a performance based risk sharing scheme and/or a significant reduction in price could facilitate access to ivacaftor treatment for cystic fibrosis patients with the G551D CFTR mutation.

That report is an important input to assist decision-making and it will help to inform the next stage of the process which involves further discussions between the HSE and the manufacturer of the drug.

I understand that yesterday the Cystic Fibrosis Association of Ireland stated that it accepts the need for the HSE and the drugs company to get as good a deal as possible. I also recognise the concerns of cystic fibrosis patients, a number of whom have contacted me, that a decision would be made as soon as possible. I listened to Dr. Barry speaking about this on the news the other day. He stated that were one to proceed with providing this particular treatment at this level of cost, it would take 40% of the entire budget for drugs. This is obviously an issue that the NCPE took into account in its analysis.

Deputy Micheál Martin: I repeat that the drug is projected to double life expectancy. This is not any ordinary drug coming on the market in terms of advancing incremental interventions or treatments of particular conditions. This is truly a very significant game-changer in a condition which has not witnessed such breakthroughs over a long period of time.

In the United Kingdom, for example, the regime for licensing new drugs has been far stricter with an even stronger regulatory impact than here over the years, yet it is available in the United Kingdom. The National Institute for Health and Clinical Excellence, NICE, the authority in the United Kingdom which is responsible for the licensing of drugs, has approved it. In the

language coming from the NCPE, it is without question overwhelmingly for budgetary and cost reasons that this drug is being rejected, not for reasons of clinical trials or the health outcomes and impact of this drug.

All such matters require balance. I asked the Taoiseach at the outset if the Minister had met the company. From speaking about quite a number of new technologies and new drugs that became available, I am aware that last year there was a complete delay in engagement on ipilimumab and a range of other drugs. Disappointingly, from the Taoiseach's reply I get the sense that delay will be the order of the day. In the interests of the patients and the people with the condition, here is a case that justifies the intervention of the Minister and the Government with a company and all concerned to knuckle down and make this drug available. It happened last year with ipilimumab and others when it was raised. It is important that people do not engage in a stand-off on this issue because the quality of life and life expectancy issues are so profound that it demands a proactive response from the Government, one we have not seen on this drug to date.

Deputy Finian McGrath: Patients cannot wait - 120 people.

The Taoiseach: It is not the case that delay is the order of the day here. Let me repeat what the National Centre for Pharmacoeconomics, NCPE, stated when it conducted its health technology assessment. It stated that "In view of the very high drug acquisition cost, the significant budget impact, the absence of long term clinical data and the fact that the company has failed to demonstrate the cost-effectiveness of ivacaftor", it was not willing to assess it. There was a very rapid review submission on the drug submitted on 13 August 2012. That rapid review was completed on 22 August 2012 - no delay there. A full pharmacoeconomic assessment was advised. Following submission of that dossier, the NCPE group met the manufacturer on 28 November 2012 to discuss the submission and request additional information. That was received on 11 December and I have given the Deputy the result of its assessment. It states that the evaluation of the economic dossier submitted by the company estimated the annual cost at €234,804 per patient. It also estimates that 113 to 120 patients could benefit from the drug. Based on those figures, the annual budget impact would range from €23.65 million to €28.176 million. No more than anybody in here, one cannot put a price on a life-----

Deputy Michael McGrath: The Taoiseach has put a price on it.

The Taoiseach: -----and obviously it is an effective drug, but there is an issue that needs to be followed through. The next step in this process is for the HSE to meet the manufacturer of the drug in accordance with the procedures set out by IPHA. When the Minister for Health met them last year-----

Deputy Micheál Martin: Did he meet them?

The Taoiseach: -----he concluded a deal for €400 million over three years. This is a new very expensive drug with an impact for an estimated 113 to 120 patients.

Deputy Finian McGrath: We do not know the answer. Did the company meet the Minister?

Deputy Micheál Martin: Has the Minister met them?

The Taoiseach: I do not deny anyone having the right to have the best quality of life we

can give them. It is a €26 million to €28 million impact on costs and obviously ceilings for this year's budget have been set. The HSE will now meet the company to see if some deal can be worked out here.

Deputy Billy Kelleher: The Minister or the HSE?

The Taoiseach: I do not want to pre-empt the conclusion of that.

Deputy Finian McGrath: The Minister has not met them.

Deputy Micheál Martin: Sure, the Minister is the HSE now.

Deputy Timmy Dooley: We do not even have a Food Safety Authority

Deputy Finian McGrath: That is a real pro-life issue now.

Deputy Mary Lou McDonald: On Sunday, the Taoiseach took to the airwaves to threaten public sector workers with pay cuts. Last week, at the outset of negotiations on a successor to the Croke Park agreement, the Government warned of compulsory redundancies in the public sector. This is not the way to negotiate in good faith. The case for public sector reform is unanswerable and is accepted by those in the public and Civil Service. Equally, the case for finally tackling the excessive pay and pensions of a tiny minority at the top is now unanswerable. Ministers, special advisers and senior civil servants all need to have their pay cut. To add insult to injury, we have seen today reports of former taoisigh and former Ministers, many of whom presided over the economic collapse in this State, on lavish pensions.

The protection afforded to this class of person contrasts starkly with the plans of the Minister, Deputy Reilly, to slash the pay and conditions of graduate nurses and midwives. The Government is expecting these graduates to accept yellow pack jobs and greatly reduced pay rates within the health service. What happened to equal pay for equal work? The Minister has indicated that he intends to extend this yellow pack strategy scheme to other workers in the health service. Public sector reform will not be achieved by driving down wages for those on the bottom. In the course of the negotiations for a Croke Park agreement nua, will the Government defend pay equity? Will it defend equal pay for work of equal value? Will it finally deal with the glaring issue of the tiny minority within the public and Civil Service who are overpaid and over-pensioned?

The Taoiseach: I reject the Deputy's charge of threatening public service workers. We have set out a very clear position of mandating the Minister for Public Expenditure and Reform and his officials to negotiate with the unions in respect of savings that need to be made in the public sector, amounting to an additional cumulative amount of €1 billion between now and 2015. Those discussions are under way. I have made it perfectly clear, as is normal practice, that we would much prefer to have this by consent and agreement. I commend all of those who have changed structures in the public sector, in delivering front-line services with reduced numbers in changed environments. I have also made the point, as the Deputy is well aware, that the Government reserves the right to legislate for the savings that are to be acquired if they cannot be reached by consent and agreement. Our preference is that they would be reached by consent and agreement. I am glad that the negotiations, while they are obviously challenging and in a challenging environment, are making good headway.

I reject the Deputy's charge of doing down the opportunity for graduate nurses, who were

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trained in this country, to work in hospitals in this country. The two-year contract offered outside the framework agreement of ceilings for employment is an opportunity for men and women as trained nurses -----

Deputy Joan Collins: Shame on the Taoiseach.

The Taoiseach: -----to work in Irish hospitals on a salary of €22,000 to €25,000, which is equivalent to what young accountants or teachers would get, in order to acquire experience and opportunities to build on their training in Irish hospitals and not to have the prospect of going abroad. I would have thought that somebody such as Deputy McDonald would welcome that 1,000 extra jobs are being made available for Irish nurses in Irish hospitals. I also understand the Sinn Féin leader went abroad to have treatment under a health system in the United States. He is entitled to do that, but as I understand all Sinn Féin Deputies are earning the industrial wage, these things are difficult to understand fully.

Deputy Finian McGrath: A Deputy's personal health is his or her own personal business.

The Taoiseach: As for Deputy McDonald's running down of the of the quality of graduate nurses in Ireland,-----

A Deputy: We are talking about yellow pack nurses.

The Taoiseach: -----I say to her that is not the way to look at the training of young Irish men and women who graduate to become nurses. She is saying to them that they should not take up these jobs in Irish hospitals. These 1,000 jobs are outside the employment framework and I hope that many of those young trained nurses who have worked abroad and those from the three years' graduate classes involved will take up the opportunity to have experience and competence acquired in Irish hospitals. After all, they are the best-trained nurses in the world and we would like to see them work in our hospitals in their own country.

Deputy Mary Lou McDonald: No doubt the Taoiseach is right to say that they are the best-trained nurses and midwives in the world, which is all the more reason to ensure we have them within our system. Sinn Féin Members met representatives of the nurses. In case the Taoiseach and his Government colleagues do not know, they are very angry about this scheme. They do not see it as some golden opportunity for them to contribute to the health service. They see it as a very cheap tactic to run down their terms and conditions and to run down the profession to which they are committed.

Deputy Finian McGrath: Shame on the Labour Party.

Deputy Mary Lou McDonald: They were particularly outraged at the weekend when the Minister for Health suggested that if they were not happy with the scheme they should emigrate or perhaps get a job in a fast-food restaurant. Perhaps those are the kinds of choices the Government envisages for young highly qualified people. The position of equal pay for work of equal value is fundamental in any profession or job and must be defended. The Taoiseach is clearly not minded to defend it. I hope those in the Labour Party might take a different position. The Taoiseach studiously avoided the core question I put to him in regard to high pay. The Government can slash the terms and conditions of a graduate nurse but will protect its own back and excessive salaries.

An Ceann Comhairle: Thank you, Deputy.

Deputy Mary Lou McDonald: The Taoiseach said that the Government is prepared to legislate for pay cuts for low paid public sector workers but it consistently refuses to legislate on the issue of the runaway gilt edged pensions-----

Deputy Finian McGrath: Hear, hear.

Deputy Mary Lou McDonald: -----of former taoisigh and some of the Taoiseach's former colleagues. Why that contradiction? Surely, if the Government is to be fair there must be fair play all around. By any standard, young nurses, midwives and the health service are getting a raw deal from this Government.

Deputies: Hear, hear.

The Taoiseach: What is involved in the health sector is a change in structures and the manner in which the health service is delivered. What the Government has set to be achieved before the end of life of this Administration is a situation wherein front-line services are operating more effectively and a system whereby money follows the patient-----

Deputy Billy Kelleher: The patient has to follow the money.

Deputy Mary Lou McDonald: Answer the question on high pay.

The Taoiseach: -----who can then get treatment based on medical needs rather than financial circumstances. We also propose to introduce universal health insurance for everybody rather than allow the situation which has obtained in this country for years to continue.

Deputy Mary Lou McDonald: Answer my question.

The Taoiseach: Sinn Féin wants to perpetuate a system which involves agency nurses, premium payments and overtime.

Deputy Peadar Tóibín: That is not true.

The Taoiseach: What the Government wants to do-----

Deputy Peadar Tóibín: Pay yourselves more.

The Taoiseach: -----is to change the structure whereby agency nurses can be working one day in ICU, the next day in the respiratory treatment area and the following day in general wards. The system is not operating in the way it should. Savings made in this area will go directly to pay graduate nurses-----

Deputy Peadar Tóibín: They will be used to pay Government Members more.

The Taoiseach: -----who can gain experience and, based on their training, provide a first class service for patients.

Deputy Mary Lou McDonald: What about your salary, Taoiseach?

The Taoiseach: What Deputy McDonald and others are saying, which I regret, is that these jobs are not suitable for young nurses. We are creating 1,000 jobs in Irish hospitals for graduate nurses, whom I hope will take up those positions. It is always the case, Deputy McDonald, that the people inside the system who are being paid to deliver the quality service often complain about it. The service will not be delivered in the manner we want unless the structure is

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changed. What the Government is doing, outside the framework for employment numbers-----

Deputy Peadar Tóibín: What about the excessive salaries of Government Members?

The Taoiseach: -----is targeting redundancies in the areas of education, health, agriculture and back office administration while at the same time increasing numbers on the front-line service through the employment of graduate nurses.

Deputy Willie O'Dea: What about the Garda?

Deputy Finian McGrath: The Government is shafting nurses.

The Taoiseach: I would also point out that Government has already made decisions in the budget which will impact on those on high salaries, not only in respect of people who have properties valued in excess of €1 million-----

Deputy Willie O'Dea: Get off the stage.

The Taoiseach: -----but in respect of pension reliefs for those with pensions in excess of €60,000, which, as the Deputy is well aware, will bring in €250 million. It is a case of not having increased income taxes for everybody but of making those who earn more pay more.

Deputy Mary Lou McDonald: It is a case of the Government protecting itself.

The Taoiseach: That is equitable and fair and will be seen to be so.

As regards the former politicians to whom Deputy McDonald referred-----

Deputy Peadar Tóibín: Colleagues.

The Taoiseach: -----I do not speak for them. I commend all those who did abide by the agreement. I listened to the news this morning and heard the names mentioned. This Government has made decisions for the future in respect of all politicians, including the abolition of severance pay and the reduction in salaries, which will impact on pensions. Sinn Féin only wants to pick out issues which it thinks will make news for it. That is not how it is going to be.

(Interruptions).

Deputy Leo Varadkar: Westminster salaries.

Deputy Paul Kehoe: Sinn Féin Members could accept the normal industrial wage and hand the remainder of their salaries back to the Exchequer instead of putting it into its party coffers.

(Interruptions).

An Ceann Comhairle: Deputies, please. I call Deputy Boyd Barrett.

Deputy Peadar Tóibín: Take it easy Einstein.

Deputy Paul Kehoe: Deputy Tóibín is no Einstein.

An Ceann Comhairle: Deputies, please allow Deputy Boyd Barrett to speak.

Deputy Michael Healy-Rae: Members on this side are not out of control.

An Ceann Comhairle: I am not addressing Deputy Healy-Rae. Do not be adding to the chorus. I call Deputy Boyd Barrett.

Deputy Michael Healy-Rae: The Whip is out of control.

Deputy Finian McGrath: The Deputy will have to get a permit.

Deputy Richard Boyd Barrett: I suggest that the concern expressed earlier by the Taoiseach for the young men and women of Ireland is belied by the grim reality facing young people in this country as a result of the austerity cuts and unemployment that are resulting from this Government's policies. This grim reality was revealed in the recently published report of the Public Health Agency in Northern Ireland and the National Office for Suicide Prevention which reveals the appalling fact that 165 young people in the South of Ireland took their own lives last year and that the suicide rate among young people in Ireland is one of the highest in Europe. That report linked this directly to recession and unemployment. It also noted that the countries with the highest increases in suicide were Greece, with a 17% increase, and Ireland, with a 13% increase. I put it to the Taoiseach that these facts speak for themselves.

The austerity policies being pursued by this Government and the troika are resulting in despair and hopelessness among many young people, leading directly to this shocking increase in suicide. Is there not a direct connection between young nurses being asked to work for 20% less than nurses who qualified a few years ago, young teachers being asked to work for 30% less than teachers who qualified a few years ago, young junior doctors, a number of whom committed suicide last year, being asked to work unsafe hours in our hospitals, cuts in guidance counsellors for young people when early intervention is so vital to protect them from despair and hopelessness and chronic unemployment and emigration, which disproportionately affect our young people?

An Ceann Comhairle: A question please.

Deputy Richard Boyd Barrett: Do our young graduates and workers deserve to pay the price for the crimes of others and a crisis that is not their fault? Does the Taoiseach recognise that if young people are treated as second class citizens they will feel like second class citizens and therein lies the road to despair? What does the Taoiseach propose to do to give hope and a prospect of a future to our young people so they do not feel this level of despair?

Deputy Finian McGrath: Hear, hear.

The Taoiseach: We had some questions on this issue yesterday. In the three years prior to the election of this Government to office 250,000 jobs were lost in the private sector in this country, which directly affected many of the people of whom Deputy Boyd Barrett speaks.

Deputy Mattie McGrath: There are now more than 400,000 people unemployed.

The Taoiseach: It is the challenge of Government to rectify the problems it inherited in this regard, to rectify our public finances-----

Deputy Mattie McGrath: The Taoiseach is promising everything.

The Taoiseach: -----to change the structure of how we do business, to grow our economy and to create jobs.

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Deputy Willie O’Dea: The Government is taking its time.

The Taoiseach: This cannot be done unless there is trust and an understanding that this country will do as it says it will. At long last, there are signs of confidence in this country, including investor confidence, and our international reputation has been restored. We are moving in the right direction.

Deputy Mattie McGrath: The Taoiseach is the only person who believes that.

The Taoiseach: I sympathise with every family in this country who has lost a family member through suicide. I have visited the homes of many such people and have heard them voice the unspeakable questions of whether they should have noticed something, asked a particular question or done something. Deputy Boyd Barrett made the point in his normal charge that this is the result of continuing austerity by Government. The Minister of State, Deputy Kathleen Lynch, who has a genuine interest in this area has been given a budget which is ringfenced for addressing this issue.

Deputy Robert Troy: That budget was not spent last year.

Deputy Mattie McGrath: Nothing happened last year.

The Taoiseach: Perhaps Deputy McGrath would be quiet for once while we discuss this serious matter.

Deputy Bernard J. Durkan: Hear, hear.

The Taoiseach: The budget for the National Office for Suicide Prevention has increased from €4.1 million to €8.1 million.

Deputy Joe Higgins: That is not the issue.

The Taoiseach: The Deputy’s colleague spoke about austerity and cuts in this area. Everybody understands the enormous amount of work that is being done to attempt to prevent this phenomenon from continuing at its current rate.

Deputy Joe Higgins: Treating the symptoms rather than the problem.

11 o’clock

The Taoiseach: From that point of view the report by the Men’s Health Forum in Ireland, published today by the Minister of State, Deputy Lynch, will indicate unfortunately that the suicide rate in Ireland is one of the highest in Europe for young males between 20 and 24 years of age and females aged between 50 and 54. The latest data show 552 people committed suicide in Ireland in 2009, the year for which the latest figures are available. The allocation of the ring-fenced €35 million for 2012 was used primarily to strengthen the community mental health teams in adult and children mental health services. Some of these funds will be used to advance further suicide prevention measures and to initiate the provision of psychological and counselling services in primary care, particularly for people with mental health problems. The announcement in the budget for 2013 of a further €35 million for the continued development of our mental health services is important and means the recruitment of 470 additional staff to implement these measures. It is not always about this. The young generation gets its information in a very different way than Deputy Boyd Barrett or I did when we were growing up. There

are always different pressures on young minds. This is a sad fact. This is an issue for which there is now a huge range of organisations, groups, teams and agencies working. The Minister of State, Deputy Lynch, wishes to concentrate on having very effective connection with young people so this issue, which is so tragic, can be prevented. I am able to inform the House the National Office for Suicide Prevention has implemented most of the recommendations in the strategy in a four-way approach through delivering a general population approach to mental health promotion and suicide prevention; using targeted programmes for people at high risk; delivering services to individuals who have engaged in deliberate self harm; and providing support to families and communities bereaved by suicide.

I agree with Deputy Boyd Barrett from the perspective that 26 million people are unemployed in the European Union and 29% of young people in Ireland are unemployed while the figure in Germany and Austria is 3%. Part of the EU Presidency priorities for the Government will be to work specifically in the area of youth employment and opportunities for young people. We all agree and understand they are the future of this country and of the European Union. The challenge for the Government is to get decisions made in the first instance which will allow indigenous confidence to come back, whereby young people can see motivation and opportunity and are given a demonstration that hope is not just an aspiration and that it can come by the people and the Government working together here and with their European colleagues to provide these opportunities.

In recent months I have met many people who are driven by an opportunity that presents itself. I see signs of confidence returning and the news from our colleagues in Europe in recent days, as the Minister, Deputy Noonan, pointed out is significant but not a game changer. We must help create this game changer ourselves.

Deputy Billy Kelleher: It was a game changer last year.

Deputy Micheál Martin: To use the Tánaiste's phrase.

The Taoiseach: Well may Deputy Martin sneer, laugh and be cynical-----

Deputy Micheál Martin: I am not. I am just noting the differentiation in language between the Minister, Deputy Noonan, and the Tánaiste.

The Taoiseach: -----but he left behind a legacy that no other Government in the history of the State had to face and with which we are dealing.

Deputy Joe Higgins: He should not have bothered toggling out if it is not a game changer. What did he go there for?

An Ceann Comhairle: Is Deputy Higgins representing the Technical Group or is it Deputy Boyd Barrett?

Deputy Richard Boyd Barrett: The Taoiseach is not getting the point of the question. The report states while death rates from suicide decreased by 15% between 2000 and 2007, a reversal of this pattern coincided with the onset of recession in 2008. The countries with the highest suicide rate increases were those most affected by the recession, namely, Greece and Ireland. At the end of last year, the Taoiseach was written to, as were we all, by a junior doctor who has since emigrated. He stated the illegal working hours he and his colleagues performed were leading to suicide, burnout, depression, alcohol misuse, road traffic accidents and deaths.

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The same sense of despair is being felt by young people who either cannot find work or, in the case of young nurses and teachers, are being treated as second-class citizens, and being asked to work with the same responsibilities and long hours for 20% or 30% less than people who qualified a few years ago.

An Ceann Comhairle: I ask the Deputy to put a question.

Deputy Richard Boyd Barrett: Is it the case that the policies of cuts and austerity which the Taoiseach is imposing are leading directly to the sense of despair and hopelessness felt among young people which is leading to this increase in suicide rates? Words about doing things and about youth unemployment are no good if the policies being pursued are leading directly to youth unemployment and despair among young people generally.

The Taoiseach: This is why there was no increase in income tax for anybody in the country, because we believe a tax on jobs is an imposition.

Deputy Joe Higgins: Where will they get the property tax? The Taoiseach insults us.

Deputy Timmy Dooley: The Taoiseach is not talking to his own in Mayo.

Deputy Finian McGrath: Bring it out as a CD next Christmas.

Deputy Joan Collins: Vampire tax.

The Taoiseach: The Deputies had their chance. I do not believe in having any discrimination among the citizens in the country. The Deputy fails to understand that it was assumed the veneer of invincibility of previous Governments in recent years could keep paying the rates at which money was being doled out.

Deputy Billy Kelleher: The Taoiseach promised to spend a fortune when he was on this side of the House. Every day of the week he promised to spent million.

The Taoiseach: We must now deal with the challenge. We will never get the country right unless we deal with our public finances and the deficit. We can only deal with it ourselves. Deputy Boyd Barrett seems to think one can continue to pay exceptional salaries on fantasy money.

Deputy Mary Lou McDonald: The Taoiseach is doing that; he is receipt of one.

The Taoiseach: I believe many of those young people would be more than willing-----

Deputy Richard Boyd Barrett: The Taoiseach's policies are only helping the bondholders.

The Taoiseach: -----to build on their graduate experience and work in Irish hospitals as Irish nurses on salaries that are equivalent to starting salaries in the accountancy sector or the teaching sector.

Deputy Michael McGrath: As a trainee, not a fully qualified person.

The Taoiseach: They are not as high as salaries were in the past but they are job opportunities for the future. For the information of Deputies, in 2012 of the €12 million allocated for suicide prevention €7.1 million went to the National Office for Suicide Prevention and the remaining €5 million was used regionally to fund resource officers for suicide prevention, self

harm liaison nurses in hospital emergency departments and a number of local suicide prevention issues. A further €1 million is being provided to the national office from the additional moneys allocated for this year, bringing the total to €8.1 million. A special programme of measures to further advanced suicide prevention in 2013 is being developed by the Minister of State, Deputy Lynch. In 2012, 414 posts were approved, 135 posts were filled, 208 have been accepted subject to process clearances and Garda vetting, and the remainder are at various stages of selection. The same will apply for this year.

I admit the appointment of personnel and the money are not all the answer to the problem. What is the answer to giving hope and inspiration to young people is the Government working effectively with our colleagues in Europe demonstrating the economics of our country-----

Deputy Richard Boyd Barrett: It is not doing a very good job.

The Taoiseach: -----are coming right and there are job opportunities. The Deputy should have listened to the national media in the past three days as even they were surprised at the positive news of investment and job creation in the country.

Deputy Richard Boyd Barrett: That proves it.

The Taoiseach: This is where the hope lies for the future but the Deputy does not want to believe it-----

Deputy Joe Higgins: It is called spin.

The Taoiseach: -----because he has a vested interest in seeing the country not thrive and not prosper. We are moving away from his position of wanting demonstrations every day. We want to give hope and inspiration and a demonstration that things do work for young people.

Deputy Richard Boyd Barrett: The Taoiseach will have young nurses demonstrating in the near future.

The Taoiseach: I am glad to see it is moving in the right direction. Someday Deputy Boyd Barrett might realise it.

Order of Business

The Taoiseach: It is proposed to take No. 12a, motion re Membership of Committee; No. 3, Euro Area Loan Facility (Amendment) Bill 2013 - Second and Remaining Stages (resumed); No. 28, Residential Tenancies (Amendment) (No. 2) Bill 2012 - Second Stage (resumed); and No. 29, Electoral (Amendment) (Dáil Constituencies) Bill 2012 - Second Stage (resumed). It is proposed, notwithstanding anything in Standing Orders, that No. 12a shall be decided without debate and the resumed Second Stage of No. 3 shall, if not previously concluded, be brought to a conclusion at 7.30 p.m. Private Members' business, which shall be No. 48, Education (Welfare) (Amendment) (No. 2) Bill 2012 - Second Stage (resumed), shall conclude at 9 p.m., if not previously concluded.

An Ceann Comhairle: There are two proposals to be put to the House. Is the proposal for dealing with No. 12a, motion re membership of committee without debate, agreed?

Deputy Micheál Martin: That does not represent a purge of anybody like last week, does it? It is agreed.

An Ceann Comhairle: Is it agreed? Agreed. Second, is the proposal for dealing with-----

Deputy Emmet Stagg: I seek clarification on a procedural matter. This is a proposal to remove Deputy Joan Collins from the Committee of Oversight and Petitions and replace her with Deputy Mick Wallace.

Deputy Mattie McGrath: I consent.

Deputy Emmet Stagg: On the last occasion there was a proposal like this before the House, the Technical Group actually opposed it. It set a new precedent in opposing such a proposal. If that were to occur now, and the Government was to oppose it, nobody would be appointed to the committees from the Opposition.

Deputy Micheál Martin: They opposed the purging of Deputy Keaveney.

Deputy Mattie McGrath: It was bullying.

A Deputy: The Latin scholar from Tuam was being victimised.

Deputy Billy Kelleher: The classical scholar from Tuam has walked already.

An Ceann Comhairle: Is the proposal for dealing with No. 3, Euro Area Loan Facility (Amendment) Bill 2013 - Second and Remaining Stages (resumed), agreed? Agreed. I call Deputy Martin on the Order of Business.

(Interruptions).

An Ceann Comhairle: I ask Deputies to quieten down for a moment. They should not be getting so excited; it is bad for their health.

Deputy Willie O'Dea: The Labour Party is excited.

(Interruptions).

An Ceann Comhairle: Deputy Mattie McGrath has taken up a senior position in the troika so he has to behave differently now.

Deputy Mattie McGrath: I am very well behaved, I think.

Deputy Micheál Martin: A report in *The Irish Times* today states that there have been seven vacancies on the board of the Food Safety Authority of Ireland for the past year. For some reason, the Minister for Health, Deputy Reilly, has not filled the vacancies despite 25 people applying for them. Last week, we had a serious debate here about horse meat or DNA in beefburgers. It is a grave issue with profound implications for the reputation of one of our major industries.

An Ceann Comhairle: What legislation is that?

Deputy Micheál Martin: We learned today that the Food Safety Authority, which is responsible for protecting the public, could not even meet since last November because of the absence of a quorum. This is due to the incompetence of the Minister and his failure to appoint

members to the board.

Sources are saying that there is a legislative proposal to subsume the Food Safety Authority back into the parent Department. As part of his policy, the Minister for Public Expenditure and Reform, Deputy Howlin, has outlined that this is the desired route. I am seeking the Taoiseach's response concerning proposed amendments to the Food Safety Authority of Ireland Act.

An Ceann Comhairle: No. We are only dealing with promised legislation here.

Deputy Micheál Martin: Where does that stand now?

An Ceann Comhairle: We cannot have a second Leaders' Questions debate.

Deputy Micheál Martin: I am talking about the Food Safety Authority of Ireland Act.

An Ceann Comhairle: What about it?

Deputy Micheál Martin: The promised amendments to that Act to subsume the Food Safety Authority of Ireland.

An Ceann Comhairle: Is there promised legislation in this area, Taoiseach?

The Taoiseach: I can confirm for Deputy Martin that the process of filling places on the board has practically been completed by the Minister. I would also make the point that it has no impact whatsoever on the day-to-day working of the FSAI which conducts its business.

Deputy Micheál Martin: So the board is irrelevant.

The Taoiseach: The board does not have an impact on the day-to-day working of the FSAI. The process of completing the appointments is practically concluded.

Deputy Emmet Stagg: They were all Fianna Fáil hacks.

An Ceann Comhairle: I call Deputy Mary Lou McDonald.

(Interruptions).

An Ceann Comhairle: Would Deputies please mind? There is only one Chair here for the moment. I call Deputy McDonald.

Deputy Mary Lou McDonald: The McAleese report into the Magdalene laundries was supposed to have been published in the middle of last year. There has been much foot-dragging since then. Two weeks ago, the Taoiseach's colleague, the Minister for Justice and Equality, Deputy Shatter, indicated that the report would be made public within a timeframe of four weeks. I know this matter was raised yesterday by Deputy Calleary, but I am raising it now because I am alarmed to hear that the Government has not yet had sight of the report. Can the Taoiseach confirm when he will receive the report, when it will be published and, most crucially, when it is to be made public so that the Government can move speedily towards the apology and redress which is due to the women involved?

The Taoiseach: As Deputy McDonald is aware, the Government asked Senator McAleese to deal with this report. I can confirm that he has engaged exhaustively with groups, organisations and the women directly.

Deputy Mary Lou McDonald: I know all that.

The Taoiseach: As I understand it, what is involved now is just tidying up the completion of the report for presentation to the Government. I understand it was Senator McAleese's intention that it might be completed by Christmas but, no more than with any other report, the final drafting can take some time.

Deputy Mary Lou McDonald: So when will the Government have it?

The Taoiseach: I expect the report will be presented to the Government probably within the next week to ten days. There will not be any delay by the Government in considering it. There will be an opportunity for a debate here in the House. The Government has not yet seen the report because Senator McAleese has not yet concluded its final drafting. That is all that is involved.

Deputy Mary Lou McDonald: That delay is utterly deplorable.

The Taoiseach: A very significant amount of work was involved in this, including sifting through thousands of pieces of paper and records. It is too facile to say that this is foot-dragging.

Deputy Mary Lou McDonald: I am in contact with the Senator.

The Taoiseach: The Senator and his small staff have done enormous work in completing the report and it is just a matter of tidying it up. It will be done very shortly.

Deputy Michael McGrath: In the forthcoming finance Bill, does the Government intend to amend the recently adopted local property tax legislation? Many of the Taoiseach's own backbenchers are quite exercised and seem to believe that there will be amendments to that Bill which will change the properties Acts.

An Ceann Comhairle: We do not deal with amendments on the Order of Business. Is there new legislation?

The Taoiseach: No.

Deputy Michael McGrath: No amendments.

Deputy Willie O'Dea: A few minutes ago, the Taoiseach spoke about the importance of hope and confidence in reigniting employment creation. Does he realise that the lack of credit is destroying hope and confidence?

An Ceann Comhairle: Hold on a second, Deputy.

Deputy Brendan Griffin: Deputy O'Dea has no credit anyway.

An Ceann Comhairle: I am seeking the Deputy's co-operation.

Deputy Willie O'Dea: In relation to a specific commitment, on page six-----

An Ceann Comhairle: No. We are not dealing with page six or page seven.

Deputy Willie O'Dea: On page six of the programme for Government, which we are surely dealing with, there is a specific commitment to create a strategic investment bank to provide credit. When will we see the legislation for this bank?

An Ceann Comhairle: I did not realise the Deputy was going to get there.

The Taoiseach: Everybody is agreed that credit is fundamental for the expansion of the economy, job opportunities and growth. As a first step, the Government is completing the legislation in respect of NewERA, which will provide the investment fund, bearing in mind that it can lead to a strategic investment bank. That will be in this session. Clearly, the strategic investment fund will leverage moneys for investment into sound infrastructure projects.

Deputy Willie O'Dea: The Taoiseach promised us a bank.

The Taoiseach: We agree that credit is clearly important. That is why the NPRF made €800 million available two weeks ago in three sectors for small and medium enterprises. That is why the Minister put ten points in an action plan for SMEs. That is why banks are now required to prove their lending and credit availability for SMEs.

Deputy Willie O'Dea: So the bank has become redundant.

The Taoiseach: As regards the first part of the Deputy's question, it will be completed when the strategic investment fund is created, leading - if the Government so wishes - to complete its review for a strategic investment bank later in the year.

Deputy Micheál Martin: That was a guarantee in the programme for Government.

The Taoiseach: We have changed some, as the Deputy knows.

An Ceann Comhairle: I call Deputy Durkan.

(Interruptions).

Deputy Bernard J. Durkan: I am sorry, a Cheann Comhairle, I was distracted.

An Ceann Comhairle: There are a lot of people distracted in the Chamber this morning for some reason. I do not know what it is.

Deputy Bernard J. Durkan: I think we should congratulate-----

An Ceann Comhairle: There is no need for congratulations.

Deputy Bernard J. Durkan: -----Deputy Shane Ross on his new found environment.

On a serious matter, yesterday, along with a number of other Members, I raised the question of the bail Bill.

An Ceann Comhairle: Did the Deputy get an answer yesterday?

Deputy Bernard J. Durkan: This is in a different context.

An Ceann Comhairle: It is still the same legislation.

Deputy Bernard J. Durkan: I am referring to the criminal justice (victims' rights) Bill and the criminal law (sexual offences) Bill. In view of the concern expressed by the Taoiseach yesterday on this serious issue, may I ask him again if it might be possible to bring forward one of those Bills as a matter of urgency in order to deal with the serious and compelling issue that has arisen in the past few days?

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An Ceann Comhairle: When are these Bills due, Taoiseach?

The Taoiseach: The criminal law (sexual offences) Bill is due for this year. I do not have a publication date for the criminal justice (victims' rights) Bill. Arising from yesterday's questions about the horrific case in the newspapers, I am committed that we should have a discussion here in the Chamber about Deputies' views on the future working of the courts system, and that will take place. The Minister for Justice and Equality has established a group to examine penal reform, which includes sentencing. That committee is doing its work at the moment. It might be appropriate to have an interim report from them as part of the discussions that might indicate Members' views. It is in everyone's interest that we have a system that works effectively. I note there has been a request in the media at least that I should meet Ms Doyle, the courageous victim involved, in this regard. I would be quite willing to meet Ms Doyle and to hear her view, as a victim of unspeakable horror, to get her perspective on how a victim would perceive the court system to be working. I cannot, of course, comment on the judge in question or on the sentence issued but I am very happy to meet Ms Doyle at a convenient time.

Deputy Billy Kelleher: The Taoiseach may be able to help me because I have difficulty in squaring the circle. I note the fictional document called the programme for Government states that primary care will be free and available to everyone by the end of the life of the present Government. However, in the factual document that is the HSE's service plan, the Government proposes to withdraw 40,000 medical cards.

An Ceann Comhairle: Hold on a second, Deputy. This is promised legislation.

Deputy Billy Kelleher: Yes, but-----

Deputy Micheál Martin: The Government has made a promise.

An Ceann Comhairle: Table a parliamentary question on the withdrawal of medical-----

Deputy Billy Kelleher: Legislation will be needed regarding medical card eligibility because there also is a commitment that long-term illness patients would receive medical cards. I have a difficulty in that if one adds it up, more people will lose medical cards this year-----

An Ceann Comhairle: We will not go into the debate. I ask the Deputy to note that many Members are waiting to speak and we only have a limited number of minutes.

Deputy Emmet Stagg: This issue was raised yesterday.

An Ceann Comhairle: Does the Deputy want to know whether there is promised legislation?

Deputy Billy Kelleher: We now have a situation in which cancer patients cannot get medical cards-----

Deputy Emmet Stagg: The Deputy is being selective. There will be 100,000 additional medical cards.

An Ceann Comhairle: Thank you.

Deputy Billy Kelleher: Medical cards are being withdrawn. I refer to cancer patients.

An Ceann Comhairle: We are not having a debate on that issue now. Is there promised

legislation in this area?

Deputy Billy Kelleher: I have raised this issue previously. The Taoiseach stated he would take it on personally. It is the system that is failing.

An Ceann Comhairle: Deputy, would you please respect the Chair?

Deputy Billy Kelleher: I tried to raise this a number of times.

An Ceann Comhairle: I know, but this is not the time for questions on health.

Deputy Billy Kelleher: I met two people on Monday morning, both of whom were cancer patients.

An Ceann Comhairle: This is about promised legislation.

Deputy Billy Kelleher: One had had a double mastectomy-----

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

Deputy Billy Kelleher: -----and cannot get a medical card.

An Ceann Comhairle: Deputy, are you looking to be thrown out?

The Taoiseach: At present, there are 1.8 million medical cards issued, which is more than ever before.

Deputy Micheál Martin: That is because of unemployment.

Deputy Patrick O'Donovan: Whose fault is that?

Deputy Micheál Martin: The Government should not make false commitments.

An Ceann Comhairle: We are dealing with promised legislation. Is there promised legislation?

The Taoiseach: As for people who lose their medical cards, the vast majority of those who do so will have a doctor-only card. The Minister of State, Deputy White, is working on this area and it is the intention of the Government, obviously over its lifetime, to introduce universal health insurance.

Deputy Billy Kelleher: People are dying but cannot get medical cards. They are actually dying

An Ceann Comhairle: Would you please allow a reply to a question, which is out of order anyway-----

Deputy Billy Kelleher: My apologies.

An Ceann Comhairle: -----and to which I would prefer there was no reply?

The Taoiseach: The Minister of State, Deputy White, is proceeding with the legislation in respect of primary care.

Deputy Seamus Kirk: Yesterday's edition of the *Irish News*, which circulates north of the

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Border and in the Border counties, carried a story regarding the bridge over Narrow Water. The story was casting some doubt on whether this symbolic project in the Border counties would go ahead because of the issue of financing north of the Border. Has the Taoiseach had contact with members of the Executive with regard to the project?

An Ceann Comhairle: The Deputy must deal with that in some other way. I note Deputy Kirk has requested a Topical Issue debate and I will be dealing with that matter for him. Consequently, he should leave it at that.

Deputy Seamus Kirk: Yes. Perhaps the Taoiseach might raise the matter in the context of the ministerial discussions.

An Ceann Comhairle: While the Taoiseach may take note of it, this is not a matter for the Order of Business.

The Taoiseach: I can confirm for Deputy Kirk that it was raised at the North-South Ministerial Council meeting. There is INTERREG funding available, as well as some funding from the office of the Minister for Transport, Tourism and Sport. However, I raised the issue with the Executive directly at the last North-South Ministerial Council meeting and I will follow up on that.

Deputy Michael Healy-Rae: There is real fear among elderly people and all house owners, particularly those living in rural locations, who are subjected to roving criminal gangs who prey on them and who rob and terrorise them. In respect of the forthcoming criminal justice (miscellaneous provisions) Bill, will the Government change its policy of abandoning rural Ireland?

An Ceann Comhairle: When is the criminal justice (miscellaneous provisions) Bill due?

The Taoiseach: It is due later this year. The Government has no intention of abandoning people in rural Ireland.

Deputy Mattie McGrath: It is.

Deputy Michael Healy-Rae: It is closing all the Garda stations next week.

Deputy Robert Troy: One hundred Garda stations have been closed.

The Taoiseach: When the Deputy referred to roving criminals, I thought he was going to mention roving drunks or something like that but-----

Deputy Mattie McGrath: This is too serious a matter for that.

Deputy Patrick O'Donovan: Driving around drunk.

Deputy Mattie McGrath: I am disappointed there is no sign of the Minister for the Environment, Heritage and Local Government, Deputy Hogan, because I wish to raise the Water Services Bill 2013.

An Ceann Comhairle: No, he is not on the Order of Business.

Deputy Mattie McGrath: That is fine. I know that.

Deputy Micheál Martin: He is about to be put on the Order of Business.

An Ceann Comhairle: It is the Taoiseach, on promised legislation.

Deputy Mattie McGrath: I know that and I am asking-----

An Ceann Comhairle: No, you will not ask him. You will ask the Taoiseach about promised legislation.

Deputy Mattie McGrath: Of course I will ask the question of the Taoiseach. I respectfully ask the Taoiseach about the grant aid the Minister, Deputy Hogan announced for home owners with septic tanks. I would say it is like snow off the ditch as it has gone so fast. When will it be beefed up and when will Members learn what it is? People have been asked to sign up-----

A Deputy: Will it be horsed up?

Deputy Mattie McGrath: Horsed up? Horse manure.

An Ceann Comhairle: What legislation is this?

Deputy Mattie McGrath: The Water Services Bill. People are going to be levied and must register. If they are to register, they need to know and have clarity.

An Ceann Comhairle: It is in the Seanad.

The Taoiseach: The Deputy is aware the Bill is before the Seanad today.

Deputy Paudie Coffey: Deputy Mattie McGrath is going around telling people not to pay.

Deputy Mattie McGrath: I am not.

The Taoiseach: A troika member like the Deputy would know the Bill is before the Seanad today.

Deputy Sandra McLellan: While Members already have discussed the matter of death by suicide, can the Taoiseach confirm whether the new director for the National Office for Suicide Prevention has taken up his position yet? The post was vacant from September 2011 to November 2012.

An Ceann Comhairle: The Deputy might table a parliamentary question about it.

The Taoiseach: I will ask the Minister of State, Deputy Kathleen Lynch, to correspond directly with the Deputy in that regard.

Deputy Sandra McLellan: I thank the Taoiseach.

Deputy Patrick Nulty: No. 3 on the A list is the child care (amendment) Bill to amend section 17 of the Child Care Act 1991. When will that will be published? In addition, will the Government honour its commitment, while in opposition, to amend section 45 of the Act to provide for a statutory right to after care for young people leaving State care? I note the Taoiseach's party explicitly supported that while in opposition.

The Taoiseach: That is being drafted at present and I expect the Bill this session.

Deputy James Bannon: The abolition of the Seanad Bill is on the legislative programme for 2013. I note a lot of reform proposals have been brought forward.

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An Ceann Comhairle: The Taoiseach answered this one yesterday.

Deputy James Bannon: Can the Taoiseach tell me whether this announcement is a measure of his confidence that the referendum will indicate a need for such legislation?

An Ceann Comhairle: No. Wait now.

Deputy James Bannon: When is it planned to hold the referendum?

An Ceann Comhairle: When is it planned?

The Taoiseach: The legislation will be published in the next session and it is expected that the referendum will be held in the autumn.

Deputy Noel Grealish: Before Christmas, I asked the Tánaiste when funding would be made available for critical infrastructure projects for much-needed job creation and he replied that funding would be made available for projects such as the N 7 and N18 in Connacht. However, when I tabled a parliamentary question to the Minister for Transport, Tourism and Sport, Deputy Varadkar, who is sitting beside the Taoiseach-----

An Ceann Comhairle: Where are we going Deputy?

Deputy Billy Timmins: Galway.

Deputy Patrick O'Donovan: On the road between Galway and Shannon.

Deputy Noel Grealish: I will conclude on this point. The Minister stated that no funding would be made available until State assets have been sold. Can the Taoiseach clarify to the House whether money will be made available for critical infrastructure projects for much-needed job creation?

An Ceann Comhairle: That is a different issue altogether. We cannot discuss that on the Order of Business but I suggest the Deputy table the matter for a Topical Issue debate and I certainly will consider it.

The Taoiseach: As the Deputy is aware, it is part of the stimulus package. I assume Deputy Grealish is referring to the Gort to Tuam project, which is of interest to him and which he has raised many times. There are a number of major road projects that are subject to the stimulus package, moving through public private partnerships, availability of money and consideration of the sale of State assets. The first such project is the Newlands Cross project, the second is the Gort to Tuam project and the third is located further south. I expect these projects to make serious headway and it is to be hoped they can commence this year.

Deputy Ray Butler: When is proposed legislation promised on the criminal justice Bill in respect of proceeds of crime to strengthen the powers of the Criminal Assets Bureau, CAB, in respect of forfeiting the proceeds of crime? Many rules and regulations have been introduced on diesel laundering but I believe CAB really needs more powers in this area.

The Taoiseach: I can confirm for Deputy Butler that consultations are under way with CAB on this issue. I do not have a date of publication, as I wish to conclude the aforementioned discussions that are taking place with the bureau. I can report progress later to the Deputy.

Membership of Committee: Motion

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

That Deputy Joan Collins be discharged from the Joint Committee on Public Service Oversight and Petitions and that Deputy Mick Wallace be appointed in substitution for her.

Question put and agreed to.

Euro Area Loan Facility (Amendment) Bill 2013: Second Stage (Resumed)

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

Deputy Richard Boyd Barrett: People before Profit and the United Left Alliance will not be supporting this Greek loan facility, as they opposed the previous ones. This so-called new bailout arrangement for Greece is parading itself as a helping hand for the people of Greece when, in reality, it is a further death grip on the Greek economy and its citizens. It is poison parading as medicine. It requires further locking the people of Greece, who have already been battered with cuts and austerity that have devastated their economy over the past four or five years, into several decades of brutal cuts and austerity.

The terms of this loan facility and what is happening in Greece are very relevant to this country. The deal being done for Greece will be similar in many respects to the deal that the Government is now seeking from European leaders and trying to spin as some positive development that will alleviate the burden of austerity and recession on the backs of the Irish people. In reality it will do nothing of the sort. There is a key point for people to understand when they hear the merry-go-round of spin that has been evident over recent days about the debt deal the Government is trumpeting as being almost achieved for Ireland. The reality of any such deal is that its terms will be even worse than those in so-called deals done for Greece that have utterly devastated the Greek economy and society. These terms are, crucially, strictly conditional on an even more rigorous imposition of cuts, austerity and privatisation of State assets and natural resources in order to secure the so-called debt deal.

The evidence is absolutely clear when we consider the Greek economy. That country is now on its third so-called deal, with each one making the Greek position successively worse. This action has deepened the crisis, increased levels of unemployment and poverty and is creating a staggering increase in the levels of homelessness, suicide and despair in the Greek people. The more austerity is imposed while dressed up as economic reform, the bigger the financial hole gets for Greece and the more economic growth is crippled. It also leads to higher unemployment. This necessitates a requirement to borrow more money to fill that hole, locking the country even further into the death grip of debt and austerity.

At what point will the Government and the leaders of Europe realise that this is just not working and is making the problem worse? The last thing we need is a deal on debt that looks anything remotely like this, although the Government is pursuing it and presenting it as some great hope for the country. The telling characteristic of all the statements made by the Minister for Finance, Deputy Noonan, indicating how he was close to a deal that would give us relief,

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was the fact that every cent that had been borrowed would be repaid. The condition of any so-called deal is that this State will take full responsibility for the financial crisis, repaying to bondholders, financiers and the European Central Bank every red cent. A profit will be made on those loans, and it will come from the misery imposed on the Irish people, just as it has been forced on the Greek people to pay for a recession caused by others. Ironically, it was caused precisely by those who will profit from these deals.

I heard the Taoiseach speaking earlier about the restoration of confidence, both in the Irish economy and the financial markets in Europe. Of course there is more confidence, as this Government and those in Europe have made it absolutely clear that they are willing to force 100% of the cost of the recession on ordinary people, including youths, pensioners, the unemployed, young workers and all the vulnerable sectors of society. This signal is being sent out and it is no wonder stock markets are surging or the money available in the world economy is being poured into bonds. This Government and European leaders have been implying that if people invest in bonds, they will get every cent back as the cost of the recession will be imposed on the people. No matter what happens, the people will pay the price and bondholders will make a profit. It is no wonder these people are delighted and confidence is being restored. There is an inverse correlation between the surging of confidence in the bond and stock markets and the despair, demoralisation and depression that is being seen in ordinary citizens, workers, the unemployed and pensioners.

When the Taoiseach is pressed on the issue, he is forced to acknowledge that people are having a hard time and we are enduring some pain, although he argues that it will be worth it in the end if we restore the confidence of the markets because the people behind the markets - who caused the crisis - will come charging in on a white horse with investment and jobs. He claims that if we get down enough on our knees, beggar ourselves sufficiently and agree to work for nothing, at some point the capital markets will come pouring in with large-scale investment and jobs. This is an illusion or, more accurately, a delusion, as all the evidence suggests quite the opposite.

The Minister for Finance is trotting off to Davos for the World Economic Forum and he might have a word with the chief executives of some of the big multinational companies. There are reports in today's newspapers of a survey of those chief executives and investors which shows that their confidence is plummeting and they will invest less this year than they did last year. They will lay off more people rather than employing more staff. These investors are not confident because of the so-called reform agenda that is being imposed and because austerity is savaging the incomes of ordinary people, producing chronic mass unemployment, so they know there is no point investing in a depressed market. There would be nobody to buy goods. These investors are rational in that sense as their business is the making of profits.

Those with capital believe it is too risky to invest in jobs, enterprise and industry so they are putting their money where they know they can get a profit. They know they can get such a profit in government bonds and they are using their money to that end. They are using their money to speculate and gamble on government bonds because the Irish Government and other European governments informed them that if they invest in government bonds, they will get back every cent and make a profit to boot.

Rather than engaging in productive investment that would return people to work, this policy is leading to another speculative bubble in government bonds. This comes against a background in which the Chinese economy is beginning to slow down, the European economy is in

recession, the US recovery has petered out and confidence in Africa, a region that is frequently heralded as showing signs of growth, is fading. The impact of austerity measures is depressing the economy and leading to a crisis in confidence that has reduced the willingness of those with money to engage in productive investment which would return people to work and generate economic growth.

When we make these points, the Government argues that there is no alternative to the current difficult approach because our enormous deficit leaves it with no choice. It is important to nail the lie that Ireland and Greece are spending too much. The vast majority of the money provided in the euro loan facility to Greece is to be allocated, yet again, to recapitalising the country's banks. Similarly, the vast bulk of the money Ireland is borrowing is to be used to repay debts, most of which were incurred as a result of the requirement to recapitalise Irish banks. Most of the money we are borrowing is not being used to fund public services or make the economy function but will be allocated for the repayment, with interest, of money Ireland borrowed to prop Irish banks and the European private financial system.

Greece is close to achieving a primary balance, with only a small gap remaining between expenditure and revenue. The vast bulk of the country's deficit is the result of debt repayment. By forcing the country into a straitjacket of debt, control over the Greek economy passes to the European Central Bank and the bondholders and financiers it represents. They are given the power to demand that Greece sell off its natural resources and State assets, precisely the resources that could serve as vehicles for investment to create jobs and growth.

One of the startling features of the Greek loan facility is the sentence on the title page that the Greek Central Bank will act in the public interest, "subject to the instructions of and with the benefit and guarantee of the Federal Republic of Germany". Germany is singled out in the document which also specifies that it will dictate the process. The real story here is that the German financial system, the European Central Bank and others are acting in the interests of large financiers by putting Greece into a vice grip of debt which requires the imposition of ever more austerity and, crucially, the sale of resources and assets which the speculators and financiers who caused the crisis will then take from the Greek people to make even greater profits. Precisely the same process is under way in this country. While the Government forlornly waits for the private markets to arrive on a white charger with money to invest, the assets and resources we could invest to create jobs and growth are being taken from us. If we were to invest in forestry, gas, oil and the State companies, we could generate wealth, a degree of self-sufficiency and tens of thousands of jobs. It is criminal that these resources are being given away. We are locking ourselves into a scenario in which any deal we secure will be conditional on further monitoring and policing by the European Central Bank and Germany, both of which will act as agents of the international markets and will be able to dictate policies, budgets, economic priorities and their so-called reform agenda, which amounts to nothing more than the slashing of our public services to make way for private multinational interests to move into the relevant markets and make yet another killing. I do not understand how the Government believes this policy could possibly benefit Irish people.

The Government's own projections for employment do not offer anything. According to the Department of Finance, the net level of employment growth in 2013 will be 0%. Why does the Government not honestly state that there will be no net increase in jobs by the end of the year? If its best projections come to fruition, and there are many who seriously doubt they will, the vista of hope the Government holds out is that unemployment may decrease by 1.5% in 2015. In other words, even in the best case scenario, we will still be left with chronic mass unemploy-

ment at the end of 2015 and 400,000 people will be without work. Is this what we have to look forward to? In what sense does the Government's best case scenario offer reasons for hope or optimism?

The much more likely scenario is that as the impact of the cuts and austerity that have crippled the Irish and Greek economies will be generalised across the rest of Europe, the European economy will contract further and the market for our exports, the only area on which the Government is relying to generate jobs, will be further choked off. The alternative to this hopeless policy that offers nothing in the short to medium term and, I suspect, the long term, is to invest ourselves. With the private markets continuing with the gambling and speculation that got us into the current mess, let us invest in the young, educated people who are flooding out of the country. The Government constantly claims we do not have sufficient resources for investment. This year, the banks we recapitalised will pay out to senior bondholders €17 billion, a sum that would finance several stimulus programmes. Was is not the point of the bank recapitalisation programme that the banks would reinvest this capital in enterprise to create employment? They have not done so and have instead used this money to pay senior bondholders. Since they know that there is a large mortgage crisis, they are afraid to lend money into the economy. If they were not paying that €17 billion to senior bondholders, it would be available to invest in our young people, vital infrastructure, State enterprises, the development of our natural resources, including the agrifood, renewable energy and forestry sectors, and support for small and medium-sized enterprises, SMEs. Instead, we have signed up to a plan under which all of the funds that we desperately need are being siphoned out of the country and into the pockets of speculators on the financial and stock markets. It is insanity and makes no sense.

At what point will the Government acknowledge that this approach is not working? Is it not time that the Government turned upside-down its way of viewing this matter? We know what keeps the markets happy, namely, making large profits. The stock markets are surging and bond yields are decreasing because we are keeping them happy, but this does nothing for the real economy. Why do we not start the other way around? The key issues would be jobs, our young people and the education system, which generates real wealth. The creative activity of human beings generates wealth. It is not created by people sitting behind screens speculating on currencies, stock markets and bond yields. Instead of generating anything, they are pushing buttons, moving paper money around and sucking money out of the real economy. Why does the Government not start the other way around and prioritise investment in the human beings who have the education, skills and abilities to generate wealth, in the infrastructure that would allow them to do so and in funds to develop our natural resources, State enterprises and so on?

How much time have I remaining?

An Ceann Comhairle: Just over six minutes.

Deputy Richard Boyd Barrett: Often, this debate is set in polarised ideological terms. I suspect that much of the Government's support for this policy approach is not just due to demands by the troika that this be done, as the Government sometimes suggests. Ideologically, the Government agrees with the troika that the private market is the only means of generating jobs. This viewpoint is captured in the mantra that governments do not create jobs - they only create the conditions for jobs to be created by the private sector. This is a false perspective.

Certain sectors have considerable amounts of capital, yet their confidence is dropping and they made it clear in advance of the Davos summit that they would not invest in Europe sig-

nificantly. In this light, the only driver for investment that can give confidence to the wider economy and to the private sector that the Government holds so dear is the State. This is evident at the most basic level.

In Dún Laoghaire town, which is where I am from, the two largest employers are the local authority and the hospital. The Government's policies are to cut the number of people working in both. Does the Minister of State, Deputy O'Dowd, believe that doing so will help the town's small businesses? It will do the opposite.

The private sector is not the real driver. As the Government cuts back on the public sector, it further crushes the private sector. It is doing so because of its ideological predisposition as well as the troika's demands. The troika also holds this view. I have met it three times. The troika made it clear that it was encouraging the Government to be ambitious in the area of privatisation and to cut the level of public expenditure. This is the troika's ideological predisposition and is probably assisted by the fact that the greatest influences on the troika, including the IMF, are large multinational interests that, as the public sector is cut back, see opportunities opening to capture markets and services that were previously provided by the public sector.

This is summed up when, while driving in my car, I listen to radio advertisements by the Blackrock Clinic reminding people about the availability of its accident and emergency care. The message is clear, in that people should attend the Blackrock Clinic where they will pay private medical providers instead of waiting for 24 hours, 36 hours or longer at St. Vincent's Hospital down the road. This is the current equation. The advantage that might accrue to the private medical health provider damages the wider economy. Obviously, it damages the public health system. The cuts being imposed on St. Vincent's, St. Michael's and other public hospitals or public employers are crucifying the SMEs in their areas. This situation is evident across the European economy.

The Greek loan facility is a disaster for the Greek people. It is not a helping hand or a relief. Rather, it is a tighter death grip of austerity. It is a failed model that is being repeated and intensified. The last thing we need is anything even remotely like it. We must say that we will not pay other people's gambling debts. We must demand the right to use the money that we have invested in the banks as well as the €9.1 billion that is planned to be paid in debt interest this year to invest in infrastructure and enterprise in order to restore employment and generate real economic wealth. The Government should have the courage to do this and to recognise the failure of the policies that have been pursued for the past four years.

We do not want to take Greece's disastrous road, although we have already gone well down it. Is it not time to realise that the last thing we need is to go any further? We must radically shift policy, focus on jobs, growth, young people and the education system, promote our talent and invest in the people of this country, who constitute its real resource, to help us chart a way out of the economic crisis.

Debate adjourned.

Topical Issue Matters

An Ceann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Paschal Donohoe - the establishment of an information sharing system of flood alleviation and prevention works between the OPW and the Irish Insurance Federation;

(2) Deputy Tom Hayes - the need to allow jobseekers who were formerly self-employed to enter the momentum programme;

(3) Deputy Regina Doherty - the need for cash for gold outlets to specify that customers bringing in second-hand gold items be requested to provide evidence of photo ID and other forms of ownership;

(4) Deputy Michael Healy-Rae - the introduction of legislation to allow gardaí the discretion to issue permits to persons in rural areas to drive home having consumed two or three drinks; (5) Deputy Derek Keating - the need to review sentencing in view of the case earlier this week of the man who pleaded guilty to rape;

(6) Deputy Denis Naughten - the need to communicate the benefits of donating newborn screening cards for clinical research; (7) Deputy Eric Byrne - the need to address the increase in crime in the south west inner city area of Dublin; (8) Deputy James Bannon - the need to provide an update on the remedial works being carried out at Glenn Riada estate, County Longford; (9) Deputy Ciara Conway - the need for stronger sentencing in respect of convictions for rape and sexual abuse; (10) Deputy Aodhán Ó Ríordáin - the matter of appointing three permanent members of the judiciary to the Court of Criminal Appeal to allow for the consistency in sentencing laws; (11) Deputies Joan Collins, Richard Boyd Barrett and Clare Daly - the need to review the policy of the HSE of withdrawing funding in respect of child minder advisers; (12) Deputy Ann Phelan - the need to devise a scheme to ensure the adequate stock of local authority housing to meet social obligations;

(13) Deputy Patrick Nulty - the decision of the Health Service Executive to recruit 1,000 nursing graduates on lower terms of employment than existing staff; (14) Deputy Gerald Nash - the need to count periods spent on carer's allowance towards meeting the eligibility criteria for the Momentum scheme;

(15) Deputies Caoimhghín Ó Caoláin and Éamon Ó Cuív - the need to fill the seven vacant positions on the board of the Food Safety Authority;

(16) Deputies Robert Troy, Mattie McGrath and Mick Wallace - the need to tackle the high rate of suicide among young men;

(17) Deputy Séamus Kirk - the current position regarding the Narrow Water Bridge project linking counties Louth and Down;

(18) Deputy Catherine Murphy - the delays in completing school accommodation works at St Anne's national school, Ardcrough, County Kildare;

(19) Deputy Dara Calleary - sentencing guidelines in light of this week's judgement of continuing bail and a suspended sentence for a convicted rapist; (20) Deputy Colm Keaveney - the need to replace the graduate placement programme for nurses and midwives; and

(21) Deputy Patrick O'Donovan - the introduction of a healthy eating flag scheme for schools, as part of a national campaign to address childhood obesity.

The matters raised by Deputies Ann Phelan, James Bannon, Robert Troy, Mattie McGrath and Mick Wallace and Caoimhghín Ó Caoláin and Éamon Ó Cuív have been selected for discussion.

12 o'clock

Euro Area Loan Facility (Amendment) Bill 2013: Second Stage (Resumed)

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

Deputy Liam Twomey: It is important when Members of the Opposition speak that they should follow through on what their policy preferences would lead to in this country and what would be the consequences of their actions. It was interesting to listen to the previous speaker, Deputy Boyd Barrett. He gave lots of nuggets of information but he did not follow through on what would happen if his policies were adopted. To some degree he also distorted what has happened. In order for this country to recover we must first stabilise the economy and restore confidence in it. Only then will we see a significant growth in jobs. Anyone who has even the most basic understanding of economics knows that is the way it will be. Allowing insecurity to remain, killing off confidence in what is taking place and constantly espousing issues that will lead to lack of investment or people being fearful is no way to restore confidence and stability.

The Government has no intention of being a poster boy for austerity. I was a Member of the House in December 2010 when the IMF crossed over from the Merrion Hotel into the Department of Finance. There was a palpable sense of relief from the general public that someone would make decisions and do something for the country. Decisions entered into by the previous Government such as borrowing the money to recapitalise the banks were taken in the name of the Irish people. This is still a democracy and we let Governments make decisions on our behalf. If those decisions are wrong to some degree we are stuck with them and must negotiate our way out. It is simplistic to say the least that one would just walk away from one's responsibilities, regardless of one's responsibilities in life. One cannot just walk away from something because it no longer suits one. That is not the sort of society in which any of us want to live.

I heard it said recently that the money we are now borrowing is to pay back bondholders and to recapitalise the banks. That job has essentially been done. We are borrowing €1 billion a month to pay for public services. Let us imagine a scenario whereby Deputy Boyd Barrett is in government and it is his intention that we will no longer pay our debts as a country. He has not explained where the money would come from to pay for front-line services such as those provided by schoolteachers, nurses, doctors and gardaí. One could ask what the consequences of such a radical approach would be for the ordinary man and woman in the street. Some evidence is available in that regard. The example that is most often quoted is Argentina, which decided not to pay back its debts and it could not borrow money. As a result, it had to radically reduce the services it provided, including health and education. Public sector pay and pensions were cut. The people who suffered most in Argentina were the old, the more vulnerable in society and those who required health services and social welfare supports – the very people Deputy Boyd Barrett claims to support the most were the ones who suffered the most when the sort of

policies he espouses were pursued.

Deputy Boyd Barrett is correct about one thing; Ireland is not Greece. I do not say that because we want to put down Greece. The people of Greece are currently going through an incredibly tough time. They have seen changes to pensions to the effect that anyone in receipt of a pension of more than €1,000 per month has received a cut of one fifth to it. If a similar approach were taken in this country where the reduction has only been 4% it would hit the most vulnerable people in society hard. I would not advocate such an approach in terms of a solution to how we would get ourselves out of the current crisis, not just because we are bound by the terms of the programme but because it is unsustainable in the long term for this country to borrow €1 billion a month to pay for the services we need. As elected Members, we must look to the future and make responsible decisions. We have an obligation to our children who are not of voting age, and those yet to be born, not to land them with a greater mess than has already been created by the previous Government. We cannot continue to borrow billions every year and expect our children to pay it back.

The vast majority of money we are currently borrowing is for public finances. That appears to be the case for the foreseeable future. There is a need to balance what we spend with what we can earn in the economy so that we can live within our means and not burden future generations. We must take into consideration that many of us in the House are in the same age group as others who are not as fortunate as we are and they will also require public sector pensions in years to come. We must consider how we will pay for them if we continue to borrow money.

Even though some of what Deputy Boyd Barrett said about the difficulties we are experiencing in this country and in Europe is true, his policy alternatives as to how we should deal with the issues do not stack up. Perhaps that is due to ideology or the belief that because he is in opposition he feels the need to take a contradictory approach to the Government. There is a need to take the approach being taken but we are open to hearing what others have to say in discussions on the matter. We hear much of the first half of what Deputy Boyd Barrett said about what is wrong and how awful it is from our party members and those of our coalition partners. What is important is the second half of the debate, namely, what we are going to do about it and how that stacks up under scrutiny. Unfortunately, that is where much of what the Deputy says does not stack up.

Deputy Boyd Barrett objected to the reference to the Federal Republic of Germany in the legislation. The Federal Republic of Germany has as strong constitution and before it gives out funding in the name of the German people it must ensure that it stands up to its democratic tests. That is the reason for such a reference; it is not because the people of Germany have a sense that they can control the rest of Europe. As someone who travelled to Germany with me last year, Deputy Boyd Barrett is well aware of how members of the German Parliament feel about what is happening in Europe. One of the issues that became crystal clear during our trip to Germany is that it does not have a problem with doing its best to get Europe out of the euro crisis; what it has a problem with is that the solutions that are arrived at do not result in us being back in the same position again in five or ten years' time. That was the message I got from my five days in Germany. Deputy Boyd Barrett appears to see it as an attempt by Germany to take over the world. As I pointed out to him, that is not the reason for the reference to the Federal Republic of Germany in the legislation. The reason for the reference relates to its strong constitution and how the country deals with matters and spends taxpayers' money.

Ireland encountered a problem because we had a massive construction bubble and the ensu-

ing collapse in the economy meant that our public finances need significant restructuring. The alternatives proposed by Deputy Boyd Barrett to get us out of the mess such as burning bondholders and throwing the economy into confusion will not help to restore the jobs to which he refers. They will only make things worse. One of the important issues from this country's point of view is that exports are important for us, as is our international reputation. In order to recover we must ensure we do nothing to damage them. We must continue to attract international investment into this country and continue to restore our reputation so that people will feel this is a safe country with which to do business and will continue to invest here.

The more left wing Members of the House talk about speculators as if anybody who ever invests anywhere is a speculator. When is a speculator an investor and when is an investor a speculator? Every person who takes a risk with their money is an investor from my point of view and obviously a speculator from Deputy Boyd Barrett's point of view. He has a problem with capital and with people investing money.

Deputy Richard Boyd Barrett: The problem is where they are investing it.

Deputy Liam Twomey: Would the Deputy invest his money simply to throw it away? The Deputy has investments so I presume he would think carefully about what he does. He does not simply toss them away on a whim. Why would he expect anybody else not to weigh up the risks? Everybody who invests looks at low risk, medium risk and high risk investments. In fact, there is a sense that people are moving into government bonds at present. If one invests in German government bonds, one is losing money. If one invests Irish bonds, which were considered to be very high risk and are now not so high risk, one will benefit from it.

At present, a huge number of companies throughout this country are investing, be they multinational or national. The Kerry Group, for example, is investing in County Kildare with a massive research and development business. Other companies throughout the country are also investing. They might be small companies with five to ten employees and sometimes even fewer. The Deputy calls them speculators as well. They are investing. That is what everybody does when the opportunity presents. The more stability we give to this economy and the more confidence we give to people in this country, the more people will feel they can not only invest but also spend money in the economy. All the talk that this country will go down the tubes at a specific time is having a knock-on effect on the general confidence of the people who live here.

I have no wish to over-hype the recovery, because it is extremely slow, but there is a need to be at least realistic about what is happening here. The country is still in a very difficult place and the recovery is incredibly fragile, but I will not either talk it down or talk it up too much just for the sake of political gain. However, I believe the country is in a far different position now, just over two years since Mr. Ajai Chopra crossed Merrion Road. There have been some significant changes in this country and a great deal of reform has taken place. Deputy Boyd Barrett talks about cutting services. When one considers the amount of reductions that have been made in big Departments such as Health, Education and Skills and Social Protection, it is quite remarkable that we are still able to provide the current level of services. However, I am also realistic. These reductions have had knock-on effects on the people who require the services, but those effects are nothing like the despair and trouble people would have experienced if we had followed some of the policies the Deputy and some of his colleagues espouse.

There is a need for this slow approach, but things are happening. Much reform is coming and it is necessary. There is also a need to speed things up. There is a need for a follow-up

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agreement to the current Croke Park agreement. There is a need for the public sector unions to see it almost as their duty to speed it up and not have the usual sense which we saw develop in the Celtic tiger economy, where everybody just protected their own, held what they had and sought more for themselves. We must change that attitude and take a bigger approach to what this country needs over the course of the next decade so we can get ourselves out of the current mess. I genuinely believe this country has a great future ahead of it.

It is very important that all Members of the House take into consideration the people who most need our support. It was important that this Government reversed the cut in the minimum wage as soon as it took office, to protect people on the lowest wages. The Deputy is correct in one thing he says, which is that some unscrupulous employers have tried, and will continue to try, to reduce the wages and the terms and conditions of their employees just to maximise their profits. That must be watched and resisted at all times. However, that is not the same as what I am saying, in the context of the public sector unions, about making concessions and allowing work practices to change so we can become more efficient.

I have a great deal of experience with the health service and I have seen how changes have been implemented in the last couple of years. However, it has been mainly sectoral and has not happened across the system. Where it has happened in the system, the change has been quite dramatic. At the same time, I have seen people be very resistant to and blocking change to serve their own interests. The people who pay for that are the service users, the patients who need access to our health services. We are battling against that. I believe the public sector unions have a moral responsibility to deal with it, because we do not have the money.

I recall being in this House when the last Government was in office. When the then Minister, former Deputy Mary Harney, was asked to look at a problem in the health service, all she did was throw an extra €1 billion per year at the problem. There was no sense of reform or of structural changes within the health services. She made a botched job of the Health Service Executive, HSE, unfortunately. What went wrong with the HSE is epitomised by what happened to senior management positions. There were 70 to 80 senior management positions before the establishment of the HSE and within four or five years of it being in place, there were 800 of these senior managers. That was when it was all about throwing money at the HSE without delving into where that money was being spent and how the structures supporting the health service were being managed. That was unfortunate and we are paying for it now.

I hope the people of Greece come out of this situation, although their prospects are a great deal worse than ours. The fundamentals of their economy are much weaker than ours and their ability to get out of the current crisis is a great less than ours. By no means, however, does that mean we are out of the woods. Our economy and recovery are still fragile, but we are taking the best approach. Perhaps we should spend more time discussing what the Opposition says, as much to see if we can glean something new from it that might be useful as to expose what are sometimes downright lies about our country and knocking our country. A Deputy who claims to be an economist was speaking on one of our national radio stations and what he was saying was completely wrong. It was farcical. There is nothing worse than hearing somebody who claims to be an expert talking rubbish. One can expect it from some people who do not have a clue about what they are discussing, but people who claim to understand what is happening talking pure nonsense does not serve them and certainly does not serve the country well. We must be tougher on that type of nonsense.

Deputy Éamon Ó Cuív: I am delighted to have an opportunity to contribute on this subject.

I am a little concerned about the proposal in the Bill, which will mean the Government will not have to come back to the Oireachtas regarding similar adjustments in the future because it appears the Government parties are trying to hide the fact that time and again the Greeks have negotiated better terms for themselves and they have signally failed to get any significant change in the terms for Ireland to date. The legislation provides for a reduction in the interest rate on, and an increase in the duration of, Greece's loans. When money is borrowed, the interest rate is paramount. If a householder borrowed €100,000 at an interest rate of 0% to be repaid over 300 years, it would not be much of a burden. However, if it attracted a 10% interest rate over ten years, he or she would have a significant current burden. When money is borrowed, the term of the loan and the interest rate are important. Greece is having its interest rate reduced from 1.5% to 0.5% above the ECB rate, which is low. The margin was greater at the beginning than the base borrowing level. The loan term will be extended from 15 to 30 years. The double positive effect reflects one hell of a negotiation by the Greeks.

We are told all the time by the Government that if one is the good guy, one will get all the breaks. The evidence is that the Greeks, who we are always told in this country are the bad guys, are managing, despite that, to do a hell of a lot better than we are in the hard stakes of negotiation and have secured many more concessions than us. It is funny how willing the Government parties are to piggyback on the Greeks because the famous interest rate reduction they secured in their first year in office, which they have kept on about, was an automatic consequence of an interest rate reduction for the Greeks. The Greeks negotiated for us and the addendum was if it was good for one, it was good for all and, therefore, the Government parties' boast is hollow because they did not negotiate the reduction. Their stance of never standing firm and saying something has to happen like the Greeks have done before taking their negotiations to the edge of the cliff and their unwillingness to engage in a tough manner has been an abject failure.

Let us be honest about this. We keep hearing reports of all sorts of extraordinary things happening, with little commentary from the media and little analysis of how hollow are the Government's promises. There was great talk about the extension of the maturity and interest rate of the EFSF loans but there is nothing new in this. Paragraph 10 of the Eurogroup statement of July 2011 following the extension of Greece's loans and the lowering of the interest rate on them outlined a commitment to lower Ireland's interest rate as follows:

We are determined to continue to provide support to countries under programmes until they regain market access provided they successfully implement these programmes. We welcome Ireland and Portugal's resolve to strictly implement their programmes and reiterate our strong commitment to the success of these programmes. The EFSF lending rates and maturity agreed upon for Greece will also be applied to Ireland and to Portugal.

In the meantime, we have continually been subject to big announcements about measures that were previously agreed, which are written into agreements, as the Government piggybacks on hard negotiations by the Greeks.

Last night, there was an announcement about the extension of the maturity of the EU-IMF loans. If that happens, I will welcome it. The Government parties have said all the time that they will exit the EU-IMF programme at the end of this year. They will and they will not, as they say. We should analyse that a little further. It is true that we will not receive more money under the programme unless we seek it but we will still owe money to the EU and IMF, which, hopefully, will be repaid over a longer period. Is the Minister of State saying the EU-IMF, having put in so much money, will stand back and say we can do what we want, there will be no

more correcting of homework and they will have no more interest in our fiscal or other policies because they are not giving us more money despite the fact that we still owe them a significant amount? This is fallacy No. 1. On a technical level, Ireland will leave the programme but since we owe them a significant amount, they will still be interested in visiting Merrion Street to make sure their money is safe.

The second issue is we got the money at a good rate compared to the market rate at the time but it is not necessarily a good rate if the country has a good rating on the markets. This is about rolling over loans and as they fall due, if we have a good rating on the markets and they believe we have our problems sorted and have a sustainable debt, they will give us money cheaper than the EU-IMF but the Government parties know they are not ready for the markets unless they get external support and the reality is the EU-IMF money will be the cheapest available if they can hold on to it. All the boasts, therefore, about being market ready at competitive rates are given the lie to by the Government's own actions.

I am also interested in another feature of the deal announced on 29 June 2012, which appears to be unravelling. I do not know whether the Minister of State reads the *Financial Times* but, on 14 January, it stated: "The plan, circulated last year among eurozone finance ministry officials, would force struggling countries either to invest in failing banks alongside the rescue fund, the European Stability Mechanism, or guarantee the ESM against any losses." I am surprised, if this is incorrect, that the Government did not ask the newspaper to correct this and perhaps the Minister of State will clarify this. This proposal was made by the European Commission. During discussions, proposals such as this tend to be watered down rather than beefed up. In other words, we have to see whether countries will have to take the first losses. The Minister seems to be trying to suggest that this was what was agreed all along and that the sovereign entity would have to carry some form of burden in any bailout by the ESM. This would mean that any initial losses would be to the account of the State. If this is what was agreed on 29 June, the Government kept it very quiet.

I want to move on to another crucial subject which, again to my surprise, has not caused much commentary. The Government might fail in many ways but, despite Deputy Rabbitte's worries, it seems to have the media in a state of amnesia.

Deputy Fergus O'Dowd: Was the Deputy dancing at the crossroads last night?

Deputy Éamon Ó Cuív: The Minister of State is a good Irish speaker and he will know what the biorán suain is. It is a little needle that puts a person to sleep.

Deputy Fergus O'Dowd: Tá an Teachta ag caint ráiméis. Ní chreidfeadh éinne go raibh sé ina shuí ag bord an Rialtais nuair a bhí an tír á scrios.

Deputy Anthony Lawlor: Deputy Ó Cuív was asleep for 14 years.

Deputy Éamon Ó Cuív: We had invested €1 billion in Bank of Ireland at 10%. The only risk that attached to that investment was that the Bank of Ireland might fail. The Government has assured us many times that the Bank of Ireland is on the road to recovery and will be one of our pillar banks in the future. If I came into the Chamber and said there was any chance of the Bank of Ireland failing, the Minister would say I was scaremongering and there was absolutely no chance of that happening. He would deny utterly that there was any risk, and with good grounds because I would concur with him. I do not believe there is any risk of Bank of Ireland failing.

Deputy Anthony Lawlor: Why is the Deputy bringing this up?

Deputy Éamon Ó Cuív: I will explain. That was the only risk to these preference shares. We were getting an interest rate of 10% on them. The Minister sold €1 billion worth of preference shares at par. He was getting 10% from the bank on the shares and borrowing at about 4%, so he had 6%, which is €60 million, of a gain every year from these shares. That would have paid for the reduction to the carer's allowance and left €30 million in change, and all the cuts by the Minister for Social Protection which caused all the rifts in the Government ranks need not have happened.

What did the Minister do? He sold the family silver, the money we put in at a very high coupon. His justification was that the sale proved people had faith in the Bank of Ireland. It did not show any confidence on the Minister's part in the Bank of Ireland because he was getting a fantastic return on his money. He was able to borrow at less than half the lending rate, yet he sold the goose that was laying golden eggs.

Then he made an even more extraordinary statement:

The total value thus far of preference shares and CoCo investments was €7 billion. I wouldn't be averse to selling the preference shares and contingent capital on par, if you take out what the taxpayer put in. We're not trying to make a profit on that.

The Minister says he is not trying to make a profit on our investments. What kind of lula land are we living in?

Deputy Shane Ross: Hear, hear.

Deputy Éamon Ó Cuív: It is crazy stuff. These are valuable investments. We put a good coupon on them.

Deputy Anthony Lawlor: Confidence.

Deputy Éamon Ó Cuív: Confidence in what?

Deputy Anthony Lawlor: In the markets.

Deputy Éamon Ó Cuív: Does the Minister see selling, on behalf of the Irish people, good investments below their realisable value as being prudent? That should scare the bejapers out of any rational person who would think there must be something crazy here if they are selling these really good investments at bargain basement prices. It would show confidence if the Minister had said these are good investments that will give us a good return and we have the confidence and the courage to hold on to them and make a return. I am certain that the two, so called, pillar banks will make profits in the future. Under current regulation and the arrangements we have put in place, I am confident they will make good profit. Since they are not on the national balance sheet, money invested in those pillar banks, if we have the patience to hold on to it, will give us a good return in the future. I have often cited the previous history of Irish Life, before the private sector made a mess of it. It was taken over by the State because it was in trouble and made significant money for the State over a number of years.

Why is the Government putting so much pain on our people and trying not to make a profit from investments that would give a good return in the future? I call on the Minister for Finance to say why we are not trying to make a profit on our investments. When we made the initial

share capital investment in preference shares in AIB and Bank of Ireland, one of the questions from Government was whether or not we were getting a good coupon and a return on our money. The investment was not on the national debt because these were considered commercial investments. The Minister for Finance confirmed that to me in a reply to a parliamentary question last year. These investments do not count as part of the national debt because they are considered to be commercial investments. Why is the Government not trying to make a return for the ordinary people of the country whose money has been put into these investments?

Will the Government give full disclosure of the advice it was given for the sale of the so-called CoCos? The Government seems to be willing to dissolve any of its positions in the banks, including the most profitable ones, and will sell as soon as it can. The investors who are buying in know this. They know this is a giveaway sale that makes the Christmas sales in the shops look like robbery.

I will be particularly interested to hear the views of Deputies Peter Mathews and Shane Ross on all of this, if they have an alternative analysis from mine and if, in their view, there is some extraordinary reason why selling a loan at 10% when one can borrow at 4% makes commercial sense and shows confidence. If the only risk on the investment is the failure of the bank, the sale shows a great lack of confidence in the bank. It is farcical that anyone would fear that risk. There is, therefore, no explanation for this. It is one of the most incredible things.

Can the Minister explain his giving €60 million away to financiers every year from 2014 onward while making petty cuts to farm assist, grants to carers and all the things that were done in the budget, which need not have happened if the Government had insisted on getting its pound of flesh out of the commercial investments we have made?

Deputy Peter Fitzpatrick: I welcome the opportunity to discuss the Euro Area Loan Facility (Amendment) Bill 2013. The purpose of the legislation is to enable Ireland to confirm acceptance of the third amendment to the Greek loan facility as part of the proposed new programme of assistance for Greece. It is to facilitate in the public interest the financial stability of the European Union and the safeguarding of the financial stability of the euro area as a whole. These changes were agreed by Greece and the EU-IMF in December 2012. The original loan agreement in 2010 has been revised a number of times as the economic situation in Greece has deteriorated.

The Greek economic and fiscal situation has deteriorated dramatically since the first economic adjustment programme for Greece was agreed in 2010. This meant Greece could not meet its headline fiscal targets under the agreement in terms of the budget deficit and the debt to GDP ratio. Even after making the adjustment contained in the agreement, it was clear that Greek Government debt was unsustainable.

The key changes in the current Bill are that the interest rate for the loan is reduced to 0.5 percentage points from the previous 1.5 percentage points agreed in the spring of 2012 and that the original three or four percentage points and the terms of the loan are extended to up to 30 years from up to 15 years in the spring 2012 agreement. In addition, the Bill allows for further adjustments to the agreement to be made by a motion of the Dáil rather than by primary legislation. It should be noted the interest rate charge will not apply to loans to Greece by other countries in an adjustment programme until after they leave their programme.

The original loan facility agreement was for a facility of up to €80 billion. A total of €50.9

billion was drawn down at different intervals between May 2010 and December 2011. The IMF lent a further €20.1 billion to Greece under the first loan agreement. The terms of the agreement included significant economic and fiscal adjustment measures, including cuts to public sector wages and to pensions, tax increases and reforms, reforms of public administration and reforms of labour markets, other public expenditure cuts, the sale or privatisation of some State owned assets or companies and some market reforms, especially in the service sector. In addition, a number of reforms and initiatives were to be taken in the banking sector.

In the second programme it was clear by the end of 2011 that the first Greek adjustment programme had not stabilised the economic and fiscal situation in the country. Economic growth fell significantly in 2010 and 2011 and the forecasts for 2012 and beyond were revised down significantly. The second programme envisaged a bank recapitalisation programme of in the region of €40.5 billion, mainly provided by EU funds. The second programme also included the continuation and strengthening of reforms already underway, further cuts to public sector pay, further cuts to and reform of pensions, the continuation of the privatisation plan, health care reforms, including mandatory use of generic drugs and other cuts to public expenditure across a wide-range of areas including social welfare and defence.

In early 2012 there seemed to be a real possibility of Greece leaving the eurozone. These fears were eased when the second programme was agreed and the result of the Greek general election meant a government could be formed that would implement the new programme. Ireland has lent Greece approximately €345 million as part of the Greek loan facility. This money will now be repaid later than anticipated. Once Ireland leaves its own economic adjustment programme, it will receive a low interest rate on its loan to Greece. Greece will benefit from having almost €53 billion of its debt at a lower interest rate to be repaid over a much longer period. The Greek economy, however, is still in a difficult position with negative growth.

Deputy Anthony Lawlor: This is part of an ongoing process and is the second or third Euro Area Loan Facility Bill we have had before us. This Bill deals with the current situation in Greece. This time last year, commentators and economists, and even politicians, feared the Greek situation was getting out of hand and that Greece would leave the euro, having a detrimental effect on the entire eurozone. Now, however, we are talking about a different situation, where there is greater stability in the eurozone.

The key word is “confidence”. I mentioned this when Deputy Ó Cuív was talking about the sale of the Bank of Ireland preference shares. The Minister dipped his toe into the water to see if there was interest in those preference shares and there was: the offer was well oversubscribed. Yes, there is potential for losses over a number of years of potentially €60 million per year but confidence is key. There is confidence out there that is attracting people to invest in a bank that was in serious difficulty three or four years ago. There is confidence out there that is attracting people to invest in a bank the State had to bail out - AIB.

This is like going fishing. To catch the big fish, we must set the bait. The bait the Minister set was the number of shares he put on the market and many investors were interested in buying them. That instilled confidence in the Irish economy among the international community. What we must do with regard to this Bill is instil similar confidence in the Greek economy. The Greek economy has gone through dramatic changes in the last four or five years. Greece was the first country to require a bailout and its situation is totally different from that of Ireland. There is, however, light at the end of the tunnel in the Greek crisis. It is predicted that unemployment will stabilise in the country, which has one of the highest unemployment rates

in Europe. It is also predicted that it is possible the Greeks will have a balanced budget by the end of the year. It might be a small positive sign but it is the sort of confidence building block that has been put in place by EU member states that will generate confidence in the international markets that we are trying to enable the Greek economy to exit the programme it is in now.

If we were to listen to the commentators in recent years, they tried to remove the confidence that had been there previously from the Irish economy. International markets felt the Irish economy was on a similar track to the Greek economy. Thanks to major changes in Government, policy and regulation, however, along with the input from our friends in the EU of the funds needed to keep us afloat, this outlook changed. I listened to a Member of this Dáil say on radio yesterday that all the funds given to us by the EU and the IMF were used to bail out the banks and such misleading commentary does not help build the sort of confidence we want to establish in this country.

I was fascinated in recent years by the commentary on some of our major radio stations. Any good news was always followed with a “but”. Over the last two or three days, I have noted a seismic change in the attitude of some commentators on radio, particularly on RTE. I noticed this two or three days ago when a “Dragons’ Den” type gathering in Cork was covered by a well known Cork journalist. He used the word “positive”, which was mentioned by those present. When I listened to him, it came across to me that he found it extremely difficult to say this word, “positive”. What he was trying to express was that those who were at this “Dragons’ Den” type event at which they were looking for funding for their innovative ideas all had positive feelings about the way forward in the Irish economy. What struck me was that he had difficulty in portraying to the listeners the positivity that was coming from those on the ground.

The next morning, on “Morning Ireland”, in the business section, there was a commentator, Dr. Stephen Kinsella from the University of Limerick, who spoke about a report he had produced on the number of jobs being advertised. He stated that it must be a shock to have an economist coming on the radio to bring good news and I stood back and thought to myself that this is the first time RTE has brought on someone who is quite positive from an economic point of view. Dr. Kinsella mentioned the fact that compared with the previous year, there was a 25% increase in the number of jobs advertised. It was a good news story. At the end of his commentary, there was no such word as “but”. He was positive in what he had to say.

Later on in the morning, “Today with Pat Kenny” interviewed Mr. Tony Foley from DCU.

Acting Chairman (Deputy Robert Troy): Deputy Lawlor has one minute remaining.

Deputy Anthony Lawlor: Mr. Foley was discussing the talks that happened at the ECOFIN meeting. He came across in a very positive manner and explained it so simply that a layman like myself could understand exactly what was going on.

I am delighted that we are here today to support our Greek colleagues. Unlike Deputy Boyd Barrett who, if there was a fire in the house of my neighbour, would be running around to see who caused it, I would be going out to help put it out first. I note he was dressed in black. Should I call him the Grim Reaper in future given he is so negative about everything?

I am a staunch European who believes in all of the European ideas. In 1972, when we joined the EEC, I started studying agriculture in UCD.

Acting Chairman (Deputy Robert Troy): Deputy Lawlor is eating into his colleague’s

time.

Deputy Anthony Lawlor: As a staunch European, I will do whatever I can in this Parliament to help our colleagues who sometimes are in difficulty, like our colleagues in Europe helped us. I welcome this Bill and I will be supporting it wholeheartedly.

Deputy Dara Murphy: Like my colleagues, I welcome the opportunity to speak on this Bill. To a large degree, it is quite sobering for those of us speaking about the legislation, which is to approve an increased and changed facility to our European colleagues in Greece, to acknowledge that elected representatives in our partner European states went through a similar process and debated whether they, with financial pressures and responsibilities as legislators to their own electorate, should come to the aid and assistance of a fellow EU state, and, gladly, for the Irish people, they did. We are here today in a similar position, to extend the help that our Greek colleagues require.

Some of the Deputies opposite, in particular Deputy Boyd Barrett, spoke about solidarity, death grips and poison, all the while completely disregarding the fact that this funding, when it makes its way to Greece, will pay for public services, for nurses, teachers, etc., because within the terms of the agreement, the repayment of interest and principal is not a matter for the current budget of the Greek people. In fact, this funding and current funding are purely to stabilise the Greek economy. That needs to be borne in mind. When Ireland, as one of the countries in a programme, sends the Minister for Finance, Deputy Noonan, and others from the Government to negotiate on its behalf and request reduced interest rate payments and the extension of principal and other concessions - we have already received concessions - it would be most extraordinary if the Dáil was to refuse this request to the Greeks and then somehow suggest that we would want what we refused to give to others.

The confidence that has been restored to the European Union and to the euro by virtue of the agreement of last June is something from which we are directly benefiting as an economy. Critics who suggest that this process was too slow are correct and the Opposition parties which criticise the Government for not yet completing a deal are playing a role within the general carrot-and-stick approach of politics, but that is not to say that the Government will not complete a deal. The consequence that has been discussed, particularly by Deputy Ó Cuív, of some of the benefits we have accrued in the past is not necessarily bad. A precedent has now been set and our economy can indeed benefit from precedent. Greece will benefit from a very low interest rate and the term over which it is to be paid has been extended. While it is true to point out that extending a mortgage over a longer term can result in an aggregated greater total of payments, given the position of the European economic and the world economy and certainly our own economy, we are obliged over these couple of years to ensure our budget includes the smallest possible outgoing amount each year. That is what will allow the Greek economy - perhaps somewhat misleading - to balance its budget this year given that it is not really making any payments on its substantial amount of debt.

Deputy Ó Cuív mentioned “lula land”. In my opinion, he is referring to his party’s 14 years in Government. He is extremely critical of the Government for not yet completing its negotiations. He seems to have forgotten completely that the Government is trying to renegotiate the lula deal that Fianna Fáil negotiated in the first place. It is a difficult renegotiation, but we would not be in the position of dealing with a renegotiation were it not for the Government in which Deputy Ó Cuív was a Minister and for which he bears direct responsibility.

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All of us within the European Union should continue to support our Greek colleagues. Their position and their debt-to-GDP ratio is significantly worse than ours. Their economy, unlike ours, is not experiencing growth. Of course, Greece did not renegotiate better terms.

1 o'clock

It has received three different bailout packages given the difficulty its economy has experienced. While ours is in difficulty, it is not, fortunately, in the same trouble that to date Greece has allowed itself to get into. We must continue to wish our Greek colleagues the best for the future. I am sure if people from Greece are waiting to see if Ireland, which has always stood in support of it in the past, will pass this Bill today, they will be quite happy to know that the People Before Profit Members who are opposed to supporting the teachers, nurses, doctors and social welfare assistants in Greece represent such a tiny part of our Oireachtas and are not in government anywhere else in Europe anymore even though there were of course parties of its ideology in countries such as East Germany, Bulgaria and Poland before the Iron Curtain was removed. I support the Bill and commend it to the House.

Deputy Shane Ross: In defence of my colleague, I am not sure his activities in Bulgaria and the Eastern Bloc were particularly multiple and indeed I think he was probably too young to be involved at that time.

It is indicative of the European attitude to us and the problem we have here that there is so little criticism of Bills of this sort in this House. That is not the Deputy's fault, but the reality is that the Opposition here is to some extent emasculated by virtue of the fact that the main Opposition party negotiated many of the deals to which we refer today and the Government is equally emasculated by having acquiesced in these deals after its parties claimed they would do the opposite when they were out of power. If Europe looks at proceedings in the Dáil today, it will not regard the Bill as being threatened or under any serious political analysis because there is such an extraordinary consensus in this House about the willingness of Members of this House to rubberstamp whatever comes from Europe. That is the unhealthy political situation in which we find ourselves. However, ironically it does not strengthen the Government's hand that there are so few elected Deputies who are willing to put a critical mind to legislation of this sort, which might as well have been written - and was indeed written - in the Bundestag. It is a pity we do not have more criticism of this.

We know this Bill will be passed very easily and will cause no concern in Europe. However, we should take the opportunity of Bills of this sort - there have been plenty of them - to play for Ireland and not for Europe. We need to ask not whether it is in the interests of Europe but whether it is in the interests of Ireland. It is time for us to stop taking our scripts from Germany and take our scripts and our lead from the people of Ireland. I was in the City of London the day before yesterday and I got the same reaction as I get throughout Europe when I am there as I am sure other Deputies do. They say, "You guys in Ireland are doing a great job with your economy". While they do not call us the poster boys for austerity, they say they are very pleased with Ireland. What does that mean? It means we are doing what they want us to do. I always suggest they should ask the people of Ireland what they feel about austerity because they do not like it. However, the governments in Europe along with its establishment civil servants - Eurocrats - love us. That is not where we want to be.

I cannot understand the craven attitude of our Ministers, including Labour Party Ministers, when they go to Europe. Instead of implementing a European agenda in the upcoming six

months, they should be causing merry hell in Europe and putting Ireland first. They should put Irish demands first on the table, which is not an acceptable policy in Europe, but who cares about that? We are in a desperate situation and need to take radical measures and have radical attitudes.

When one looks at the Bill, one has to ask how in the name of God the Greeks are getting away with this. As the previous speaker said, it has had three bailouts and I predict there will be more to come. Every time the Greeks eyeball the German Chancellor, she blinks. Every time we eyeball the German Chancellor, she pats us on the head and we go off purring. Why can we not take the attitude that we are not a petty people and are not to be trifled with? I do not suggest we go down the Greek road that had extremely ugly street consequences - I do not believe in any of that. However, when it comes to a Bill such as this, we could have not completely disposed of our critical faculties. We could ask why we are giving this to the Greeks and whether Ireland, a bankrupt country, should realistically get involved in bailing out another bankrupt country, which is the purpose of the Bill. I know we have stepped out as a guarantor of some of the debts, but I believe we are still liable for those that were incurred prior to our own bailout. However, that attitude does not seem to occur to the Government. I might address the whole default write-off if I have time later.

I do not understand why I had to read in the newspaper this week that the French Finance Minister had a cosy little meeting our Minister for Public Expenditure and Reform, and Minister for Finance. Out came the French Finance Minister to say France was supporting a banking deal for Ireland - the promissory notes. He was not more specific than that and it is a very easy thing to say - everybody supports a deal for Ireland until it reaches the specifics, but it is the sort of deal that matters. Then some journalist, trying to create mischief, asked him whether the corporation tax was on the table. He said, as a friendly gesture, that corporate tax was not on the table at all. This was to save any embarrassment to Irish Ministers. There was obviously a sigh of relief around the table among Irish Ministers when that was said because it could be sold as something about which we did not need to worry because it was not there.

However, Ireland should have put corporation tax on the table because we forget that tax is still one of our preserves. It is one of the areas where we still have autonomy. What would the French, Germans, Dutch and Austrians, who do not want to give us any deal on the legacy debt, say if we said we were putting corporation tax on the table and announced that we were going to reduce it because we decided that the rate of 12.5% was too high? What would they say if we said we were going to reduce it in order to undercut what is going on in Europe and attract more multinationals to Ireland, thus creating employment and a buzz in our economy? While I agree that is not something one could easily sell politically to my colleague, Deputy Boyd Barrett, it would certainly make Europe sit up and think. I see no reason we should apologise too loudly or openly about the fact that some of our multinationals are not paying the full 12.5% tax because throughout Europe the headline rate is not adhered to by anybody. There are so many special deals being done under the table it is difficult to work them out. If we were to agree to a reduction and it was to result in the creation of more jobs, economic expansion, growth and exports, what would be wrong with that? It would certainly scare the bejesus out of Ms Merkel, President Hollande and others who are putting pressure on us in this regard. There are no sanctions open to Europe if we stand up for ourselves - this is not a threat but a realistic proposal - on the issue of corporate tax and do not rubber stamp Bills like this when they come before us.

The issue of default has grabbed the attention of those who want to emphasise that there is a radical alternative to the Government's policy. Default is a word that jars with people. Greece

has made progress. It has won every battle it fought with Europe by denial, defiance and default. We must be realistic when debating Bills like this, which are models of the sort of limited solutions which come from Europe. In other words, they embody lower interest rates - I think what is provided for is 100 basis points lower - and extended maturities but duck the big issue, namely, a write-off of the debt. This is the issue we must face.

During a recent meeting of the Joint Committee on Finance, Public Expenditure and Reform, Deputies Boyd Barrett, Fleming and others - Deputy Mathews was also at that meeting - asked the Governor of the Central Bank about "write-offs", which is code for "default". The Governor replied first with the same old line, which we have heard again today, that the result would be unpalatable. He could not spell out what would happen because we do not know that. The Governor was then asked the great old canard of what will happen to the ATMs. Despite what we have heard from every Government spokesperson and apologist about the terrifying prospect of default and what would happen to the ATMs, Professor Honohan said the ATMs would continue to operate. If this is the view of the Governor of the Central Bank, let us hear a little less on the issue from others. The ATMs will remain open even if there is a write-off of the debt. However, we do not know what else might happen.

It has become fashionable again in the past few weeks to speak about Argentina's default. No one is suggesting that default would be easy or that a write-off would be palatable. A negotiated write-off would, possibly, be acceptable. Argentina is not the only country that defaulted. We do not hear so much about Iceland or Russia, which were high profile defaulting countries in recent years. Iceland returned to the sacred markets within two years. Russia prospered. The point at which it defaulted marked the lowest point in its economic fortunes. After that, it began to recover. We must consider reviewing all these deals and stating write-off is the road we prefer.

A deal will be done on the Anglo promissory notes and in good time. I believe a deal has been already done and that the only issue is timing of the release of that information so as not to make it look like a done deal too quickly. I may be wrong and do not wish to criticise in advance but if the Government strikes a deal which involves extension of the period of the loans to 30 or 40 years and a reduction in the interest rate, it need not bother coming in here and heralding it as a great triumph because saddling the next or future generations with debts which we should be paying now is no triumph. To saddle our children and grandchildren with debts which we should endure is not a great victory, although it will, of course, be portrayed as a great political victory. While it will be politically convenient for the Government to announce that it will not pay the €3.1 billion this year, which will result in a more benign electoral environment, saddling future generations is not the solution. There is a solution, which is to seek a large write-off of the capital.

There is a flaw in this Bill which in my view will be difficult to resolve, namely, the guarantors to Greece and the EFSF money involved is fragile and limited. If we continue lending money with guarantors of this type the system is in danger of collapsing. It is bad enough for Portugal and Ireland, who are already in bailout programmes, to be guarantors or involved in lending money under these schemes but we should not be including other countries in massively fragile situations. Is it realistic to include Spain, which is on the point of a bailout, Cyprus which has also been bailed out and Italy, which is in a precarious situation, as solid nations that can afford to be involved in a rescue of this type? The solution is to seek write-offs rather than bailouts, thus rescuing drowning citizens.

I wish to mention the issue raised by Deputy Ó Cuív and responded to by Deputy Lawlor. This was the issue of hope and confidence, and I would like to see more hope in what is being said today. With regard to the issue of the Bank of Ireland preference shares purchased, Deputy Ó Cuív is correct. To sell a stock on a 10% coupon when one is borrowing on the markets at 4% does not seem on the surface to be particularly intelligent. It also seems that to excuse it by saying it is all about market confidence is a bit unrealistic. Ireland was mugged in this deal. They took us for a ride and the evidence is that the day after the 10% preference shares were bought, the same people who bought them and a mass of others were queueing outside the Department of Finance attempting to do exactly the same to AIB stocks.

Deputy Olivia Mitchell: I welcome the opportunity to speak on this Bill which is important for all of us in Europe. I looked at what I stated last March when we agreed the previous bailout for Greece. I stated then I did not have great confidence it would be a long-term solution when one looked at Greece's eye-watering debt to GDP ratio. I suppose I should not claim any great level of insight for coming to this conclusion because I do not think any observers at the time had great expectations of the package. Nevertheless, it did settle the markets for a number of months, but it was only temporary and what followed in the summer and in the months running up to the deal prior to Christmas looked to many observers as a doomsday scenario with the euro tumbling, and great concerns about the future existence not only of Greece in the euro but of the euro itself. This uncertainty continued until the new deal was agreed. This is the deal we are now confirming in legislation, albeit some months later.

The deal was very much bolstered, was made acceptable and did the job because of statements by EU leaders that whatever was required to save the euro would be done and would be forthcoming. This commitment was underpinned and demonstrated by the EU doing what it had stated in previous years it would never do, which was to offer debt relief and retrospectively reduce interest rates. It was this unequivocal commitment to underpin the euro which had immediate and dramatic results. The euro has recovered and is still recovering in value. The interest has fallen on EU bonds and continues to fall. The biggest winner of all, amazingly, is Spain which has managed to avoid a bailout simply on the promise there would be one if it needed it. Its bonds are now being underwritten and viewed in the markets as being as solid as German bonds because they are underwritten by this promise. The bonds are virtually risk-free. As an Irish person I am a bit miffed this deal was available, and I believe we all are miffed that the later deals were better.

These developments which reflect the current approach in Europe to indebted countries, such as the debt relief for Greece, the extension of debt maturity and the restrictive reduction in interest rates, together with the huge confidence boost to the markets of a promise to support the euro at all costs highlight the disadvantage Ireland suffered by being an early mover and being the country which went for a bailout very early on. To the extent we know what happened we did not go for a bailout; we were bounced precipitously into a very onerous bailout to protect the euro. Highlighting the different treatment of the troubled eurozone countries strengthens our hand in negotiating a better deal and pleading our case in a rational way and in a reasonable manner, while at the same time trying to do what we can at home to ensure we put our own finances in order.

These negotiations are beginning, and I completely accept it is tortuously slow, to bear fruit. I refer particularly to the crucial decision of the Eurogroup on Monday to examine the extension of debt maturities for Ireland and Portugal arising from loans from the EFSF. The ECOFIN meeting is reporting a similar commitment as far as the EFSM is concerned. These develop-

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ments come on top of the €9 billion in cost savings to us as a result of interest rate reductions which we negotiated in 2011.

The promissory note is an outstanding problem but we are now assured there is some improvement in this mechanism in the offing, although we do not yet know the nature or extent of the better terms we will achieve. Apart from the burden of other debt, the €3.1 billion annually required to fund this is an intolerable burden and it is a completely unjustifiable burden to place on the shoulders of the Irish taxpayer. Any change must be welcome and is long overdue. I know the Government is fighting tooth and nail for the best possible deal for taxpayers.

We also have other battles to fight, such as that for sovereign responsibility for bank debt. Perhaps we have greater grounds for optimism in this regard. We have had other good news in recent times, for instance earlier this week a report from Morgan McKinley showed an increase in the number of professional job vacancies being advertised. We know the IDA has had its best year in a decade in attracting jobs to the country. I am very cautious about speaking about green shoots. I would not dare do so because we know from the experience of the previous Government that to do so prematurely and then subsequently see every possible economic indicator moving in the wrong direction is hugely demoralising for people and is counter-productive. I certainly will not speak about green shoots. However, after almost five years of bad news, when every indicator was going the wrong way and when the outcome of every situation was worse than we ever anticipated or forecast, at last when we get good positive news, however modest it may be, and have a series of positive developments as we have had in recent months we should welcome them and at least acknowledge them and be encouraged. There is nothing wrong with being encouraged by good news; even if it does not fit into our scenario of how the world works and what we would like to see happening we must be positive.

It will take a long time for these positive developments to be felt at an individual level by people who have lost all their savings, assets, shares and jobs. It will take time to translate into a positive impact on every individual. It will also take time for domestic demand to take off. This is when we will begin to see jobs being created in the Irish economy. It is absolutely essential for job creation. With these changes on the macro front we will get growth and confidence. This is how we will see recovery. The only way recovery can happen is through increased confidence in the bond markets, IDA successes, debt reduction deals with the EU and the good figures we hear with regard to export growth. This is what will feed down and into every constituency in the country with regard to jobs. This is why I was very taken aback when I heard Deputy Donnelly yesterday on "Morning Ireland". He made very negative remarks in respect of the Eurogroup's commitment to look at the extension of bond maturities. Apart from the fact he was completely wrong in what he stated in suggesting the bulk of money we are borrowing will pay for the banks, what is worse is that he knows it is wrong. He is not a fool and knows exactly what the money we are borrowing is for.

Debate adjourned.

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

Ceisteanna - Questions

Priority Questions

Croke Park Agreement

1. **Deputy Sean Fleming** asked the Minister for Public Expenditure and Reform if he will commit to independent verification of the achievability of proposed savings that are to be targeted under a successor to the Croke Park agreement; if he will ensure that the interests of the users of public services are fully considered during negotiations; and if he will make a statement on the matter. [3185/13]

2. **Deputy Mary Lou McDonald** asked the Minister for Public Expenditure and Reform the measures taken by him to ensure pay equality and the reigning in of excessive pay and pensions in any extended Croke Park deal. [3345/13]

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): I propose to take Questions Nos. 1 and 2 together.

The Deputies are aware of the Government's record to date in reducing higher levels of pay and of pensions in the public service. Since it took office, the Government has introduced a general pay ceiling of €200,000 for higher positions across the public service, brought forward a referendum to allow pay reductions to apply to the Judiciary and amended the public service pension reduction to apply a higher rate to those benefiting from higher pensions.

The reduction by 10% of the salary scale and fixed allowances for new entry grades to the public service was implemented by the previous Government with effect from 1 January 2011 and remains in place. The stated purpose of the measure was to achieve a medium-term structural reduction in the pay bill cost of the public service, and as a contribution towards improving Ireland's competitiveness. The measure also had regard to the current Public Service Agreement 2010-2014, or Croke Park agreement, which provides for no reduction in the rate of pay of serving public servants.

The Deputy will be aware that, on foot of the Government's invitation to the public service trade unions, discussions have commenced on extending the Public Service Agreement. Pay rates for all employees, including those subject to the 10% reduction, will form part of those discussions.

The discussions with the public service trade unions are predicated on the scale of consolidation required to meet our fiscal targets which will require a further reduction of some €1 billion in the cost of the public service pay and pensions bill.

Intensive engagement, facilitated by the Labour Relations Commission, has now commenced between the parties to the discussions and will continue over the coming weeks. In order to ensure that savings can be found as early as possible in 2013 to meet expenditure commitments, management has indicated that these intensive discussions should conclude in a matter of weeks. While it would not be appropriate to comment on the detail of a possible future agreement while those discussions are ongoing, any measures agreed must result in cost savings

to the tune of €1 billion over the next three years. It will be important that the Government is able to verify these cost savings, as has been the case for the current agreement.

The Government has been, and will continue to be, acutely aware of the needs and interests of the users of public services. The Government's ambitious Public Service Reform Plan was published in November 2011 and sets out the basis for the comprehensive and strategic reform of the Irish public service. The plan includes a core commitment to "place customers at the core of everything we do".

In the context of a smaller and leaner public service, there is a requirement to become more strategic and flexible and to focus on supporting citizens and businesses where and when they need it most, including working across business functions and across traditional organisational boundaries.

In this context, the plan sets out a range of actions to improve the citizen's access to, and interaction with, Government services by providing more integrated services through more efficient and accessible channels, by reducing the information and administrative burden, and by engaging with citizens and business customers in the design and delivery of services.

There is a need to make this interaction with the State as simple and efficient as possible and to improve the customer experience in engagement with the public service. This is addressed by all Government Departments and offices through their customer charters and customer action plans, and also through a range of customer service improvement initiatives at organisational and sectoral level, many of which are set out in departmental integrated reform delivery plans.

Deputy Sean Fleming: I welcome the Minister of State, Deputy Brian Hayes. I understand he is standing in for the Minister for Public Expenditure and Reform, Deputy Howlin, who is away today.

I have a couple of questions. I am calling for the Government to commit funding to ensure there is an independent review. The Department of Public Expenditure and Reform, which is leading these talks, did not exist when the Croke Park agreement was originally set up. Over the past year, they made one effort at reducing costs, which was on the issue of allowances. They promised savings of €150 million per annum and 5% of the target was achieved. Clearly, therefore, there is neither the competence nor the ability within the Department to assess properly the savings that can arise from this. Past experience has shown that.

It is important for the public to recognise that the Government is the main employer in the State, while the trade unions are representing employees' interests. From the Government's viewpoint the negotiations are to cut costs, while the trade unions wish to look after their members' interests. Despite the document that was published last year, I do not see on that agenda any concern for front-line services and the public interest. It is not sufficient to say "We issued the document last year dealing with that. That was then and this is now, and we have to move on now with our cost-cutting programme". This cannot be done.

I think the cost of leaving is budgeted at €110,000 per person, plus their pension to which they are entitled. It is a large cost and the public would like to see that justified. The Minister of State referred to a figure of €1 billion in savings, but will he add on to that the €400 million cost of the redundancy package? Will it essentially be €1.4 billion in gross savings, or is it €1 billion minus the savings to be made, while excluding the actual costs incurred to achieve that €1 billion?

Deputy Brian Hayes: I will take the latter issue first. The Government is firmly of the view that savings in pay and pensions over the next three years must bring in a net saving of €1 billion. We have set out our plan for 2013 of €300 million and the remainder in 2014 and 2015. It is against a background where three years ago the totality of public sector pay and pensions in this country was €20 billion. As of today, it is €17.5 billion. We have taken out - and, I recognise, so has the previous government - €2.5 billion over a three and a half year period. We have gone a long way but we need to go further. One way or the other, we have got to make these savings of an additional €1 billion in pay and pensions over the next three years.

This morning, the Taoiseach told the Leader of the Opposition that it is the Government's firm view that we want to do this by agreement. We think an extension of the Croke Park agreement and the mechanism provided is useful in coming to some arrangement, but difficult issues have to be resolved here. It is important to say that, with or without agreement, these savings have to be found.

Deputy Mary Lou McDonald: There are two elements to my question. The first relates to the issue of pay equity in the new round of negotiations. The Minister of State is right in saying that this morning the Taoiseach committed himself to a preference for change by agreement. However, he has also said - he repeated it this morning - that in the absence of an agreement he is quite prepared to legislate for the changes and reductions that are required. I do not know how useful it is to articulate that position in terms of the discussions with the trade unions, but be that as it may.

On the issue of pay equality, we had graduate nurses and midwives in today. They have a clear sense that they are being singled out for unfair treatment. They are being asked as graduates to enter the system at only 80% of the rate for their professional job. This decision was made unilaterally and there was no consultation whatsoever by the HSE or the Government with the representative bodies. The Minister of State makes noises about change by agreement, followed by *sotto voce* soundings about legislating if no agreement is forthcoming, but all of that is blown out of the water by the fact that in the case of these young graduates, the Government has acted unilaterally.

Deputy Brian Hayes: While the question of the graduate scheme in the health service is of course a matter for the Minister for Health, the reality is that ten years ago, Ireland had a public sector of approximately 290,000 people. Today, even on foot of the reductions in the total number over the past four years of 30,000, it still has approximately 290,000 people, despite the collapse by one third in the taxation base in the intervening period. We must find novel ways in which to engage talented young people right across the public sector and to do so in a way that is commensurate with what the State actually can pay in the current circumstances.

The Deputy spoke about the question of equity and she is right about that, as it is important that there be pay equity right across the public sector. The Deputy regularly speaks about people in receipt of salaries of €100,000 but I note that of the 290,000 people employed in the Irish public sector, approximately 6,000 have salaries of €100,000. The great majority of people who work in the public sector are in receipt of average and modest pay. If the Government is going to make these savings and get the expenditure level down to a sustainable level in a circumstance in which 36% of everything it spends goes on public pay and pensions, there must be a leaner and more efficient public service. Moreover, it must be a public service that does things differently and which works in a way that ensures the quality service gets to those who need it most, and this is being achieved.

An Leas-Cheann Comhairle: I will allow brief supplementaries from Deputies Sean Fleming and McDonald. We will take both together.

Deputy Sean Fleming: While the concentration is on a reduction in numbers, I wish to put on record that part of the increase in numbers over that decade was due to the provision of additional resource teachers and special needs assistants in schools. This represented the biggest single increase in staff numbers and that cannot be ignored. I hope the Minister of State does not suggest the numbers that were increased over those years should be in some way reversed because that would be a retrograde step.

Deputy Mary Lou McDonald: The Minister of State's comments on cutting one's cloth according to one's measure and all the rest would be fair if that was levied equally across the system. However, it is not and I will give the Minister of State an example. When a clinical director who is a consultant takes up a post, he or she gets an additional allowance of €46,000, which is more than the equivalent of two nursing salaries under the so-called graduate scheme. The Minister of State correctly stated that the vast majority of public and civil servants would only dream of earning €100,000 in any given year, but as he quite correctly mentioned, there are those 6,000 people at the top. As the Government negotiates this new agreement to find €1.4 billion in savings, where will it come from? Is the treatment being meted out at present to graduate nurses and midwives a forecast of what is to come for other jobs and professions? In the current economic climate, which the Minister of State has acknowledged, to brag about a pay cap of €200,000 is sick.

Deputy Brian Hayes: What is sick is to pretend to people that one can solve this problem by taking out everyone on a salary of €100,000, putting them up against a wall and doing what the Deputy's former comrades used to do to them. That is sick, in a circumstance in which the great majority of people who work in the public service are not on that kind of money. If one is serious about dealing with this fiscal problem, which with respect I suspect the Deputy is not, one must address expenditure and taxation at the same time. The point the Deputy ignores is there has been inequality of contribution, in that those at the very top of have seen pay cuts of up to 30% in some circumstances, those in the middle have seen pay cuts of approximately 15% and those at the bottom have seen pay cuts of 5% or 6%. The same pattern is replicated on the pension side but the Deputy does not recognise that.

Deputy Mary Lou McDonald: The Minister of State does not recognise the huge gap in earnings between those categories of people.

Deputy Brian Hayes: On the question that Deputy Sean Fleming quite rightly asked about teachers, one point on which I wish to agree with him is that even with the reductions in public servant numbers the Government and its predecessor were obliged to introduce, there still will be more teachers in the system. The reason is the number of children coming into the schools has not been at the current rate since the 1880s. As a result of more children coming into the primary schools, more teachers are being seen and the Government is proud that despite these adjustments, it has managed to enable more teachers to come into the schools. The Government has not cut class sizes and has managed to do this in a tight fiscal position. This is an achievement of which the Government is very proud.

3. **Deputy Thomas Pringle** asked the Minister for Public Expenditure and Reform if he has assessed the impact of Public Procurement (Framework Agreements) circular 06/12, for the procurement of goods and services on local jobs that has provided for single suppliers on a national level in respect of day to day purchases for public bodies; and if he will make a statement on the matter. [3220/13]

(Deputy Brian Hayes): The public service reform plan published by the Department of Public Expenditure and Reform in November 2011 identified procurement reform as a key instrument that can assist in maintaining the delivery of public services in an efficient manner. The National Procurement Service, NPS, has put in place a number of national arrangements designed to secure better value for money from leveraging the public sector's buying power with regard to a range of goods and services that are commonly purchased across the public service. These national arrangements have benefits that include cash savings, administrative savings from reduced duplication of tendering, greater purchasing expertise, improved consistency and enhanced service levels. In some instances the take-up of the NPS arrangements has been low. In order to increase the usage of the NPS arrangements and thereby secure best value for money, the Government decided that it should be mandatory for public service bodies to use specified national procurement arrangements.

Circular 06/12, to which the Deputy referred in his question, implements the Government decision by making it a mandatory requirement that public service bodies avail of specified national arrangements put in place by the NPS. The list of categories subject to national procurement arrangements includes electricity, natural gas, stationery and office supplies, paper, ICT consumables, managed print services, print media advertising and motor vehicles. These national arrangements will secure best value for money and facilitate contracting authorities to deliver services within their budgetary constraints. Where a mandatory framework arrangement exists, any public service body intending to make a purchase other than through the framework arrangement will be obliged to ensure it can explain the rationale for not using the NPS arrangement and can provide a value for money justification that takes account of the full costs, including those incurred in managing its own procurement process.

Additional information not given on the floor of the House

While the key purpose of circular 6/12 is to enable the State to do more with less by aggregating procurement to secure better value for money, it is worth noting that such aggregation arrangements can be implemented in a manner that achieves value for money with a minimal negative impact, or indeed a positive impact, on small and medium-sized enterprises, SMEs. While a number of the categories of goods and services mandated under the circular are suited to single supplier national arrangements, it should not be taken that single supplier frameworks are to be accepted as the norm. The greater use, where appropriate, of multi-supplier frameworks can address local supplier issues while also ensuring ongoing cost competitiveness of the framework itself. Such multi-supplier frameworks may also offer SMEs the opportunity to participate in national level contracts, thereby offering valuable reference work when competing for public procurement contracts in other jurisdictions.

In order to encourage greater SME participation, the NPS over the past three years has conducted a targeted programme of education for suppliers who wish to learn more about doing business with the Irish public service. This programme consists of seminars, workshops and large-scale so-called meet the buyer events hosted nationwide. In 2012 the NPS, working with InterTradeIreland, for the first time brought together a number of the lead Government agencies

to create a programme of major events for the island of Ireland. Attendees could also avail of educational seminars on a variety of topics ranging from the technicalities of public service procurement to procedures around consortia building for SMEs. To date, the NPS has facilitated workshops and presented at seminars to more than 3,000 SMEs nationwide. Surveys conducted at these events have indicated a high degree of satisfaction among suppliers. Parallel with these events, the NPS also works closely with business representative bodies such as ISME and IBEC to provide briefings for their members.

Deputy Thomas Pringle: While I appreciate the Minister of State's response, it does not address the question. The question was whether, in drawing up the procurement frameworks, the impact or potential impact on local jobs nationwide was assessed as part of that process, and from the Minister of State's reply, it appears as though it was not. While up to now, local companies have been supplying materials to bodies such as schools, local authorities and so on, what will happen is those bodies will be obliged to buy from a single centralised company that will service the entire country. This will give rise to a real threat to local jobs throughout the country. In the case of County Donegal, a number of companies supply materials to schools, such as, for example, janitorial supplies. In future, the VECs and third level institutions will be obliged to buy from a single entity nationally when purchasing such equipment. This will have a real impact on local jobs.

An Leas-Cheann Comhairle: A question please, Deputy.

Deputy Thomas Pringle: Many companies are now fearful as to whether they will be able to sustain the jobs they have on the basis of losing so much of that type of business which they have built up over the years. This is an issue that should have been considered through the procurement process and it should be addressed as a matter of urgency because if jobs are lost across the country on foot of this development, the value of this procurement process then comes into serious question.

Deputy Brian Hayes: To answer the Deputy's question, it was considered by my Department very carefully. My Department stands over the decision it successfully brought to the Government for approval last July. That memorandum is crucially important for the procurement space into which the Government is trying to get. There is an enormous prize to be won in this regard. A recent independent report showed the State could save somewhere between €250 million and €650 million over a three-year period through better procurement, better and more efficient buying, knowledge of markets, fewer procurers and getting the best value for money.

I wish to make the procurement agenda an absolutely crucial part of the expenditure profile in the adjustment programme in the State. This can be done and the Government can get procurement to a much better space. However, this requires people who know the business and does not require people sorting out local suppliers, just because they know them, at jacked-up prices. Such quality procurement, as other small states have done, is what is required and this State can get there. I will make the following point carefully. Local public service bodies, be they schools or anyone else, which can get a better price than the price in the framework that we have negotiated centrally, thereby taking out major savings on administration, can use that better price. However, they should be able to explain to my Department, the National Procurement Service and to local procurers that there is justification for so doing. If a better price can be attained, it can be used. As I said when I brought the issue to the Cabinet at that time, these frameworks should be allowed or it should be explained why they are not being used. The problem seems to be policy related and there is not enough implementation, but I will change that.

Deputy Thomas Pringle: Savings may be possible in procurement and substantial savings would be made if the Government tackled the cartels operating in the likes of the concrete industry, etc. That would bring about real savings in contracts. The procurement policy will cost jobs in local areas, and this is not down to the fact that people will be making decisions based on whether they know somebody. Local managers in the public sector are achieving the best prices that they can and there is intense local competition with regard to provision of services. The circular does not state that local managers can make different procurement decisions. Will the Minister of State provide the House with the document that considered the impact on local jobs, as well as the rationale and justification used in that respect?

Deputy Brian Hayes: We had very substantial dialogue with representatives of the small and medium enterprise, SME, sector before introducing this because we want that sector to win more of these contracts. If there is a criticism I can make of the procurement, it is that we do not have multiple suppliers on those frameworks. I accept the criticism from some that a framework should not be created with one supplier and there should be a framework with multiple suppliers.

The managed print contract has a total of five suppliers with approximately half being Irish small and medium enterprises and the others multinationals. The Irish companies would win because they came together and are working collaboratively. I want to see more of that but I also want to see significant savings for the State. To be blunt, some people have been screwing the State for years as a result of prices they got and we must make the procurement agenda an absolutely key part of the expenditure agenda in this country. That means we must professionalise the process, and we have recently appointed a new chief procurement officer. We are also rationalising and changing the procurement service through the Department of Public Expenditure and Reform and the National Procurement Service.

There is a substantial prize to be won if people hold their nerve and believe we can get the country to a better place by way of procurement. It is an exciting opportunity for Irish SMEs to win a bigger share by coming together and using their expertise.

Sale of State Assets

4. **Deputy Sean Fleming** asked the Minister for Public Expenditure and Reform if he will ensure that the proceeds from the sale of the National Lottery licence are ringfenced for key infrastructure investment; if he remains committed to using the maximum amount of the proceeds from the sale of State assets for job creating initiatives; and if he will make a statement on the matter. [3186/13]

Deputy Brian Hayes: On 17 July 2012, the Government announced its plans for an additional €2.25 billion investment in public infrastructure projects in Ireland. The stimulus package included €850 million in Exchequer investment to be funded from the proceeds of the sale of State assets and from the new licensing arrangements for the national lottery. This investment will be used as a project preparation facility for the new public-private partnership, PPP, programme and to fund additional Exchequer capital projects and other commercial and publicly needed projects.

With regard to the national lottery licence, we have already committed to using some of the proceeds from the licence to part fund the new national children's hospital. In addition to this,

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officials from the Department of Public Expenditure and Reform are examining other potential Exchequer projects which can be funded as part of the stimulus plan. They are also considering the selection criteria to be applied and how best to channel funds to commercial projects.

With regard to the use of proceeds generated from the sale of State assets, it has been the Government's consistent position that funds released from the disposals should be used to support job creating initiatives in the economy. As the Deputy will be aware, the agreement with the troika is that all of the Government's proceeds from the State asset disposal programme will be available, in one shape or another, to support job-creating initiatives in the economy. Half of the proceeds will be available to fund employment enhancing projects of a commercial nature. The other half, while destined eventually to pay down debt, will in the first instance be constituted as a fund to underpin additional lending into Ireland in support of further investment in job-creating initiatives.

Due to the commercial sensitivities surrounding both the sale of State assets and the licensing arrangement for the national lottery, it is not possible to comment at present on the expected quantum of funding or on specific projects to be funded. As the Deputy is aware, the enabling legislation on the new arrangements for the national lottery licence was published by the Department of Public Expenditure and Reform in December. The asset disposal programme will start later in 2013. Details of these aspects will become clearer as asset sales progress and the new licensing arrangement are put in place.

Deputy Sean Fleming: I know the Minister of State has read from a prepared script. I am beginning to realise that the people felt there was a genuine and very strong commitment that part of the proceeds from the sale of the national lottery licence would be ring-fenced for the new national children's hospital. There is absolutely no sense of that in the Minister of State's reply today. As a result of a new location being selected, this building will not be completed until 2017 or 2018 but the proceeds from the lottery licence will come through in a couple of months in 2013. The question was ignored by the answer but I had asked if proceeds from the sale of the lottery licence - or a substantial portion of them - will be ring-fenced in a special account for the children's hospital. The Minister of State did not answer it.

Deputy Brian Hayes: I apologise. I can do so now.

Deputy Sean Fleming: What will happen this funding or will it be used for another purpose? When the time comes, will the Government be trying to find money for the national children's hospital? The Minister of State mentioned new legislation regarding the national lottery licensing, particularly the process of licensing. I have gone through every line of it but there is nothing in the legislation that would ring-fence any of the proceeds for any good cause like the new children's hospital.

Deputy Brian Hayes: The Deputy is correct in that there is no such reference in the Bill, but that is not the intention of the legislation. The Minister published the Bill last December and the House will have the opportunity to discuss it in further detail shortly. We never said that all the proceeds-----

Deputy Sean Fleming: Some.

Deputy Brian Hayes: -----from the national lottery licensing process would go to the new national paediatric tertiary hospital. That was never the intention, which is that a contribution will be made from the sale for the purpose of making a contribution to the new hospital. That

is still the proposition of the Government. I do not wish to cut across the terrain of the Minister for Health but I suspect the great majority of the funding for the new hospital will come from the national capital programme, a €17 billion plan that has already been announced. We are also hoping to get some philanthropic proposals. To cut to the chase, it was never the intention that all the proceeds would be handed over to construct the new national children's hospital. A contribution will be made from the licensing process and that is still the Government's intention.

Deputy Sean Fleming: The Minister of State knows that I never suggested that all the proceeds would be used from the sale of the national lottery licence, but it has always been stated that a significant portion would be used. Is the funding from the national lottery licence - whatever portion that is - to be ring-fenced for the national children's hospital, as everybody understood was the case? Will it be used in the normal course of events, meaning it will not be there for its stated purpose?

Deputy Brian Hayes: I suppose we are playing with words. The Minister, Deputy Howlin, has stated that a contribution will be made, whether it is termed ring-fencing or a policy. It depends on whether one man has a dinner and another does not. The bottom line is that this important national facility will be built in the lifetime of this Government. This shows that even in really difficult times, we can get major national infrastructural projects like this over the line. One of the best people to show how this could be done was a former Taoiseach, Mr. Charles Haughey, who even in difficult times was able to build important projects for this country.

We are in the most difficult and challenging economic environment since independence and this project probably should have been built ten years ago if the question of the site had not been so controversial. The decision on the site is over and the Government now has a clear plan for bringing forward the development. We do not even know the cost at this stage because we must return to the planning round. We are not talking about the sale of an asset, rather a licence, but it is proper that a portion of the proceeds will contribute to building a new national children's hospital. That demonstrates the commitment of the Government in very difficult times to get significant public projects like this over the line.

3 o'clock

Public Sector Reform

5. **Deputy Stephen S. Donnelly** asked the Minister for Public Expenditure and Reform if officials from his Department will engage directly with front line public service staff, un-mediated by union officials, to identify opportunities for improved service quality and increased efficiency as part of negotiations for the Public Service Agreement that will proceed the Croke Park deal; and if he will make a statement on the matter. [3407/13]

(Deputy Brian Hayes): Given the financial and human resource constraints under which the public service has operated for some years and will continue to operate in future, all opportunities for the identification of improved service quality and increased efficiency measures in the provision of public services are welcome. My officials are happy to engage with staff with or without the benefit of union representation to identify further savings and productivity

opportunities. Given that staff engaged in the delivery of public services have a unique insight in to the cost base of those services, I welcome any proposals that could reduce the cost base in the delivery of front-line services in the public service.

Discussions are under way between public service employers and the public services committee of the Irish Congress of Trade Unions which, through their membership of trade unions and associations, public servants have nominated to represent them. The Government's stated intention is to reach agreement on securing overall savings of an additional €1 billion from the public service pay bill by 2015. This will involve reductions in payroll costs for serving staff as well as significant productivity and workforce reform measures in addition to those already achieved under the current Croke Park agreement. All proposals for cost savings will be considered in the context of the contribution they can make to the targeted saving of €1 billion.

Deputy Stephen S. Donnelly: I am pleased to note the Department is open to engaging with front-line officials. Having been involved in reform for some time, the Minister of State will be aware that the Croke Park agreement, while offering some limited value, is an old-fashioned, centralist and top-down approach to public sector reform. International best practice in the public and private sectors is to engage directly with employees. While a small number of measures can be taken at a high level, for example, one can agree changes in rosters and so forth, the vast majority of savings are identified on the shop floor. In cases where we used lean process design for operating theatres, it was shown that substantial savings were possible. However, the only people who can identify and implement such savings are porters, nurses, surgeons and so forth. The same applies in accident and emergency departments in respect of triage procedures.

During a recent appearance on "The Frontline", I argued that engagement with public sector workers was a key element missing from the current approach. After the programme, I was inundated with e-mails and approached by audience members who thanked me for raising the issue and pointed out that I was the first person to say they should be contacted directly. They provided examples of changes in their workplaces that could generate savings of tens of thousands, if not hundreds of thousands of euro. I was informed, however, that efforts to implement these changes in response to the crisis were blocked by a union control mentality which insists that change must come through the unions. I hope the current culture in which change and improvement are viewed as things to be stopped and then negotiated with the Government is coming to an end.

I would like the Minister of State, the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, and their officials to move beyond agreeing to be open to ideas from employees and instead consider adopting a planned, systemic approach in parallel with the ongoing top level approach that is being taken under the Croke Park agreement. They need to engage with employees all over the country.

Deputy Brian Hayes: The Deputy should appear on "The Frontline" programme more often. I ask him to send me the proposals he has received. Alternatively, we could meet him and go through the proposals one by one and line by line to ascertain how useful they are. That would be a worthwhile engagement.

We are already doing as the Deputy asks, for example, in the area of shared services for human resource functions. Each of the 15 Departments currently has its own human resources personnel. By bringing together in one shared service platform all departmental human resources functions, from banking to payroll, we will achieve savings in personnel of 26% and

cash savings of 17%. Much of this engagement is taking place internally as opposed to being outsourced to an agency.

We spoke about procurement in response to Deputy Pringle's earlier question. The administration costs of a centralised procurement framework are €28,000, whereas each local authority would have to spend €6,500 on administration if procurement was done locally. This is another saving we can achieve by having our staff use their time better, acquire more expertise and identify what they want to achieve. I would like to receive details of the ideas the Deputy has received.

Deputy Stephen S. Donnelly: The Minister of State and I appear to be discussing two slightly different issues. The shared services idea forms part of a centralised design approach. While I support this approach on the basis that it can deliver benefits, it does not involve asking front-line workers in Garda stations, schools, operating theatres and so forth to identify opportunities for achieving savings. An entirely new approach is required on this issue. I would be pleased to meet the Minister of State to discuss my experiences and outline what is being done elsewhere in the world. We need to have two processes running in parallel. In addition to the good measures the Government is taking, we require a new approach that involves approaching each worker directly.

Deputy Brian Hayes: I do not disagree. One of the questions that is central to the current talks is how we will change the workforce and do things in a radically different way. This requires redeployment and a whole-of-government approach. We need to examine the performance management and development system, PMDS, to determine who is marking it and whether there is real engagement with the process and to ensure people are accountable.

Managers in the public sector are paid very well *vis-à-vis* public service managers in other similar sized countries. They must manage and be held accountable for their management but we cannot have some centralist, Stalinist approach to management. How we move forward on this issue will be central to the discussions with the public sector unions. Local managers are paid very well and must manage their budgets and engage with people on the ground to ensure we achieve efficiencies and changing work practices. I strongly agree with the Deputy that a centralised approach leads to inefficiency.

Other Questions

Public Service Reform

6. **Deputy Joe Higgins** asked the Minister for Public Expenditure and Reform if he will report on his recent discussions with the public service unions regarding a successor to the Croke Park agreement. [2908/13]

18. **Deputy Bernard J. Durkan** asked the Minister for Public Expenditure and Reform the degree to which he can, in the context of budgetary curtailments in the current year, rely on

revised working hours as a possible alternative to salary or wage cuts in view of the fact that the public already have considerable commitments by way of financial outgoings; and if he will make a statement on the matter. [3057/13]

25. **Deputy Mary Lou McDonald** asked the Minister for Public Expenditure and Reform aside from pay savings and increased working hours, the additional reforms he is seeking from discussions with union leaders on extending the Croke Park Agreement. [3081/13]

30. **Deputy Dara Calleary** asked the Minister for Public Expenditure and Reform if he is setting any non-negotiable conditions in respect of talks on a successor to the Croke Park agreement. [2803/13]

32. **Deputy Catherine Murphy** asked the Minister for Public Expenditure and Reform the way it is intended to incorporate the citizen-user of public services as a represented party in the ongoing public service pay and performance negotiations to replace the Croke Park agreement; if he foresees any role for the citizen user of public services in these negotiations in terms of the overall reforms of the public service which are planned; and if he will make a statement on the matter. [3052/13]

103. **Deputy Bernard J. Durkan** asked the Minister for Public Expenditure and Reform the extent to which he sees the substitution of longer working hours for pay cuts as being more acceptable in some sectors in the public services in the context of meeting budgetary targets set in the Memorandum of Understanding; and if he will make a statement on the matter. [3296/13]

(Deputy Brian Hayes): I propose to take Questions Nos. 6, 18, 25, 30, 32 and 103 together.

The Government has indicated that an additional saving of €1 billion in the pay and pensions bill will be necessary in the period until the end of 2015 and €300 million of this saving will be needed this year to meet our spending targets. This is to support our determination to restore order to the public finances and meet our fiscal targets.

Deputies will be aware that the Government extended an invitation to the members of the public services committee of the Irish Congress of Trade Unions to enter discussions with public service management on a new agenda for reductions in the cost of delivering public services and substantial longer term productivity improvements and workplace reforms. A parallel process is also under way with the associations representing the Garda and Defence Forces.

Intensive engagement, facilitated by the Labour Relations Commission, has commenced between the parties to the discussions and will continue over the coming weeks. This process will allow for the impact of any changes on individual public servants and their workplace to be explored in order that public servants have the fullest information to help them decide in any ballot.

While this is a challenging and complex process, the Government wishes to reach an agreement that allows substantial costs to be extracted and enhances public service productivity to the benefit of all those who rely on public services. The Minister for Public Expenditure and Reform, Deputy Howlin, has indicated that he wants to achieve the necessary savings in a way that is broadly equitable and impacts most on those who are best able to afford it.

Any measures aimed at achieving overall savings of €1 billion will have to involve reductions in payroll costs for serving staff as well as significant productivity and workforce reform

measures, in addition to those already achieved under the current Croke Park agreement. To ensure that savings can be found as early as possible in 2013 to meet expenditure commitments, management has indicated that these intensive discussions should conclude in a matter of weeks. The Minister has indicated a date of the end of February. The management negotiators will present a range of measures they believe can deliver the necessary savings.

It would not be helpful or appropriate to discuss the details of the various issues that are part of these discussions. They are subject to ongoing bilateral engagement between the parties in the correct forum and any comment at this time would not help and could impede the discussions. The Minister will brief the House in full on the outcome of any engagements. However, the Government will not offer any comment on the current negotiations until they are concluded in full.

It is worth emphasising that the current agreement remains in place while these discussions are under way and the reforms under the current framework are continuing. It is intended that any new agreement will build on the work done to date and use the same successful fast-track mechanisms to drive change and reforms forward.

Deputy Sean Fleming: On a point of order, I am surprised that six related questions have been grouped together, as they will take the rest of this questions session, approximately 36 minutes. The rest of the session will be spent on one topic. I have tabled a number of questions that are next in the sequence. Other Deputies have also tabled questions, but none will be discussed in this session.

An Leas-Cheann Comhairle: Let me interrupt-----

Deputy Sean Fleming: What is the procedure? Must we agree to the grouping of questions-----

An Leas-Cheann Comhairle: No.

Deputy Sean Fleming: -----or do we have a choice?

An Leas-Cheann Comhairle: It has been decided. No matter how many questions are asked, no more than 18 minutes can be spent on them.

Deputy Sean Fleming: Is that for all six?

An Leas-Cheann Comhairle: Yes.

Deputy Brian Hayes: If a question is not asked, we will move on to the next one.

An Leas-Cheann Comhairle: I will take the questions in the order in which they were tabled. Deputy McDonald is next, followed by Deputy Sean Fleming, as the other Deputies have not arrived yet.

Deputy Mary Lou McDonald: I noticed that Deputy Higgins was not present. The Minister of State is not going to comment on what is on the table, as he believes that commentary would be unhelpful. However, the Government has already put down a couple of markers, some of which I rehearsed with the Minister of State, in terms of legislating if no agreement is forthcoming and regarding the crucial issue of graduate nurses and midwives.

From a briefing in Leinster House today, I understand that the nursing unions have made

it clear that, unless this matter is resolved - by which they mean the HSE and the Government should set aside the yellow pack approach to graduate nurses and midwives - there will be a problem agreeing a new Croke Park deal. When the Minister of State gets to his feet, will he inform the House of whether this is the case? Is he aware that this matter has been placed front and centre in the negotiations? What are his comments in this regard?

Deputy Brian Hayes: On a programme on the national broadcaster on Saturday, I set out clearly that it was not helpful of me or any other Minister or Minister of State to make sidebar comments in this way when the person mandated to do the job was the Minister for Public Expenditure and Reform, Deputy Howlin. I feel strongly about this. The Government has mandated the Minister and his Department to run the talks and to report back to it on their success or otherwise. It does not help if I or anyone else stands in the way of those talks by making public comment.

We are very much involved in these intensive talks. There is a short timeframe for them. The Minister set it at a number of weeks to the end of February. Everyone who sat down on the first day of those talks is still there today. This is a constructive engagement on the part of public service unions. The Government is ambitious for the talks. We want them to succeed. We do not want to impose a unilateral arrangement if no agreement can be found. We believe that we can find agreement in circumstances in which the same public sector unions have been central to the radical reductions in numbers and total payroll costs during the past four years. They are up to the challenge and task that lie ahead.

This is not easy. It is difficult returning for a second and a third time to a group of people who have seen their core pay reduced. However, the Government has signed up to an agreement with our international funders and with the Irish people. The Government's mandate is to have a deficit of just under 3% by 2015. One cannot do this if one excludes 36% of all public expenditure. This is the context of the discussions.

Deputy Sean Fleming: It is all well and good for the talks to be held behind closed doors, but what of the public interest? The taxpayer is paying. The Government is participating with its employer's hat on and the employees are represented by the trade unions, but no one in the talks represents the public interest and the taxpayer. For this reason, people need to be made aware.

According to the Minister of State, the Minister, Deputy Howlin, has been charged with dealing with these talks and sidebar discussions would be unhelpful. Will the Minister of State ask the Minister or the Taoiseach to tell that to the Minister for Health, Deputy Reilly, who made comments in the Sunday newspapers about nursing numbers, which comprise part of this issue, and the Minister for Transport, Tourism and Sport, Deputy Varadkar, who dealt with Croke Park II negotiations in another article? The Minister of State is not averse to commenting on these issues on occasion, although perhaps he has not done so recently. Through media statements, senior Ministers have flatly contradicted what the Minister of State referred to as the Government instruction on there being no sidebar comments.

Are there non-negotiable or red line issues? If €1 billion is not achieved in the talks, will the Government accept the deal? Is the figure of €1 billion an opening shot and will the Government settle for €450 million, €550 million or €650 million? Is the €1 billion a red line issue?

Deputy Brian Hayes: I apologise, as I did not answer this question when the Deputy asked

it previously. The €1 billion is €1 billion.

Deputy Sean Fleming: The red line.

Deputy Brian Hayes: That is what we are seeking to resolve. Some figures have been banded about elsewhere, for example, €800 million, but let me be clear - the figure is €1 billion.

Everyone is represented at the talks.

Deputy Sean Fleming: No.

Deputy Brian Hayes: The taxpayer is represented by the Government, but also by the public sector unions. Some €2.5 billion has been removed from public sector pay and pensions in circumstances of industrial peace. I am not implying that the Deputy opposite is involved, but those Deputies who suggest something other than this approach should state what their approach is. Days and weeks have been lost in other European countries that have needed to undergo such a transformation, schools and hospitals have been closed and inevitable public conflict has followed some kind of confrontation. We are trying to operate by agreement. It is to the credit of the public sector unions and the leadership they have shown that we have got this far in terms of a peaceful industrial environment.

It is a question of the future sustainability of public sector pay and pensions. Our country will not have a sustainable financial base until we reduce expenditure. If public servants and the public sector are to have a sustainable future, we must address this issue in terms of the €1 billion in savings.

Deputy Mary Lou McDonald: I am struggling with the contradiction in the Minister of State's comments. I am sorry that, sadly, I did not hear him on the national broadcaster on Saturday.

Deputy Brian Hayes: The Deputy did not miss much.

Deputy Mary Lou McDonald: The Minister of State is laying all of his emphasis on the new Croke Park agreement by agreement, but he is ignoring entirely the matter that I raised. The HSE and the Government acted unilaterally to deliver a pay cut to nurses and midwives. In Leinster House and elsewhere, the unions have stated that this matter is on the table in the negotiations. If it is not resolved and if the unilateral action is not rolled back, reaching any agreement will be difficult.

I do not know how involved the Minister of State is in the detail of the talks, but I imagine he would know. At least, I hope he would. Will he confirm for the House whether the Government understands the importance of this issue? People in the public sector and beyond see that unilateral action has been taken against graduate nurses and midwives. If it is against them today, who might it be against tomorrow?

Deputy Brian Hayes: It is no one's right, be it the Government or public sector unions, to lay down such preconditions in the context of discussions around a table. I am taking the Deputy's word, as I did not attend the discussion today that she mentioned. I am not sure whether it was a public or private engagement or whether just the Deputy was briefed. We will wait to see what others have to say. In the first instance, if anyone knows anything about talks with preconditions, I suspect it is Deputy McDonald's party, given the length of time it took to reach an agreement in Northern Ireland.

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This is an open engagement. We are ambitious for these talks, as the country must find savings. If other parties to the talks are setting down such conditions, I have not heard of them thus far. Where other professions, for example, teaching, have seen new recruitment streams to deal with the financial crisis and to give people experience and the opportunity to work in this country, we must show such flexibility across the public service.

Deputy Mary Lou McDonald: Run down the wages across the service.

Deputy Brian Hayes: The great prize from these talks is ultimately the creation of a sustainable public sector in the future which can fund itself as a result of the taxation we bring in.

Deputy Mary Lou McDonald: But we cannot go near the ones at the top. Is that not correct?

Deputy Brian Hayes: The Deputy knows as well as I do-----

Deputy Mary Lou McDonald: I know full well.

Deputy Brian Hayes: The Deputy knows as well as I do that the people at the top of the public sector, the crowd she would like to put against the wall, are those who have suffered the biggest cuts as a result of the decisions taken. That will continue. I am not sure whether Deputy McDonald deliberately ignored what I said earlier-----

Deputy Mary Lou McDonald: No nurse is on €100,000.

Deputy Brian Hayes: -----or if she chose to put it to one side, but that will continue. It is a fundamental part of these talks that there will be an equality of contribution in terms of potential reductions to pay and pensions. That has been the case with this Government and it will continue in the talks and into the future.

Public Procurement Contracts

7. **Deputy Martin Ferris** asked the Minister for Public Expenditure and Reform the percentage of construction related public procurement projects of €100,000 and over that were awarded to Irish companies, including those in the six counties, in 2011 and 2012 respectively. [3074/13]

41. **Deputy Sandra McLellan** asked the Minister for Public Expenditure and Reform if he will provide in tabular form a breakdown of construction related public procurement projects awarded in 2012; the value of each project, and if the project was awarded to an Irish company including the six counties. [3073/13]

(Deputy Brian Hayes): I propose to take Questions Nos. 7 and 41 together.

The National Procurement Service, NPS, is responsible for the collection of the annual procurement statistics for all supplies, services and works contract notices that are advertised on e-tenders, which are above the EU threshold levels within any given year. It should be noted that below threshold statistics are not collected.

While the NPS collects data on services contracts above the EU threshold levels, it does not specifically collect information relating to construction service contracts as it would be difficult

to differentiate construction service specific contracts from general service contracts based on the criteria used in the data collection process. Accordingly, only works contracts are available on construction-related public procurement projects. The statistics for 2012 are not available for review at this point as the NPS has only just started the process of gathering the data and it will take several months to complete.

The breakdown for the 2011 statistics for above EU threshold works contracts is set out in the following table. Each year, the NPS issues a notice to all contracting authorities that publish a notice on e-tenders, requesting them to complete an appropriate form outlining their procurement figures via an online database. It should be noted that the following figures are based on a 75% return rate from all contracting authorities which were issued this notice requesting their figures for 2011. The contracts that are quoted as being “unawarded at time of collection” relate to contracts that were advertised during 2011 but by the end of the year had not been awarded. In those instances, a maximum estimated contract value was requested from the relevant contracting authority for inclusion in the statistics.

Central Government

-	Number of Contracts	Total Value
Total	9	€138,800,000
Awarded to Irish Suppliers	2	€48,000,000
Unawarded at time of data collection	7	€90,000,000

Local and Regional Authorities/Others

-	Number of Contracts	Total Value
Total	71	€863,966,000
Awarded to Irish Suppliers	39*	€249,272,000
Unawarded at time of data collection	31	€614,398,000
Non Irish Suppliers	1**	€296,000

*One Northern Irish supplier included in this total. The value of this contract was €5,677,000.

**One contract with a value of €296,000 was awarded to a supplier listed as being from the UK. In terms of central government, the total number of contracts was nine above the EU threshold level of more than €138 million. Two were awarded to Irish suppliers, the other seven were unawarded at the end of the data collection period. In terms of local and regional authorities, of the 71 contracts, 39 were awarded to Irish suppliers and 31 were unawarded because the contract was not placed, and only one non-Irish supplier won a contract. One of the 71 is the brief, succinct answer to the question.

Deputy Mary Lou McDonald: Sometimes one is better off to see the replies when they are in tabular form but I got the gist of what the Minister of State had to say.

Deputy Brian Hayes: I apologise for the verbose reply.

Deputy Mary Lou McDonald: Yes, indeed. The purpose of the question is to explore the issue. I appreciate the necessity on the one hand for the kinds of cost savings the Minister of

State envisages through procurement. That is reasonable and fair. We cannot allow a situation to continue, whereby, as the Minister of State put it, people were “screwing the State”.

An additional concern was raised by Deputy Pringle in his earlier question about a situation whereby the State is contracting for services and spending substantial amounts of money, and it is in our interests that Irish firms can compete and win those tenders. With that in mind, is the Minister of State considering any modifications or innovations to how procurement processes operate that would build on the potential for Irish firms? I presume that is something that is under constant review. I am interested in hearing what specifically the Minister of State is thinking.

It is a pity that it was not possible to disaggregate or give specific data for the construction sector, not least because we know that much of the catastrophe in terms of job losses, in particular for men, were in the sector. Any monitoring or additional data that would help to give a boost on a sustainable and competitive basis to the sector would be welcome.

In a later question which I do not expect the Minister of State will reach, I asked about a social clause for public contracts - in other words, that provision would be made within the procurement process to address youth unemployment and long-term unemployment. As the Minister of State is aware, the EU procurement regime and legislation is tight and prescriptive but there is scope within it for contracts to specify terms and conditions relating to such social issues. It is time we took such steps. The Minister of State might be aware that my ministerial colleague in the North, Conor Murphy, pursued that and it proved successful.

Deputy Brian Hayes: Deputy McDonald made a number of valuable points. On the latter issue of social contracts, I can confirm to the House that I will bring proposals to Government shortly effectively to demand that a percentage of people who will work on public construction contracts will be ones who have suffered unemployment as a result of the downturn in the construction industry. We have done much work in that regard in recent months. Much of it has been helped by what has happened in other EU countries, in particular where there has been a significant increase in unemployment and states have examined how, through the expenditure of public money or through PPPs, they could ensure that social contracts are part and parcel of the system. It is not part of tendering, as such; it is more to do with the State requiring that a certain percentage of people on construction contracts would come from the live register. I can confirm to the Deputy that we are doing that and we will make an announcement on the issue in due course. It was a perceptive question on the Deputy’s part.

The biggest thing that will help us to change is data. To put it bluntly, we do not know who is buying what, and there is little accountability on spending in this country. The new e-tenders website that we have put in place gives us the technological opportunity to capture the data and discover what bodies are spending what amounts. It is important to analyse the data to ensure there is proper value.

The good news is that 95% of the value of what we spend, even if some contracts are won outside the State, remains in the country. We want to see Irish businesses not just win contracts in this country, but in other countries. I understand that across the EU the market is valued at €2.5 trillion and we want to see our companies getting a larger percentage of that. It is not just about what contracts Irish companies can win at home, but what they can win abroad.

We are actively encouraging SMEs to pitch together for business. We are improving data

collection through e-tenders. By the end of the first quarter of this year we will bring a new policy on procurement to the Cabinet with the imprimatur of the new chief procurement officer. It is about getting a much more exacting standard at a technological and management level as to who is spending what to make sure that what we are spending, which is €9 billion on goods and services – approximately €4 billion on construction – is spent by and large at home.

The situation is governed by EU tendering law. Currently, there is what I might call a legal cottage industry challenging every single decision the Government takes. We must professionalise the standard of procurement and get the standard the NPS has applying across the country. Otherwise, such is the level of litigation in the area, people will be taken to court.

Deputy Patrick O'Donovan: I agree with much of what the previous speaker said about the construction element of procurement contracts. There is a problem with the tendering process in terms of the construction sector. All public representatives are aware that tenders of excessively low levels are being submitted to the county council, the Department of Education and Skills or to the Department of the Environment, Community and Local Government, perhaps for a water main or the like. This is a huge problem for subcontractors. The tenders are excessively low, without any regard to quantity surveyors or what is realistically deliverable in the market. Lo and behold, half way through the contract the contractor goes belly up, leaving the local subcontractors in the lurch. Then another contract might be awarded by another local authority to the same building outfit. That local authority cannot carry out a proper background check and use the contractor's experience, be it in Limerick, Carlow or with the Department of Education and Skills, to decide that he is a cowboy, having burned subcontractors previously, and exclude him from the process.

This is happening everywhere. It happened with a school in my constituency before Christmas. It transpires that the situation is not unique to Limerick. In fact, in the case of a school in Dublin, at the same time the person was walking away from their responsibilities he got a contract to refurbish houses in a local authority in Munster. This must stop. We must give some type of comfort to subcontractors who are taking on this risk at present. I realise the Construction Contracts Bill is due to come back to the Dáil, but it does not go far enough in terms of establishing a certification process whereby if Patrick O'Donovan or Brian Hayes are subcontractors to whoever, they must be paid in full before the next contract is awarded or before the last tranche of funding is drawn down. It is a huge a problem. These are small businesses and, to borrow a phrase from the previous speaker, they are being screwed wholesale by contractors who have no regard for them, their families or their employees, who must also put bread on the table.

Deputy Brian Hayes: I thank the Deputy for his intervention. The House has been very patient about the Construction Contracts Bill and Opposition Deputies, in particular, have been very patient with me with regard to not bringing the Bill to Committee Stage. It is my intention to do so in a matter of weeks. I apologise for not being more speedy on this. However, even if that Bill had been passed by this House and the Seanad, it would not have dealt with the case to which the Deputy refers. I am aware of the school in Limerick because it was the subject of an Adjournment debate in the Seanad.

We will look at this closely. The pricing of construction contracts is very competitive at present. It is down by over a third from prices at the height of the boom. At one level, that is a great opportunity for the State. We are getting a great deal of value in our construction and a bang for our buck in our spending. However, there is a great deal of cutting back on the ground

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in order to win those contracts. In addition, the construction industry has changed dramatically in recent years. Much of the work is done by subcontractors and, as the Deputy said, people can be stung in that process. I hope the Bill, which will go to Committee Stage shortly, will deal with some of those issues. Certainly, I believe we have managed in the amendments to deal with the issues raised by the opposition spokespeople. Those issues were the subject of representations that many subcontractors made to the Deputies concerned.

There would be much legal doubt and uncertainty as to whether the State can be involved in effectively blacklisting groups or individuals. There would be huge difficulties constitutionally. Nevertheless, we might look at it again on Committee Stage and seek the Deputy's intervention then.

State Agencies

8. **Deputy Seamus Kirk** asked the Minister for Public Expenditure and Reform the date on which he will publish an updated list of State agencies and organisations that will be rationalised or amalgamated; and if he will make a statement on the matter. [2813/13]

Deputy Brian Hayes: As the Deputy is aware, the radical streamlining of State bodies is a key deliverable of the public service reform plan published in November 2011. This streamlining included 48 rationalisation measures to be implemented by the end of 2012, as well as a further 46 critical reviews to take place by the end of June 2012. Details of the bodies involved are set out in Appendices IIa and IIb of the plan, which can be found on the Department of Public Expenditure and Reform's website.

With regard to the 48 agency rationalisation measures outlined in Appendix IIa of the public service reform plan, which were already decided on by the Government, significant progress has been made by the responsible parent Departments on the implementation of these measures. In just one case the Government has decided not to proceed with the measure at this time, namely, the proposal to absorb the national cancer registry into the Department of Health. All the others are proceeding or have been completed.

The Deputy is inquiring about the outcome of the 46 critical reviews which were undertaken during last year as part of the public service reform plan. The Minister for Public Expenditure and Reform updated his Cabinet colleagues on 31 October 2012 on the status of these 46 critical reviews of further potential agency rationalisation measures. The outcome from these reviews are listed in the table, which will be made available to Deputies along with a copy of this reply. Broadly speaking, 24 of the critical reviews, involving a total of 116 bodies, recommended proceeding with merger/rationalisation. The Minister for Public Expenditure and Reform requested his Cabinet colleagues to bring forward a timeline for full implementation of these by the end of 2013. Ten reviews did not recommend proceeding with the proposed actions. The Minister has asked these Departments to bring forward alternative proposals to improve shared services, operational synergies and so forth between the bodies mentioned, where appropriate. Four reviews are not fully finalised and eight reviews were deferred due to wider external factors. These reviews are predominantly in the health sector and will be considered in due course.

Table - 46 Critical Reviews

24 Reviews Recommending Proceeding with Measure

Dáil Éireann

Ref No. (See Appendix IIb of Public Service Reform Plan)	Department	State Body	Proposal	Decision
2	Department of Agriculture, Fisheries and Food	Irish Maritime Development Office	Subsume into the Marine Institute	The IMDO already, from an administrative perspective, operates under a single subhead with the Marine Institute. No further action needed.
4, 5	Department of Communications, Energy and Natural Resources	Commission for Communication Regulation and Broadcasting Authority of Ireland	Merge CCR and BAI	Proceeding - Merge back-office administrative functions with the BAI
6	Department of Education and Skills	Expert Group on Future Skills Needs	Absorb into Department	Proceeding
7	Department of Children and Youth Affairs	National Education and Welfare Board	Merge into Child & Family Support Agency	Proceeding
8	Department of Jobs, Enterprise & Innovation	Advisory Council for Science, Technology and Innovation	Absorb into Department	Proceeding
9	Department of Jobs, Enterprise & Innovation	National Competitiveness Council	Absorb into Department	Proceeding
10	Department of Jobs, Enterprise & Innovation	Office of the Chief Scientific Adviser to the Government	Absorb into SFI	Proceeding
11	Department of Jobs, Enterprise & Innovation	Shannon Development	Review future role of Shannon Development	The Government has decided that a State owned entity comprising the Shannon Airport Authority and Shannon Development be established.

12	Department of Environment, Community & Local Government	Environmental Protection Agency / Radiological Protection Institute of Ireland	Merge EPA and the RPII	Proceeding – This action may require a longer time-frame than end-2013
13	Department of Environment, Community & Local Government	Local Authorities	On going rationalisation of Local Authority structures	Proceeding - Rationalisation of Local Authorities structures was announced on 15 October 2012
15	Department of Environment, Community & Local Government	Buildings Regulations Advisory Board	Absorb into Department	Proceeding
17	Department of Public Expenditure and Reform	Valuation Office	Merge the Valuation Office, the Property Registration Authority and Ordnance Survey	(see 30-32 below) D/Justice and Equality is lead Department
19	Department of Public Expenditure and Reform	State Laboratory	Merge Forensic Science Laboratory into State Laboratory	Proceeding – The Forensic Science Laboratory will be brought within the ambit of the State Laboratory for professional leadership purposes while remaining within the criminal justice system for operational purposes
29	Department of Justice and Equality	Reception and Integration Agency, Office of the Refugee Applications Commissioner & Refugee Appeals Tribunal	Rationalise various Refugee Structures	Proceeding

Dáil Éireann

30-32	Department of Justice and Equality	Property Registration Authority	Merge the Valuation Office, the Property Registration Authority and Ordnance Survey	Proceeding
34	Department of Justice and Equality	Prison Visiting Committees	Reduce or merge Visiting Committees as there is now a Prison Inspectorate	Proceeding
39	Department of Arts, Heritage and the Gaeltacht	Chester Beatty Library	Develop shared services opportunities with other cultural institutions	Proceeding
40	Department of Arts, Heritage and the Gaeltacht	Placenames Commission / An Choimisiún Logainmneacha	Absorb function within Department	Proceeding
42	Department of Arts, Heritage and the Gaeltacht	Culture Ireland	Merge the functions of Culture Ireland into Department	Proceeding
45	Department of Jobs, Enterprise & Innovation (Cont.)	Companies Registration Office	Merge the Companies Registration Office and the Office of the Registrar of Friendly Societies	These bodies already, from an administrative perspective, operate as one office under a single subhead in the Department's Vote. No further action required
46	Department of Jobs, Enterprise & Innovation	Office of the Registrar of Friendly Societies	Merge with the Companies Registration Office	See 45 above

10 Reviews not Recommending Proceeding with Measure

Ref No. (See Appendix IIb of Public Service Reform Plan)	Lead Department	State Body	Proposal	Decision
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1	Department of Agriculture, Fisheries and Food	National Milk Agency	Abolish or merge with Bord Bia	Not proceeding
3	Department of Agriculture, Fisheries and Food	Bord Iascaigh Mhara (B.I.M.)	Transfer functions of BIM into the Department	Not proceeding
14	Department of Environment, Community & Local Government	Local Government Audit Service	Merge into the Office of the Comptroller & Auditor General	Not proceeding
18	Department of Public Expenditure and Reform	Disciplinary Code of Appeals Board and the Independent Mediator	Abolish/merge with new employment rights body	Not proceeding
21	Department of the Taoiseach	NESC	Abolish / disband along with the other bodies in the group (NESDO) having regard to the duplication of functions with the ESRI and the economic advisory role of the new Irish Fiscal Advisory Council	Not proceeding
28	Department of Justice and Equality	Property Services Regulation Authority	Merge with the Private Residential Tenancy Board	Not proceeding
36	Department of Transport, Tourism & Sport	Medical Bureau of Road Safety	Merge with State Laboratory	Not proceeding – The MBRS will be considered in time as part of the future configuration of the State Laboratory

37	Department of Transport, Tourism & Sport	Railway Safety Commission	Amalgamate as part of establishing a single transport safety body comprising Road Safety Authority, Railway Safety Commission, and the Maritime Safety Directorate	Not proceeding
38	Department of Transport, Tourism & Sport	Road Safety Authority	Amalgamate as part of establishing a single transport safety body comprising Road Safety Authority, Railway Safety Commission, and the Maritime Safety Directorate	Not proceeding
41	Department of Arts, Heritage and the Gaeltacht	Heritage Council	Merge the functions of the Council into Department	Not proceeding – While a merger will not proceed, a reduced, pro bono board will be put in place and statutory committees abolished

List of 8 Critical Reviews deferred due to external developments

Ref No. (See Appendix IIb of Public Service Reform Plan)	Lead Department	State Body	Proposal	Decision
22	Department of Health	Mental Health Commission	Absorb into Patient Safety Authority	Review Deferred
23	Department of Health	National Paediatric Hospital Development Board	Dependent on outcome of decision on hospital	Review Deferred

24	Department of Health	Health Information and Quality Authority	The Programme for Government envisages the creation of a Patient Safety Authority incorporating HIQA with a licensing role	Review Deferred
25	Department of Health	National Treatment Purchase Fund	The Programme for Government states that a new Hospital Care Purchase Agency will combine with the National Treatment Purchase Fund as part of the transition to a universal health insurance model	Review Deferred
26	Department of Health	Health Insurance Authority	Future to be considered in context of proposed move to a system of Universal Health Care	Review Deferred
27	Department of Health	Pre-Hospital Emergency Care Council	Merge into Health and Social Care Professionals Council	Review Deferred
33	Department of Justice and Equality	Office of the Data Protection Commissioner	Amalgamate with the Office of the Ombudsman	Review Deferred
35	Department of Justice and Equality	Commissioners of Charitable Donations and Bequests	Subsume Commissioners of Charitable Donations and Bequests into proposed Office of the Charities Regulator	Review Deferred

4 Reviews ongoing or part of wider reviews

Ref No. (See Appendix IIb of Public Service Reform Plan)	Lead Department	State Body	Proposal	Decision
16	Department of Public Expenditure and Reform / Department of Finance	NDFA	Merge into OPW / National Procurement Service	The critical review has been finalised and consultations regarding how best to implement its recommendations are ongoing
20	Department of Foreign Affairs and Trade	Development Education Advisory Committee	Role being reviewed as part of review of 2006 White Paper on ODA included in Programme for Government	Ongoing
43	Department of Social Protection	Pensions Board	Integrate functions with Financial Regulator.	Review ongoing and due to be completed shortly
44	Department of Social Protection	Pensions Ombudsman	Merge with the Financial Services Ombudsman.	Review ongoing and due to be completed shortly

Deputy Sean Fleming: I do not blame the Minister, but I asked for an update on this issue. What the Minister said is a verbatim copy of the reply I am holding to a parliamentary question last November. I have every syllable, comma and full stop of what the Minister said in front of me.

Deputy Brian Hayes: Consistency.

Deputy Sean Fleming: The record of the House shows there is no update from the update I am holding, which we were given in November after the Cabinet was updated at the end of October on measures to be implemented by 2012 and a review at the end of the third quarter. There is no update from then to now; the situation is the same.

Deputy Brian Hayes: Does the Deputy have a question on any agency?

Deputy Sean Fleming: Yes. Several times before and since Christmas I have asked the Taoiseach about what progress had been made on the 47 measures that were to be implemented by 2012. Before Christmas he told me the heads of the Bill relating to the Competition Authority were to be published before Christmas. It did not happen. The legislative process for the rationalisation of the industrial relations mechanisms was to be finished in 2012, but the Taoiseach told me the other day that legislation will be published in 2013. The review of the city

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and county enterprise boards was to be completed by 2012. The Taoiseach said it is approved by the Government but no legislation has yet been published. Last week, I asked the Taoiseach about the merger of the Opticians Board and the Health and Social Care Professionals Council, which was to be completed by the end of 2012. He said there would be legislation in 2013. The merger of the Equality Authority and the Irish Human Rights Commission was to be completed by 2012, but the Taoiseach said there would be legislation in this session.

Given the briefing the Cabinet received last October, the Government has clearly fallen a mile behind in the progress that was promised. This is all on the record. The Taoiseach gave me those replies because I generally ask on the Order of Business about the progress on a particular merger. They were meant to be completed by 2012 but he is now promising legislation. I am seeking an update.

Deputy Brian Hayes: I can give the Deputy an update on any agency he wishes.

Deputy Sean Fleming: That is what I asked for.

Deputy Brian Hayes: I will give the reply to the Deputy afterwards. I presume I am entitled to do that, although that might be a presumption too far.

This came from the public service reform plan. We said we wished to proceed with the 47, but we retained one and there is a reason for that. On the remaining 46, we told the Departments to get on with the task of introducing legislation where that is required. We cannot simply say “just do it” in Soviet style. The Cabinet Ministers have entered into a policy commitment so they will do it.

With regard to the other areas in which we have sought reviews, we have accepted that rationalisation and mergers will occur in a quarter of them. We will examine further reviews but to suggest substantial progress has not been made and that agencies are not merging or being abolished is not true. In the education sector, the Further Education and Training Council, FETAC completed its amalgamation with HETAC, NQAI and IUQB to form the Quality and Qualifications Ireland. The number of VECs has been reduced from 33 to 16 and the Irish Research Council for Science, Engineering and Technology and the Irish Research Council for the Humanities and Social Sciences have been merged. The Deputy should consider the reduction in the number of town councils in the environment sector and the mergers of city and council councils. Elsewhere, the Dublin Transportation Authority and Dublin Regional Authority have been amalgamated. It is not true to present this as a lack of progress.

Deputy Sean Fleming: I refer to the reply I received from the Minister on 21 November 2012. He stated: “I am confident based on the progress to date of the 47 measures will be completed at a minimum on an administrative basis by the end of the year.”

Deputy Brian Hayes: Who said that?

Deputy Sean Fleming: The Minister for Public Expenditure and Reform. I asked for an update and there has been no update. I acknowledge the work is ongoing. I thought it was nonsense when he said they would be completed by the end of the year but he put his neck out. That statement is on the Dáil record and I am just following up.

Deputy Brian Hayes: To be fair to the Minister, the fact is the rationalisation is happening and these agencies are being merged on an administrative basis. That is the policy decision of

the Government. In fairness to the Minister, he requires his colleagues to get on with the task of making sure it happens. The Deputy has given me this platform today and I am sure they will be listening in.

Public Sector Staff Grades Review

9. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Public Expenditure and Reform the date on which his review of the grading structure of the Civil Service will be concluded; if this review includes primary school, secondary school and third level staff; if the review will include State agency salaries, local authority salaries, Health Service Executive salaries, an Garda Síochána staff; if he intends to apply the principle of equal pay for equal work to the grading structure reforms; if this review will inform current discussions with trade union representatives with regards to extending the Croke Park Agreement. [3067/13]

Deputy Brendan Howlin: Under the public service reform plan, my Department is reviewing the grading structure of the Civil Service. The review will examine the number and distribution of management grades across the Civil Service, the percentage of the pay bill accounted for by such grades and, taking account of organisational needs and best practice, assess the scope to reduce the number of Civil Service management grades. Work has been commenced on the review and, in line with the reform plan, it will be completed during 2013.

Any review of grading structures and the scope of any such reviews in other sectors of the public service - health, education, local authorities and justice group - are matters for management in the parent Departments concerned.

The Government recently extended an invitation to the members of the public services committee of the Irish Congress of Trade Unions to enter discussions with public service management on a new agenda for reductions in the cost of the delivery of public services and substantial longer term productivity improvements and workplace reforms. A parallel process is also under way with the associations representing gardaí and members of the Defence Forces.

It would not be helpful or appropriate to go into the details of the various issues that are part of these discussions. They are subject to ongoing bilateral engagement between the parties in the correct forum, and any comment at this time would not help, and may impede, these discussions.

The Minister for Public Expenditure and Reform will brief the House in full on the outcome of any engagements. However, the Government will not be offering any comment on the current negotiations until discussions are concluded in full.

Deputy Mary Lou McDonald: The programme for Government commitment is as follows: “We will review the grading structures of the Civil Service and the Public Service and reduce the number of management grades.” That is the way to go. Earlier, we debated the issues of pay and pay equity in the system. Part and parcel of delivering that, if the Government is serious about delivery, will be revisiting the grading structures not only in the Civil Service, but also the wider public service. It is odd that the Department does not have a role in transforming grades across the public service. We have had this experience on a number of occasions in the context of State agencies, which was raised by Deputy Fleming. Very often, the Department bats us back and says it is not its issue. Why do we have the Department then? It would be

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more than appropriate that the Department would be front and centre in driving this reform. It makes a nonsense of having the Department in the first place.

Deputy Brian Hayes: The task of the Minister and the Department is to set the general policy in this regard across the public sector. However, specific areas such as local government, the Defence Forces and the Garda Síochána have historically had different grading structures. This is a crucial issue. The Minister has put on record that the review that will take place this year. Of the 30,000 people who have exited the public service over the past three and a half years, there has been a predominance of managers. We, therefore, have an opportunity to do things differently because of the exit strategy with a smaller public sector embracing shared services and carrying out functions differently. I recently did work on shared HR services and I found that up to one third of the people involved in HR service delivery in each Department were in management grades, which is absolutely crazy in a circumstance where much of HR delivery is transactional and can be done across different grades.

This is an essential part of our public sector transformation plan. We have published on our website a one-year update on each of the measures set out in the plan and I ask Members to read it because a great deal of work is going on in the context of public sector reform. We are making sure we are hitting our targets and people are being held accountable for the agenda within each sector. We will see the outcome of that by the end of this year in terms of how the grading structure will contribute to a much more efficient public sector.

Written Answers follow Adjournment.

Topical Issue Debate

Local Authority Housing Provision

Deputy Ann Phelan: I am grateful to the Ceann Comhairle for the opportunity to raise this important topic. Historically, one of the prime responsibilities of a local authority was to house people who, through no fault of their own, could not afford to rent houses and apartments in the private sector and get their feet on the property ladder. Owing to the economic slowdown, the local authorities cannot afford to pursue traditional methods of servicing their obligations. In the past they used their land stocks, built houses appropriate to their needs and were then in a position to allocate them to those on their housing lists.

I realise the needs of each local authority differ but, recently, because of the lack of capital funding, they have all become reliant on the private sector to provide the housing they need. The situation has even changed drastically since I was a member of Kilkenny County Council. The rental accommodation scheme, RAS, has helped enormously in providing social housing for local authorities and housing agencies. Given the current economic situation, this is likely to continue for some time.

The property tax has been brought in by the Government to try to make local authorities

more self-sufficient and less reliant on funding from central government in order that they can look after local issues with local money and, in some ways, to replace the old rates system. Today, local authorities, housing agencies and approved voluntary bodies do not have the funds to deliver the level of service they once did and, as a result, they are in danger of failing in their obligations, which may leave them open to legal challenges. We are once again experiencing a mismatch of housing need and housing stock. These bodies cannot access the capital they need and the Department of the Environment, Community and Local Government does not have the funds required under the traditional capital assistance scheme or the loan and subsidy grant scheme. In addition, the leasing initiative combined with the capital advance leasing facility, CALF, scheme, are not providing the finance for all the voluntary bodies.

The result is that all the agencies and the local authorities themselves are reliant on the private sector to provide the housing units that are needed. The proposed transfer of the RAS to local government will only increase this reliance on the private sector. It is also worth noting that what used to constitute a family home years ago has changed significantly. Many families live in flats and apartments and there are many single parent families. There is no one size fits all scenario anymore and this provides a greater challenge.

Property charges will have to be paid by everyone, including those who engage with the county councils to make housing available. This brings me to the nub of the problem. We must incentivise landlords, who prefer to rent in the private sector. The introduction of the property tax is bringing this issue into sharp focus. Landlords prefer to rent to private tenants so that they can increase rents and offset them against their incomes. When this is not possible, landlords simply rent in the private sector and will not engage with local authorities. I am trying to be proactive and deal with this issue before it becomes a crisis.

This week, my office took a huge number of calls from people who cannot get housing. Some are not earning enough to rent in the private sector but are earning too much to qualify for rent allowance. This situation is getting worse and is causing great stress to people. We must start acting now.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O’Sullivan): I thank Deputy Phelan for raising this matter and for her proactive approach to it. As she, rightly, points out, the pressure on housing budgets means that we must do more with less. Capital budgets for housing have been decreasing over the past five years.

The Government’s housing policy statement, published in June 2011, reaffirms our focus on meeting the most acute needs of households applying for social housing support from within the resources available. Our social housing programme is framed in a manner that optimises the delivery of social housing and the return for the resources invested. We are tailoring the use of available Exchequer supports to prevailing conditions and exploring the full range of solutions to address housing needs. Delivery is being significantly facilitated through more flexible funding models such as the rental accommodation scheme, RAS, and leasing, but we are also developing other funding mechanisms that will increase the supply of permanent new social housing.

Deputy Phelan has correctly highlighted the challenges faced by local authorities in accessing appropriate properties with which to address social housing need in their areas. Traditional models of large-scale local authority social housing construction are, unfortunately, not feasible in the current economic circumstances, which is why the housing policy statement recognises

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that the approved housing body sector must play a key role in addressing social housing need.

The Government is committed to exploring and developing such funding mechanisms as will increase the supply of new social housing. Such mechanisms will include options to purchase, build to lease, and the sourcing of loan finance by approved housing bodies for construction and acquisition. The Deputy referred to the CALF scheme, for example, on which we are working with the voluntary approved housing body sector.

In this regard, I am conscious that the move from capital funded programmes of construction and acquisition by approved housing bodies to more revenue funded options presents challenges. I am therefore developing an enabling regulatory framework for the sector that will provide support and assurance both to the sector itself and to its external partners as it takes on the expanded role envisaged for it by Government and will underline its status as a viable and attractive investment opportunity for financial institutions.

My Department is actively working with the sector on the development of a voluntary code which I expect most bodies will endorse. This code, which I hope to launch in the coming months, will serve as a learning opportunity for the sector and for my Department as we develop a longer-term statutory framework that will best support the enhanced role of approved housing bodies. I am satisfied that the widened range of schemes to facilitate social housing delivery and the innovative approach being adopted will enable us to maximize the delivery of social housing within the very burdensome current financial constraints.

The importance of a housing sector built on the pillars of choice, fairness and equity across tenures, is central to the approach being taken by the Government to the housing sector. Providing local authorities and approved housing bodies with a suite of options that can be tailored to meet different categories of housing need is central to the Government's policy approach. I recognise that much of the Government strategy involves the voluntary housing sector but much of it depends on the co-operation of private landlords. The issue the Deputy raised is one I am conscious of. We want to do whatever we can to ensure that we have the co-operation of private landlords through the leasing programme and RAS. Although not directly under my Department, rent supplement is also a major area where housing is provided by the private sector. I am working with the Minister for Social Protection to transfer responsibility for that to my Department and to local authorities.

Deputy Ann Phelan: I thank the Minister of State for her response and for being proactive on this issue. I am pleased she is so aware of the difficulties that exist. We must incentivise private landlords to remain engaged with local authorities so that a crisis does not develop.

Many young people who are setting out in life, who may have just got their first job and are trying to establish a family home often find they cannot afford to rent accommodation. They may be a little over the income limit for rent allowance and in danger of becoming homeless. This situation seems crazy when there are so many vacant houses. Will those houses be delivered to local authorities? I hate to think we will continue into the future unable to match our housing stock to our housing needs. Housing policy must be based on housing need.

I thank the Minister of State. I am pleased with her answer and I am delighted to hear she will proceed with this.

Deputy Jan O'Sullivan: There is always a balance to be struck between incentivising private landlords and being prudent with public money. We must get that balance right.

Deputy Phelan referred to vacant houses. We are working with NAMA to acquire properties that can be used for social housing through that agency. We are making some progress on that now. There were some delays but NAMA has now set up what is called a special purpose vehicle to speed the transfer of properties. That will not solve the entire problem but it will contribute to the solution.

We must continue to use the mechanisms available to us. I hope the time is not too far away when capital budgets can be built up again and we can return to the more traditional method of allocating funding to local authorities to provide directly for the housing needs of citizens. At present, we must prioritise the most needy. They are people with disabilities and people who are elderly or homeless. Those are the public housing priorities at present. We must use these various methods.

Deputy Phelan is describing a real problem which she has experienced in her constituency and which other Deputies have experienced in theirs.

Remedial Works in Housing Estates

Deputy James Bannon: I thank the Ceann Comhairle for affording me time to discuss the important issue of the ongoing position at Gleann Riada Estate in County Longford. I ask the Minister of State with responsibility for housing to provide a detailed update on the remedial works being carried out at Gleann Riada, for which funding was allocated by her Department last November, and the progress on the practical alleviation of the problems being experienced by the residents. Indeed, these have been well documented.

The allocation of €200,000 for the remedial works at Gleann Riada last November was welcome. However, the estate was built on a flood plane, the sewerage network is inadequate and substandard, and poison gas has been escaping into family homes, which is extremely serious. Unless the Minister of State can give me facts to set my concerns at rest, the allocation of €200,000 and the €90,000 provided last August will not be enough and further funding will be needed, notwithstanding the additional funding from the developer's bond.

4 o'clock

It could, however, be a case of throwing good money after bad. It is self-evident that if residents have moved into an estate they did not realise was built on a flood plain, they will be the victims of ongoing and perhaps unsolvable problems. Explosions in a residential estate would certainly shake the confidence of home owners and Gleann Riada experienced this horror twice last year, in March and October.

The ongoing problems in the estate are well documented and compounded by the lack of public transport and deficiencies in the estate's roads. What we now see is the result of greed fostered by section 23 tax exemptions that were availed of by the estate's developer. Unfortunately, while he gained, the residents certainly have not. With the suspicion that the explosions were caused by leaking sewer gases from a substandard sewerage network, the residents must feel the anxiety that comes from living in the vicinity of an active volcano. Connected to this are the high illness rates among residents, which are well-documented by local GPs and which are well above the norm for other estates. Longford County Council has admitted there have been health hazards and that the levels of hydrogen sulfide in three houses exceeded the WHO

recommended levels for indoor air for 24 hour exposure.

Most citizens are currently living through an economic nightmare. The residents of the Gleann Riada estate, like others, have their financial and personal problems, but we can only imagine the stress of living in a housing nightmare on top of other worries. I am seeking assurances from the Minister of State that the residents of Gleann Riada will not be fobbed off with patch-up works that will not solve their problems in the long term. They must have a finished estate where they can have full confidence or they must be moved to a more viable location and safer housing.

I must question the planning process that saw permission granted for this estate from hell on a flood plain. Problems will manifest themselves in the future if not in the short term. It is sometimes hard to believe we actually have a planning process that is considered competent. I hope the Minister of State will provide facts and figures and details of the works carried out at Gleann Riada that will ensure the housing and the environment are totally safe for the residents. My personal feeling is that Gleann Riada will never totally overcome the deficiencies that have beset it.

Deputy Jan O’Sullivan: I thank Deputy Bannon for raising this matter. Two explosions occurred in the Gleann Riada development in March and October of last year, the first in a privately owned dwelling, the second involving an external boiler. Subsequent to the first explosion, Longford County Council established an expert steering group and appointed a firm of consulting engineers to investigate the causes of the explosion.

The specific findings of the engineer’s report were made available to residents of the terrace in Gleann Riada, as well as general advice to other residents in the estate. Longford County Council appointed Tobin Consultants to investigate the causes of the explosion. The findings of this report were given to the occupants of the six properties involved. Longford County Council has also established a steering group to address the range of issues faced by the occupants of the Gleann Riada development and is liaising with the other State authorities involved, including, *inter alia*, the Health and Safety Authority. The residents of Gleann Riada have initiated legal action but not yet served proceedings against Longford County Council.

The Department initially approved funding totalling €91,753.40 for Gleann Riada in August 2012 to cover the cost of addressing immediate public safety concerns. In November I approved further funding of €200,000 under the public safety initiative, taking account of a potential risk of further public realm or PSI-type difficulties with this development that such an assessment and plan may identify and the wider pressures on the finances of Longford County Council.

Unfortunately, the issues faced by the residents of the Gleann Riada development are a severe example of the legacy problems we inherited on a national basis in relation to unfinished housing developments. I am leading the Government’s efforts to tackle this issue. I chair the national co-ordination committee on unfinished housing developments to oversee implementation of the report of the advisory group on unfinished housing developments, together with the Government’s response to the recommendations. The committee is comprised of representatives from the banking sector, the local authorities, NAMA, and the construction sector, as well as my Department. I consider that harnessing these various areas of expertise in a collaborative approach will result in the most effective resolution of the issues facing us.

The Deputy asked about what had been done. Assisted by the public safety initiative funding allocated by the Department, the development has had a comprehensive underground CCTV survey carried out. This identified the need for repair work on the foul and storm networks. Longford County Council will install or improve vents, manholes and gullies to ensure the major issues caused by the explosions are alleviated. Issues regarding public lighting will also be addressed, while such necessary works as are required will be carried out on the internal road network, and a range of other works is scheduled that will address the concerns of the residents of Gleann Riada.

The Deputy is very concerned about this and it is a serious development. I briefly met some of the residents a couple of months ago and outlined some of the work that has been done in cooperation with Longford County Council, and I have no doubt the Deputy is in regular contact with the council as well.

Deputy James Bannon: I thank the Minister of State for her time and the assurances she has given. Whether they are enough to satisfy the residents of Gleann Riada is another matter. I will monitor progress and will not hesitate to raise this matter repeatedly until there is a satisfactory outcome to the issue for the residents of the estate. Progress towards a solution of the difficulties is being monitored by an active and vigilant residents' committee and I welcome the fact the Minister of State met them. That committee enjoys my full support in the search for a resolution. While I am aware the Government has inherited the fall-out of greed and corruption, it is essential the backs of those being currently targeted are strong enough to carry the burden. The residents of Gleann Riada are victims of a system that was rotten to the core in the past. They must be protected and their right to suitable housing respected. Their health must be assured and the estate made safe for human occupation. That is what I want to see and I will raise this issue repeatedly until it is resolved.

Deputy Jan O'Sullivan: We made the initial allocation because we realised the seriousness of the situation and we made further money available as well. I appreciate Deputy Bannon's concern and hope I have been able to alleviate some of those concerns today.

Suicide Prevention

Deputy Robert Troy: I thank the Minister of State for taking this debate. We are raising this issue on foot of the launch of the report, Young Men and Suicide Project, which reveals the suicide rate for young men in Ireland is among the highest in the EU, and a report in *The Irish Times* on 3 January that the mental health of young people is at risk because of cuts.

As the Minister of State, Deputy Kathleen Lynch, will be aware, this is my fourth time to raise the issue of mental health on a Topical Issues debate in the past eight months. In July 2012, there was a joint motion of all the co-convenors of the Oireachtas mental health group which highlighted the need for the €35 million, which was ring-fenced, to be spent. At that time, the Minister of State stated that she had signed off in recent weeks on the number of posts and where those posts were needed. A further Topical Issues debate raised the issue of the vacant post of director of the National Office for Suicide Prevention for a period of 12 months. At the end of November or in early December last, I again raised the issue of the unspent €35 million in 2012 and asked for a detailed outline of when that funding would be spent, when the personnel that were promised would be put in positions and when the jobs would be taken up. I do not doubt the Minister of State's personal commitment, but there seems to be a delay and a

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lack of urgency in dealing with this much needed issue.

The report outlines how funding which was meant to be ring-fenced for mental health was siphoned off to shore up the overrun in the HSE budget. This is an extremely important issue. It needs a co-ordinated approach. There is no joined-up thinking. The Government abolished the career guidance posts, a decision which the head of mental health services in the HSE stated caused grave vulnerability among this section of society where we have the highest rate of suicide.

Deputy Mattie McGrath: I thank the Ceann Comhairle for giving us time on this serious matter and I thank the Minister of State for attending in spite of her impediment and wish her well in her recovery.

I will not try to score political points. No one should on this. This is a huge tragedy and it brings devastation to our shores. I refer to what I call a near epidemic of suicide.

We never tire of listening to the Road Safety Authority which was set up with a view to reducing deaths on the roads. I always maintain, as do many doctors and others, that many single car accidents compiled in the considerable numbers of road deaths were sadly suicides but it could never be proven. It will take a massive effort, something similar to that of the authority. The devastation of a road accident is something that someone can live with. Any loss of life is horrible, but one can accept an accident. With suicide, as the Taoiseach stated this morning in his reply on Leaders' Questions, any of us who have arrived at the house have heard the family voice the unspeakable questions of whether they should have noticed something, asked a particular question or done something.

The figures for 2011 are frightening. Those for 2012 will be much higher. There is not a community unaffected. In my area, I met a principal school teacher on the street on Friday last and discussed an issue with him. It is truly shocking in the case of young children. It is a near epidemic.

We will have to take action outside of the HSE. The HSE must be involved but - I hate to say this to the Minister of State who is in the HSE - it is not capable of dealing with many issues, as we can see with the junior doctors. This area is too sensitive. It is too serious. While I am not in favour of setting up quangos, we need a body set up that will deal with this across all strata of human life in this country, from the psychiatrists to the ordinary plain people and, of course, the families of victims of suicide, and dealing with cyberbullying right back to bullying. I read a story from County Cork about An Post and bullying in the workplace. As an employer, one is not cognisant. One sets up in business and employs others, but one is not trained in the main to deal with issues of bullying.

It is a massive issue, from school and right throughout life. I appeal to the Minister of State to set up a task force on foot of this report to deal with the matter because it has gone beyond talking about and it is causing devastation in the land.

Deputy Mick Wallace: I thank the Ceann Comhairle for picking the topic.

No doubt this is a complex issue. It is not black and white. I welcome the report. There is some positive stuff in it. We do not have a great deal of time, but I will pick on a couple of matters.

The early intervention in childhood, the report states, has been shown to be particularly effective. I would definitely be a strong advocate of that. There is also encouraging evidence on the use of sport in promoting positive mental health, in particular among young men. That is something that needs a little more attention.

On sport, I am forever talking about Wexford Youths. I coach players between the ages of 15 and 20 and the Minister of State would be amazed at how much a coach can help a child. He is asked to speak after the game about how he thought he played and how he thought the unit played, and he is forced to talk about himself. There is a problem in Ireland among young boys. I see these boys aged 15 and 16 years coming in to me and if one had to use one word to describe them it would have to be “insecure”. They are not good at expressing themselves whereas, obviously, the girls are. There are five times more boys than girls committing suicide.

I note the Italians are far more expressive. Our suicide rates are five times those of the Italians and it is because the Italians are much better at expressing themselves. We need to be pro-active in the area of dealing directly with the fact that our boys are not good at expressing themselves at an early age.

The only other point I make is that it would be disingenuous of us to pretend that the recession does not have an impact. It is a factor. The cutbacks have had a big impact because many more are in a poor place.

On the issue of guidance councillors, I am aware from a school in Gorey where there are over 1,500 children - there are 260 in sixth year alone - that the councillors are struggling to make weekly appointments with students. The majority of their work is taken up by emergency cases as well as career advice for the sixth years, and they are not really getting to the children early enough. Their hours this year were cut, from 88 last year to 55. This is not a good idea. The Minister needs to think again about the cuts to career guidance.

Minister of State at the Department of Health (Deputy Kathleen Lynch): I appreciate being allowed to stay seated while I reply.

In response to Deputy Wallace, who has clearly read the report, in my view it is a little too late in secondary school to start on the issue of emotional well-being. As he has heard me say previously and as I will say again, in this issue language is vitally important. We are beginning on a new phase in our approach to those who feel that there is no hope out there and that they have an option of taking their lives by suicide. We need to start a new phase. The world has moved on, where people are at has moved on and we must move with that. On the last remark of Deputy Wallace, I believe that it is too late at second level to get students, in particular, young men, to express themselves.

I thank the Deputies for raising the issue. It is an issue that, I suppose, we should never tire of raising. Then again, talking about it and, as Deputy Troy stated, personal commitment, only goes so far. We really must have results, outcomes and a more concrete plan.

The increasing number of deaths by suicide over the past number of years is disturbing. Suicide is a tragedy that we are constantly working to prevent, and on which we are also working to give more support to the families affected. Dealing with the current high levels of suicide and deliberate self harm is a priority for the Government.

We cannot dismiss the economic downturn. We know it is having an effect. The figures

alone tell us that. The Government is also working on this.

Earlier today, I attended the launch of the all-island report on behalf of the Men's Health Forum in Ireland, Young Men and Suicide Project, which finds that suicide is a major cause of death among males on the island of Ireland. During that launch, which was one of the most positive events I attended in recent years on suicide and self harm, I noted that the amount of people who are giving of their time, both on a voluntary and a professional basis, to get involved in this issue is quite staggering.

Another key finding is that there is no quick-fix solution to tackling the extensive and complex causes and risk factors that underpin the statistics on suicide in young men. Reach Out, our national strategy for action on suicide prevention, recognises the youth sector as a high-risk group and sets out a number of specific actions. Consequently, the HSE's National Office for Suicide Prevention, NOSP, has developed a range of initiatives aimed specifically at supporting young people who are suicidal and also supporting their peers in recognising and responding appropriately to signs of emotional distress and suicidal thoughts. Initiatives progressed include the availability of a wide range of awareness and training programmes in the area of mental health promotion and suicide prevention, the development of a number of media campaigns, and the so-called please talk initiative, running in third level colleges, which encourages young people experiencing problems to talk to others and identifies the supports available to those in need.

Jigsaw, an innovative community-based support service for young people, is now available or in development in 11 sites throughout the country. The annual budget for suicide prevention has increased this year to more than €13 million. Some €8.1 million is administered by the NOSP and is used to fund voluntary and statutory agencies delivering services in the area of prevention, intervention, postvention and research. The remaining €5 million is available regionally to fund resource officers for suicide prevention, self-harm liaison nurses in hospital emergency departments and local suicide prevention initiatives. A special programme of measures to further advance suicide prevention in 2013 is being developed.

I have no plans at present to set up a task force, as Deputy Mattie McGrath suggested, to examine the area of suicide prevention and mental health. These functions are being carried out by the HSE and the NOSP whose role includes overseeing the implementation of Reach Out and co-ordinating suicide prevention initiatives throughout the country. The NOSP is advised and guided by an implementation group comprising individuals with considerable knowledge and expertise in the areas of suicide prevention, mental health promotion and bereavement support. I am happy that the advisory group brings an independent voice to the table. In addition, the NOSP publishes an annual report - it is currently working on it - outlining its activities and work each year, so it is fully accountable to this House. I believe that a commitment to evidence-based programmes and partnerships with a common purpose is what is required to address the issue of suicide, and this role is being carried out at present by the National Office for Suicide Prevention. The report launched today will add to that knowledge.

Deputy Robert Troy: I thank the Minister of State for her reply. She is right that early intervention is critical in all aspects of life, whether we are discussing education or mental health. The report rightly stated there is no quick fix. We need to think about having a national body. Let us consider the impact the Road Safety Authority has had in saving lives on the road. We need to consider it in a wider sense than at an individual or community basis. Mr. Rogan, the director of mental health services, says that when we have the resources we get good outcomes,

but if we deny resources we get late interventions. The Minister of State has already cited the importance of early interventions.

I wish to ask the Minister of State two direct questions. The 2012 budget allocated €35 million for community mental health. Was that money spent in 2012? Have the staff, who were due to be employed in 2012, got their contracts and are they in the positions for which they were intended? Can we have a cast-iron guarantee that the €35 million, which is supposed to be ring-fenced for mental health, will not be syphoned off by any other area in the HSE and that it will be directed to where it should be directed? When we have the resources, we get good outcomes.

Deputy Mattie McGrath: I am very disappointed by the reply. I believe passionately, as do many others, that the HSE is now a dysfunctional outfit that is just not up to the job in many areas, but in this area above all. I support Deputy Troy in asking where last year's money was spent. The Minister of State indicated that €8.1 million was to be used on administration and all the other areas there.

Deputy Kathleen Lynch: No.

Deputy Mattie McGrath: I am quoting from her reply.

Deputy Kathleen Lynch: Administered by-----

Deputy Mattie McGrath: I am making the point that it was the same with road deaths. We prevaricated and we were all part of it, but then we dealt with it. It took huge energy and courage, but it has been dealt with. A number of such deaths, as we know, were also suicides and we have the results. We need new thinking and new specialties. I believe we need to remove the involvement of the HSE and take it out of its hands. It is not capable of dealing with such a serious and desperate situation. It is suffering from inertia with too many squabbles between sections, as we have seen. This needs to be tackled honestly by all of us here and dealt with because, as I have said, it is an epidemic.

Deputy Mick Wallace: I do not disagree with the Minister of State that early intervention is definitely the best approach. As a comparison, one day I had a chat with Mr. Antonio Conte, the manager of Juventus. I asked him why there was such a big difference between the technical ability of the Italians and players in Ireland and England. He said it was down to what the Italians do with the players between the ages of six and 12. I would argue that does not stop us working with the players in footballing terms as teenagers. From speaking with the principal, I know that the school in Gorey is under severe pressure for guidance and help in this area. In the past week alone a number of students have presented with suicidal ideation. They are really worried and without taking away from the early intervention principle, which is clearly the best, I believe schools need more help right now.

Deputy Kathleen Lynch: So that Deputy Wallace has no misunderstanding, I am not suggesting for one minute that if there is early intervention at primary level, it should discontinue at secondary level. I see it as a continuum because we have it at third level and we are introducing it at second level also. The Minister for Education and Skills, Deputy Quinn, is launching an extensive anti-bullying campaign and we intend to extend that. I do not disagree with anything the Deputy has said. I am just saying I believe we should start considerably earlier.

I point out to Deputy Mattie McGrath that we have the national office and it is not run on a day-to-day basis by the HSE. We have very good people in it. I agree with him that we need

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to take this to the next level and I have already had discussions with the new director of the national office. We have now gone past the time when people did not speak about these things because they were ashamed. Now that it is out in public we need very much to have an, as it were, in your face campaign specific to areas and age groups. I do not disagree with anything the Deputy said and we now need to take a step forward. It is a different time and a different campaign. We may be dealing with people with different expectations.

There was a difficulty last year. While I do not have it off the top of my head, I will get the information for Deputy Troy. I do not have a problem with distributing information on these issues. We all want the same outcome. A substantial number of the 414 posts that were to be recruited last year have been recruited and either have contracts or have already accepted. I have been guaranteed in written form that the €70 million - the €35 million from last year and the €35 million for this year - will be spent in community mental health teams. I have sought that guarantee and have been given it. I reassure the Deputy on that.

Appointments to State Boards

Deputy Caoimhghín Ó Caoláin: I thank you, a Cheann Comhairle, for selecting this matter. Coming on the heels of the latest food safety issue, we find that the Minister for Health, Deputy Reilly, has failed to appoint members to the board of the Food Safety Authority of Ireland and that the board cannot meet because it does not have a quorum. As yet the Minister has offered no satisfactory explanation for his failure to appoint members to the board of the Food Safety Authority of Ireland. This is part of a pattern with positions on boards under the remit of the Minister for Health being left vacant. The new, more open method of appointment has not been availed of and, worse still, has actually been undermined by the Minister.

On 20 November I asked the Minister for Health, Deputy Reilly, the number and list of health agencies and boards that were awaiting ministerial appointments, how long they had been waiting and the number that did not have a quorum. It was stated in the Minister's reply that there were 64 vacancies on nine boards within the remit of his Department, including six vacancies at that time on the board of the Food Safety Authority of Ireland. The Minister advised me in November that the Food Safety Authority board had a quorum. We now know that this is no longer the case and that since November there have been only three members on that ten member board, which the CEO of the Food Safety Authority of Ireland, Professor Alan Reilly, has stated is far from satisfactory.

In the case of the Food Safety Authority, 25 people applied under the new procedures for a position on its board. The Minister continues to hold off on appointments despite our being reliably told the overwhelming number of those applicants are suitably qualified and eminent to take on any position of responsibility required by the board. What is going on in respect, in particular, of the Food Safety Authority board and the other boards under the Minister's remit?

Deputy Éamon Ó Cuív: I, too, thank the Ceann Comhairle for selecting this important issue for discussion. The problem of appointments to boards has been a perennial one owing to a lack of planning within Departments. Given the introduction of better procedures, the process of filling vacancies, from the date on which they are announced or occur to the date on which they are filled, takes longer. Departments are required to commence planning six months prior to a vacancy occurring so as to ensure all positions on boards are filled. I acknowledge that in the past many Ministers failed to fill vacancies on boards in time. My experience when a Min-

ister was that if one did not start the process on time it did not finish on time. That said, there is no excuse for a board to be with a quorum. I do not recall there ever being a board without a quorum during my time as Minister. There is no governance in an organisation without a board and a board cannot meet without a quorum.

I hope that the Minister of State can clarify today when the seven members will be appointed. I admire Deputy Ó Caoláin's homework on this issue. I suggest that the Minister fill all vacancies now and that a policy be adopted within his Department of foreseeable vacancies being filled on the date they occur. If he does so, he will avoid the temptation to fill all vacancies when a sudden election arises, as has happened under various previous Governments. If vacancies are filled as they arise, this issue does not arise.

We need to hear from the Minister of State when these vacancies will be filled and a proper explanation for why they have not been filled to date. If the reason they have not been filled is because they were thought about too late then the Minister of State should tell us so. She should also say what remedial action will be taken in that regard. It is important also that the Minister of State say if the lack of a board on the FSAI had any affect or caused any difficulty for it in dealing with the recent meat scandal, which was bad enough, without now finding that the authority which identified the problem does not have a governing board in place.

Deputy Kathleen Lynch: I thank the Deputies for raising this issue. While I have a fairly substantial reply before me, I do not think it shines any light on the question raised.

Deputy Éamon Ó Cuív: They rarely do.

Deputy Kathleen Lynch: I always try, when responding to questions or topical issues, to be as helpful as possible.

Deputy Éamon Ó Cuív: I know that.

Deputy Kathleen Lynch: It does not serve us not to do so. I recall a time when there were substantial vacancies on boards and, as correctly stated by Deputy Ó Cuív, the unsightly and unseemly scramble to fill vacancies at the time of an election. The Deputies will be aware, from the copy of the reply which they have received, that the lack of appointments to vacancies on the board of the Food Safety Authority of Ireland did not have any impact on the rigorous testing carried out by the authority, for which it is to be congratulated. Ireland is the only country that carries out such testing.

As stated in the reply, the Minister does not believe FSAI board vacancies hampered its work during the incident. While the board performs important functions in relation to corporate governance, it is a non-executive board and is not involved in the day-to-day running of the organisation. The Minister has been assured by the chief executive officer of the FSAI that this is the case, although he has kept all board members fully informed of all developments during the incident in regard to food products.

On the board vacancies, the Minister instructed the Department to conduct an open competition for the filling of FSAI board vacancies through the public appointments service. This was done in March 2012 given the importance of ensuring a good balance of technical expertise and independence on the board. The Minister has since given full consideration to the filling of these vacancies and expects them to be filled shortly.

Deputy Caoimhghín Ó Caoláin: As acknowledged by the Minister of State, the reply contains no explanation for the failure to fill the vacancies. The question I must ask - one could be forgiven for thinking the worst - is why the Minister has not filled these vacancies, which amounted to 64 last December? Is it the case that the Minister is planning to abolish these boards? That is not an unreasonable question to ask in the context of such failure to act. If that is the case, surely then the Minister should, as requested earlier by Deputy Ó Cuív in his contribution, tell us so.

I ask the Minister of State to note that in terms of the new methodology of access the Minister, in failing to act, is making a nonsense of the system. Will the Minister of State agree that the Minister's inactivity and failure to act in filling vacancies on the board, despite the declared public interest in terms of the applications made, makes a mockery of the process? I would argue that the more open procedures need to be strengthened and that the Minister should be required to appoint a set proportion of people who apply in this way provided they are suitably qualified. This would be an improvement on the current inactive system.

Deputy Éamon Ó Cuív: I fully accept that the Minister of State would like to give us the full information. I am disappointed that the Minister is not, as was agreed when the new format for Topical Issues was agreed, here to answer for himself. I do not attach any blame to the Minister of State for the response given, which is of the type with which I, when Minister, was often presented and would return seeking further information. It is not satisfactory that we are not being given answers to our questions.

The Minister of State told us that an open competition was held by the Public Appointments Service in March 2012. I do not go along with the popular view that only those selected by the Public Appointments Service should be appointed because boards often require the expertise of technical people. I believe that if the Minister, on reviewing the list of selected appointees, identifies a deficit of people with the skills required he should make his own appointments and then answer for those decisions. The best people for the job might not always apply for it. Many boards, such as the pensions board and so on, require technical expertise.

One will find from a review of my record when a Minister that I did not make any last minute appointments to boards. I took a decision not to do that. It is important that a commitment is given that vacancies will be filled on the day they occur, unless such vacancy is unforeseen and-or casual.

The reply states that traces of horse DNA were also detected in batches of raw ingredients, including some imported from other member states. It is very cleverly written. If the Minister of State does not know the answer to the following question, I ask her to get it for me. Can we take it there is no truth to a story in the newspapers at the weekend that some of these raw materials might have originated within the country? Clarity is needed on this issue. Wherever the horse DNA came from, did any of it originate in Ireland? Is it possible that any did? Was all of it definitely imported from a supplier from abroad?

Deputy Kathleen Lynch: I am always reluctant to speculate on speculation, and this is probably what was in the newspapers at the weekend. When we receive the report we will know absolutely from where the contamination came. There was no threat to human health, and this is the first and central point we need to make. I congratulate the Food Safety Authority on carrying out tests which I believe no other country does. As the Deputies know, the Minister is in Brussels. We hold the Presidency of the European Union and all Ministers had to be in

Brussels this week, as did I. I assume he would have been here had he been available.

To reply to Deputy Ó Caoláin, taking time to fill a board is sometimes very necessary and this is acknowledged. If one does not have the required expertise on the list in front of one, it would be a greater mockery to put in someone who did not have the expertise. I believe when it comes to food safety most women are experts and one does not need an arm's length of qualifications. We must get this type of mix when it comes to food safety and food production. The Minister is probably one of the hardest working and busiest Ministers in the Government, and we all know the Department of Health is one of the busiest in government. I will convey the expressed opinions of the Deputies to him. We need to be sensible about certain issues, including getting a proper mix on the board and getting the board as quickly as possible.

Euro Area Loan Facility (Amendment) Bill 2013: Second Stage (Resumed)

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

An Ceann Comhairle: Deputy Olivia Mitchell is in possession and has 12 minutes remaining.

Deputy Olivia Mitchell: Before the break I was speaking about the small but positive signs which may presage a recovery not only here in Ireland, but in Europe. I spoke about the fact that last year was the IDA's most successful year in bringing jobs to Ireland in the past ten years, the commitment by the EU to look at possible debt reduction for us, growth in confidence in the bond market with the drop in interest rates, the recovery of the euro itself and, more importantly, stability in the euro. Given this background, and I am not trying to overstate what is happening, I stated I was rather taken aback by Deputy Donnelly's remarks on RTE yesterday morning, which I felt were churlish to say the least, when he was responding to what the rest of the world regarded as some good news. Of course we could get better news, and it would be great if our lenders told us we did not have to pay interest or that we did not have to pay back the money, but in the real world these things do not happen. I do not expect Deputy Donnelly to congratulate the Government because in the real world these things do not happen either, but I believe that on hearing good news for Ireland, and God knows it is rare enough, any Deputy would at least be pleased for the country and for its citizens, particularly those he or she represents. Instead, the impression came across that Deputy Donnelly would have been happier if RTE had him on to respond to bad news. This is what I objected to.

I know there is a very fine line between fanciful optimism and realistic positivity. I certainly try to draw the line and not be fanciful because it is important to be honest with people and be realistic. The negativity of Deputy Donnelly was not only churlish but potentially damaging, and not only to the economy. On Leaders' Questions this morning Deputy Boyd Barrett spoke about the depressing and tragic suicide numbers and the growth in suicide particularly among young people. This was also raised in the Topical Issue debate by Deputies Troy and Wallace. I do not know whether there is a causal effect between the economy and unemployment and suicide, but there is definitely a relationship between loss of hope and suicide and this is a point worth making. It behoves us as society leaders, if not to be completely positive, then at least

to be temperate and honest in our comments and not to plunge people continually into eternal gloom. I would be the first to acknowledge that we in Ireland have had precious little to be happy about in recent years. I heard Deputy Ross make the same point. If Deputies Ross and Donnelly know the importance of perception and confidence and its impact on the economy, and if we want to increase confidence in our people and investors here and abroad, it does not make any sense to constantly denigrate the precious few positive developments we have had.

The overall purpose of the Bill, as the Minister of State stated yesterday in his opening speech, is to facilitate in the public interest the financial stability of the European Union and safeguarding the financial stability of the euro area. Nobody could quibble with this or be against it. It was and is clear the first and second Greek bailouts were not sufficient, or the terms were too onerous, for Greece to ever reach the type of sustainable levels of national debt which would bring the type of recovery it desperately needs. The amendments to the Greek loan facility were agreed before Christmas and have already worked to reduce the crisis and the near catastrophic situation we appeared to be in before Christmas. This is in all our interests and not only in the interests of Greece. Whether it is a permanent turnaround we do not know, but it is a positive development and this is my point. We all hope Greece will weather the extremely difficult times ahead for its citizens, and to call them “difficult times” is to understate it. It will run to certainly two and perhaps three decades for them. Their best case scenario is to reach 110% of GDP by 2022 and this is not a pretty prospect.

The conditionality of the rescue package is extremely onerous and the recent IMF report on Greece was, to say the least, very sobering. It pointed out total lending to Greece since the crisis started three years ago is more than €255 billion and the programme remained at high risk of missing its revised goals. It also pointed out Greece is attempting to achieve an unprecedented amount of fiscal and current account adjustment under a fixed exchange rate with a massive debt overhang and weak confidence. It also stated many of the conditions which caused the problems in Greece still exist as it still has a bloated public sector, rigidity in the jobs market and inflexibility with regard to wage rates. The report also referred to an astonishing scale of tax evasion among the wealthy in particular. I mention this because it may be that some day Greece may decide the demands of remaining in the euro are too much and too demanding, notwithstanding the eurozone’s commitment to do everything necessary to save the euro. It may be that some day the eurozone itself will take the view that keeping Greece in the euro is no longer consistent with saving the euro. In saying that, I am conscious that it is a doomsday scenario for Greece and probably for the rest of us, too. However, the chances of that happening are less now than they were. I think the EU means it when it says it will do everything necessary to save the euro, but we should probably interject the words “within reason”. It is not just to save Greece but to save any country, including ourselves, should that become necessary. The *caveat* of “within reason” must be borne in mind. Given the cost of saving a country could be so huge and the implications for citizens so large, every country should continue to exercise a significant level of democratic control over such decisions. For that reason, I have some reservations about the section in the Bill which permits future adjustments to the Greek loan facility to be approved simply by way of a Dáil resolution rather than by new legislation.

It may be that Greece will never have to come back to the well, and I hope that is the case, but maybe it will, perhaps under some future government in five, ten or 15 years’ time. I understand perfectly that it would be far more efficient if we could just nod it through by resolution of the Dáil rather than having to introduce some legislation. However, it is absolutely essential that we have some democratic control. It would be both prudent and desirable to do so. While

democracy is never the most efficient form of government and there is often a conflict between democracy and efficiency, in this case, which could have such implications for citizens, it is important to come down on the side of democracy.

I ask the Minister to consider examining the legislation with a view to amending it, not necessarily to require legislation if a further bailout is required but at least requiring a fully informed Dáil debate and a vote of the Dáil before significant decisions are taken in the name of the people which could have such an important impact on them.

Deputy Fergus O'Dowd: That is implicit.

Deputy Olivia Mitchell: I am not sure it is implicit because we have had resolutions of the Dáil that were nodded through without debate. It is important, therefore, to insert a provision in the legislation that there would have to be a debate.

Overall, however, I completely support the Bill's import. I believe in the mutual solidarity of our membership of the EU and of the euro. We have received international funds to help pay for key services such as health and education, and we would want to support at least some of those services for the citizens of Greece. Even if we were to be brutally self-interested, a stable Europe and a stable euro is in all our interests. That is achieved by passing this Bill.

An Ceann Comhairle: I call on Deputy Joan Collins who, I understand, is sharing time with Deputy Tom Fleming.

Deputy Joan Collins: Addressing a recent meeting of the Committee on Finance, Public Expenditure and Reform, the Minister for Finance, Deputy Noonan, said there would be no question of write-offs. He said that longer maturities and low interest were at the core of discussions on the promissory notes. On the issue of money put into the so-called functioning banks, including Bank of Ireland and AIB, the Minister said there would be an examination of the possibility of some of the rescue loans having maturities extended.

It seems to be increasingly obvious that there will be nothing particularly special about the deal for the special case of Ireland promised in June last year, despite the arguments for a very special deal being overwhelming. The economist, Mr. Michael Taft, has undertaken some illuminating number crunching with EUROSTAT statistics on the banking crisis in Europe from 2007 to 2011. The cost to the Irish State, excluding cash from the National Pensions Reserve Fund and the NTMA, was €40.1 billion, just ahead of Germany at €40 billion. However, Ireland has just under 1% of the EU's population and 1.2% of the EU's GDP. That €40.1 billion is 25% of our GDP compared with 1.5% of Germany's GDP. We have paid for 42% of the total bank bailout in the EU. That is €9,000 per head, as opposed to an EU average of €192.

The key question is whether the deal that is being negotiated will change these unbelievable figures. I think the answer is "No" because the Government has not sought to do so. It has tamely accepted the situation by saying we pay our debts and are not seeking a write-down. Ireland was forced into this situation on the ECB's insistence of no burden-sharing for bondholders. The ECB and the European Commission should now be forced into taking their share of the burden. Instead, however, we have a retreat from the promises made in June last year and an increasing inconsistency in the dealings of the troika with different countries.

Last week, there was a leak in the *Financial Times* of a draft by the European Commission on the ESM and bank bailouts. This ruled out any question of legacy debt being dealt with by

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the ESM. It went on to say that bank rescues must first rely on private capital, then state funding, and only as a last resort on the ESM. It is only a draft, but taken in conjunction with the Helsinki Three statement, this is a serious retreat from the commitments of the June summit last year.

I also want to raise the inconsistency of the troika in that the insistence of no write-downs or haircuts for bondholders applied to Ireland has not been applied to Greece and is unlikely to be applied to Cyprus. My understanding of the crisis in Cyprus is that it is partly a by-product of the Greek default last year. Cypriot banks were major holders of Greek sovereign debt and took huge losses on these bonds last year. They are now bust, as is the Cypriot Government. The cost of their bank bailout will be between 60% and 100% of their GDP.

It is alleged that a lot of hot money went into Cypriot banks, much of which was from Russia. The IMF is pushing for a haircut not just on bondholders but possibly also depositors. It seems that bailing out Russian oligarchs with taxpayers' money is a step too far, even for the troika. Rather than raise these issues of unfairness and inconsistency, our Government repeats the mantra that we pay our debts, we do not want a write-down, and that if we are given a little break, we will be happy.

I refer to remarks made about the People Before Profit Alliance in this debate. Listening to one or two contributions from the Government side, I was reminded of the old Dublin expression that there is not much point in being an eejit unless one can prove it.

The Greek people are not benefiting from the kindness of the troika. They are being crucified and the country's health service has effectively collapsed. Earlier today, we saw the report of the National Office for Suicide Prevention in Ireland. This referred to alarming and distressing reports that Greece has had one of Europe's highest suicide rate increases since the start of the austerity programme in 2008. Third World conditions are being visited on the people of Greece, but why? It is for an austerity programme that cannot work.

According to the IMF, Greece will not meet the target of debt-to-GDP from the current 170% to 120% by 2020. Its best bet is 135%, which means meeting all fiscal adjustment targets and some growth within that. Even if the 135% level were to be met, which it will not be, there is no question of re-entering the international market for finance. What is being imposed on Greece is not a solution but a social and economic disaster. The People Before Profit Alliance has a responsibility to state clearly what it is and to oppose it. We are proud to do so.

As regards the idiotic remarks made about the former Stalinist regimes in eastern Europe, maybe some Deputies could get someone in their offices to look up the difference between Trotskyism and Stalinism. They should have it explained to them slowly and carefully. If so, the level of debate might rise a little in the Dáil Chamber.

5 o'clock

Deputy Tom Fleming: In October 2011, a report on the sustainability of Greek national debt by the EU-IMF-ECB troika made for grim reading. It stated that Greece would need €252 billion in bailout aid by 2021. This was dependent on a 50% haircut on Greece's bondholders, as well as their agreement to enter into a voluntary package in which they would incur such a 50% loss at a minimum. The report also stated that in the long term, in the event of a further economic shock, Greece may need as much as €450 billion by 2027. This is a frightening and appalling vista.

Subsequently, in February 2012, there was a huge relief in respect of Greece's fresh bailout package, which averted the threat of a catastrophic default by Athens although there is constant doubt about this massive bailout and regarding the sustainability of this deal. After the €130 billion deal was concluded, the then Greek Prime Minister, Mr. Papademos, called it an historic day and the European Finance Ministers stated that it provided a comprehensive blueprint for putting Athens's public finances on a sustainable footing. However, in February 2012, David Owen of the American investment bank, Jefferies, stated:

Greece is caught up in a full-blown debt spiral and no one has any certainty over what happens to GDP growth a quarter from now, let alone a decade out. ... More likely than not ... events will blow the country off course.

This statement was reinforced by a confidential document on Greece compiled by European and IMF analysts, which showed that Greece's debt burden could still stagnate at an unsustainable 160% of GDP by the end of this decade. The analysts also expressed doubts over whether the Greek Government would be capable of delivering the austerity measures demanded by Greece's European creditors in exchange for a new bailout.

These measures are imposing unprecedented hardships on the Greek public, which are similar to the effects of Ireland's bailout on the public here. In Ireland, the citizens definitely are taking the brunt of these indefensible measures following the economic crash and, subsequently, those at the lower income scale in this country have been hit disproportionately by the draconian measures. Unfortunately, the European Union financial authorities are not rewarding Ireland for its people's toleration of the extreme austerity measures, which the less well-off in society are bearing. They have no choice except to take the medicine, which is driving the majority of the public further down the road to poverty and suppression. In contrast, Greece is being granted handsome concessions and co-operation by the troika and European Union leaders to shore up its hopeless situation and to help it to limp along. In real terms - to be fair about it - Greece is a bottomless pit. It has experienced political volatility with three different Prime Ministers over the past 12 months. Moreover, its unemployment levels currently stand at 26% and are expected to reach 30% by the end of 2013. In this context, the Bills digest prepared by the Library and Research Service states:

Greece has experienced a major recession that, in terms of magnitude, is far worse than Ireland... Ireland experienced a major fall in GDP in 2008 and 2009, with a small fall in 2010 and some positive economic growth since then.

Greece, however, while initially experiencing a milder recession than Ireland, has had large falls in GDP each year from 2009 to 2012 and is expected to experience another large fall in 2013. Even if GDP does stabilise in 2014, Greece's economy will be 22.5% smaller in 2014 than in 2007. Ireland's cumulative fall from peak was 8% and in 2014 GDP is expected to be 3.5% below 2007 levels.

These statistics illustrate that Ireland, although in a serious predicament, has a viable pathway ahead to reach eventually total stability and solvency in the longer term. However, if Ireland is to recover within a shorter timeframe, it needs tangible solutions and concessions from the European Union similar to the Greek loan facility, as well as similar terms to those Greece obtained last November. I refer, for instance, to the terms of the European Financial Stability Facility, in which the length of the term of the fund payments was increased, interest payments were deferred and a guarantee fee payable by Greece was cancelled completely. These mea-

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asures conceded to Greece show the farcical position whereby the troika and European Union are holding Ireland practically to ransom at present and there are very few signs of action being taken to ease Ireland's position in any substantive manner.

I believe the Greek solution to be a high-risk strategy by the eurozone to keep Greece in the single currency. If Greece misses its targets, for instance, when the German voters go to the polls next autumn, the bailout could once again be in complete jeopardy. It could happen that Germany could be faced with a nasty dilemma of either restructuring its Greek debt or refusing to offer Greece further help, thereby perhaps allowing the bailout to collapse. I believe it to be futile to throw good money after bad, given Greece's precarious position. It is a country in which tax evasion is rampant whereby in 2011, half of Greece's self-employed professionals, such as doctors, lawyers and engineers, declared incomes of less than €5,000, which is hard to believe. Given such a scenario, I cannot envisage how the several deficiencies present within the country itself will be addressed either by the Greeks themselves or by the European Union. It is obvious and inevitable that Greece will eventually go over the cliff. I hope this will not happen but if such a default takes place in time, it should be effected via a structured exit by Greece to minimise the contagion to the rest of the European Union. Given the current political instability and social unrest in Greece, there is considerable uncertainty regarding the implementation of the programme and the overall success of the plan for Greece. Therefore, due to the reasons I have outlined and on a point of principle, I am extremely reluctant to support this Bill before the House today.

Deputy Peter Mathews: In respect of the Euro Area Loan Facility (Amendment) Bill 2013, the paperwork has followed the negotiating outcome that happened before the year-end. The paperwork is, as can be expected, complex, cumbersome and requires lots of member states to put their pen to it. The euro crisis appears to have abated and while it is in remission, the root causes have not been addressed. In the noise, the clear voices are forgotten. In the blizzard, the outline of the impending scale of what could be an unmitigated disaster for everyone is not seen. On previous occasions, I have mentioned a couple of books for Members to read. I wonder whether anyone has read them. The most recent was John Mauldin's work, *Endgame*, which discusses the debt super cycle and what happens when financial markets create derivatives and other financial products that cause the entire system to be structurally unsound. That is the position at present.

Play has been made of the reduced bond yields on the other side. This has happened because a wall of cash has been created across the system, not just in Europe, and has gone to the financial system where the players are moving mountains of money in different directions. With those mountains of money there have been increases in equity stock market prices; that is illogical as the equity behind the industries relates to shrinking markets and volatility in end product and services purchasing. With the equity market prices, commodity market prices have also risen. Bond yields have fallen in a way reminiscent of property prices falling when there was too much credit and cash in this country advancing prices.

The leaders of Europe have examined the stress or strain points in the countries that have bailout arrangements. As Deputy Tom Fleming has just stated, Greece is bordering a black hole. This Bill relates to what was agreed in autumn last year, which is not enough. We may approve this Bill because we are going in the "right direction". I have heard that phrase often with regard to our national and international economies. We may be going in the right direction but we should try to go from gear one to gear three or four; that would approach the right scale for solving this problem. That would be okay. Nevertheless, as they stand, the measures are not

enough. I will not advocate voting against the Bill but everybody, including those aligned with the Government, should accept this Bill only if there is an amendment to indicate it is being accepted under protest because it is not enough and has not addressed the problem.

In 1918, after World War I, the burdensome payment of reparations was imposed on Germany, which was seen as the cause of the war. Those reparations were strong-armed by France, in particular, on Germany. The insistence lasted for many years, until well into the 1920s, when the failure of the German currency to make those reparations devolved into hyperinflation. France insisted that if the debt could not be paid in fiat currency backed by gold or anything else, troop trains would be sent to Germany to take steel and coal.

That sort of strong-arm behaviour is happening in a different guise today and has been evident over the past two and a half or three years. My colleague, Deputy Mitchell, stated that Ireland was a little unfortunate because we were early movers in addressing the financial collapse. We were not early movers but rather early victims, and we remain victims. The cost was a banking collapse, fuelled by unregulated and unmitigated walls of credit coming to this country, following illusory growth that was ultimately a bubble. The financial people managed to get out, having taken income, with all their capital, leaving the poison of the debt on this country.

Financial people will try to convince us that the system requires the recognition of those debts as being valid, with our economy struggling honestly and well to recover and doing everything, both in the public and private sector, to bring in efficiencies, reduce costs and find export markets. They will argue that the system is being forced to take the losses that should have been shared by the people responsible for the investments made to create that bubble.

It is not good enough to argue that we had abatement or reductions in interest rates in 2011 amounting to €9 billion, as that is not enough. The principle is wrong. We should be doing whatever it takes to get the honest attention of the power brokers in our community because the EU is the most historically wonderful creation in the history of mankind. We were able to create a community or family of 27 nations and it should not be lost on any of us or our leaders that such a sense of community and family is important and valuable, as there is mutual responsibility, accountability and respect.

Nevertheless, we are being horsed around. There is the idea that robust negotiations are taking place and action is being taken but there is no clear and expressed recognition of the principal and quantity of write-down of debt arising from losses in our banking system, fuelled by our colleagues in the financial world in Europe. If there is no honest recognition of the principal amount and scale of relief, the process is a waste of time. Two years later we are still talking about negotiations.

I was laughed at in 2011 when I argued that the 3% margin on the rescue loans of the original bailout package was morally wrong and that it should have been a zero interest rate. That was a loan package mainly to address the imbalance of revenues and expenditure in the Government arising from the collapse of a property market bubble. Greece went into its first free fall and because it would not have been tenable for the EU and European Central Bank to leave Ireland exposed on a 3% margin while Greece was being dealt with at 1.5%, the rates came down. That was the only reason it happened, and Mr. Dan O'Brien mentioned today that the loan deal on Monday came about because Portugal is tanking.

We should face the issue and all look to the same honest analysis, based on correct facts.

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We should in unison - not even harmony - look to Europe and say that this debt on the IBRC account is wrong. Last week at a meeting of the committee dealing with finance, I stated to the Governor of the Central Bank, Professor Honohan, that he should not tinker with extending the debt and reducing interest rates. The only acceptable alternative to a write-down is an extension in perpetuity at zero interest, which is technically a write-off. If people want to fool themselves with financial engineering, let the process be called what they want but it should be nothing more or less than a write-off. I am prepared to go on behalf of the people of this country or on my own to Frankfurt and tell this as the truth. They should not mess around with us.

This is a ticking time-bomb, as it is coming down the tracks to Portugal and Spain. The euro problem is in remission and it is being tackled with an inadequate antibiotic, to use an analogy. Such treatment is inappropriate and somehow manages to keep the temperature down for a little bit but it will not excise the problem. It is a symptom of the failure by the authorities to accept the problem is bigger than has been admitted is the decision to extend Basel III arrangements from 2015 to 2019. Solving this problem requires that we deal with the scale of the potential losses on bank balance sheets and their off balance sheet exposures, some of which are massive in the case of the large institutions. This will require the creation of a fund for provisions and potential losses that should be mutual, probably in perpetuity, should offer a very low interest rate and should be of a scale of approximately €3 trillion. A single supervisory mechanism should be advanced in a manner that ensures it is accountable to the democratic parliaments of Europe. The process for doing so has commenced. This mechanism should be a sentinel over the supervisory central bank mechanism, as proposed in the recently published book, *Guardians of Finance*.

Last Wednesday's meeting between the Joint Committee on Finance, Public Expenditure and Reform and Governor of the Central Bank was instructive. We have started to recognise that we have a major mortgage problem. The banks have constrained themselves by not being honest about the provisions they need to make against loan losses, nor have they dealt with the restructuring of their client loans, namely, the household and business loans that are strangling the economy. If the banks had sufficient capital, they would restructure these loans and the release of this tension and strain on households and businesses would create the correct level of consumer demand to revive the economy. That they need more capital is a view that is consistent with that of one of the ratings agencies. The only way the banks can get capital is through creditor capitalisation, which the way they should have got it the first time around. Who are the creditors of our banks? They are the Central Bank of Ireland and European Central Bank, in other words, two elements of the euro system. However, instead of securing the funding from creditor capitalisation, we raided the after tax savings of the individuals of this country and took approximately €20 billion to pour into the banks. This was a mistake and it is one of the reasons for insisting on a writedown or extension in perpetuity and at zero interest of the IBRC and Irish Nationwide promissory note liability. Such a decision would enable the emergency liquidity assistance, ELA, to be written off.

The survivor banks also need capitalisation, albeit not in the way the financial engineers of the ECB and euro system would like it to be done. A radical departure is needed to ensure fairness and justice. This will require bold, brave decisions to be taken with the big picture in mind. What is being done in Europe is inadequate and does not meet requirements as it involves tinkering with symptoms rather than addressing the root cause of the problem, the explosion in credit and financial instruments such as derivatives to the point that they spun out of control.

Unfortunately, today marks the start of the Davos summit, at which leaders of financial

institutions, countries and intelligence institutions such as universities - in layman's language, the most powerful, the richest and ostensibly the most intelligent people in the world - gather to congratulate each other on how rich, powerful and intelligent they are and tell us how they think the world should be run. The way they have been running the world for the past ten years has resulted in a growing divide between the powerful and well resourced, that is, the wealthy of this world, and the poor and unemployed. We learned today, for example, that the number of people who are unemployed in Europe now exceeds 20 million, which is a staggering figure.

I will make another book recommendation for every Deputy and Senator. Written in 2004, *Confessions of an Economic Hitman* by John Perkins is an instructive book which explains and illuminates the arrival of a corporatocracy that replaced the empires of old when mercantilism was conducted through the power of commonwealth entities. Corporatocracy has, like an ivy, wound itself around governments and their civil services to the point that it has ensnared nations in debts that are not repayable. This country has been ensnared in this type of vice grip of debt.

One year ago I recommended a paper on the effects of debt on economies, which noted that when the three elements of debt - private household, non-financial corporate and sovereign debt - reach a combined level that approaches or exceeds 300% of GDP, an economy's potential for growth is suffocated. Depending on how one measures these three headings, Ireland's combined debt has reached a level of approximately 450% of GDP. When such facts and figures were presented truthfully and honestly to a Bundestag committee in January 2012 Deputy Donnelly and I saw its members visibly startle. They had not thought along these lines and were not aware that the transfer of €65 billion of losses from a private banking system onto a country with a population of 4.5 million and gross national income of approximately €140 billion would equate to transferring losses of €1.3 trillion from the German banking system onto German citizens. Their eyes opened and jaws dropped when they heard this analysis. That is the scale of the problem.

Doing the grunt work with Lever Arch files and simultaneous translation in 16 or 17 languages at bleary-eyed meetings lasting into the early morning or discussing this issue in empty parliamentary chambers both here and abroad does not amount to a real discussion. When do we have an opportunity to make presentations to the representatives of the country? In what forum is this possible? The absence of such a forum is the reason the message is not getting through and the diagnosis has not been correct. A microcosm of the failure to arrive at the correct diagnosis of the scale of the problem was the unwillingness shown by our establishment in 2008, by which I mean the accounting and law firms, business consultancies, politicians and Department of Finance, to face up to the scale of the €100 billion in losses coming down the tracks. This took place after the party, when the music had stopped and we have been tinkering with all sorts of other distractions ever since.

Let us get to the nub of the issue. This legislation, the Euro Area Loan Facility (Amendment) Bill 2013, provides, in legalese, the mechanisms of the loan that was agreed for Greece. This is not enough. Greece is only one part of the jigsaw of countries that are either in a programme or about to enter one. As I noted, some six weeks ago, the US Securities and Exchange Commission discovered that former high level employees of Deutsche Bank may have engaged in a €12 billion accounting fraud. This is only one bank's balance sheet. Let us get tough. If this Bill is to trundle through, every Deputy should say that it does so under protest. Let us table an amendment to that effect so that we put the spotlights onto the absolute justification of a proper, honest deal for us without any messing. It could be announced this week and let the

bureaucrats follow with the paperwork.

An Leas-Cheann Comhairle: I call Deputy Donnelly, who is sharing time with Deputy Clare Daly.

Deputy Stephen S. Donnelly: The Bill before the House seeks to reduce the interest rate on a portion of Greece's debt to 0.5% and to lengthen the repayment schedule by up to 15 years. I support the Bill in the hope that it will go some way towards helping the Greek state and people to tackle the painful social and economic crises with which they are dealing.

These changes are the latest in a set of financial supports that have been offered to Greece by Europe and the IMF, including a €110 billion loan in 2010, a €130 billion loan last year and a further €30 billion loan last year, to help Greece with its budget deficit from 2015 to 2017. There have also been several reductions in Greece's borrowing rate, one of which we benefited from and was claimed by our Government as its greatest success in lowering our debt burden.

In exchange for this Bill, Greece has agreed to three measures. First, it has agreed to an austerity-only approach to correcting its budget deficit. We know what this entails. Second, it has agreed to the large-scale selling off of its public assets. We are all too well aware of some of the pain incurred through such a measure, for example, selling off the national forests. Third, it has agreed to comprehensive structural reforms that, while welcome, are complex and will take time.

Critically and unlike in the Irish case, private investors have played their part. They agreed to a 54% reduction in the face value of the Greek public debt that they held. It was the Greek people and not speculators who benefited.

How is the work going so far? As anyone in the world would, the Greek people are struggling to achieve all of these changes simultaneously. There have been reports of hospitals running out of important drugs. Unemployment was recorded as being 25% last year and youth unemployment is at 50%. Greece is being set up for decades of intergenerational poverty and social problems. Many people's public and private pensions have been wiped out. The people of Greece are dealing with a level of pain that, thankfully, we have not yet needed to deal with *en masse*.

There is hope for Greece in the medium to long term. If significant structural reforms can be made, they will drive economic growth and increase living standards and employment levels. In this light, I can understand why the troika might have set an ambitious reform plan for Greece. However, the troika and Europe are making the same mistake in their dealings with Greece that the IMF has made in similar situations for decades. The IMF enters a country that is in considerable trouble and suffering all sorts of social and economic crises and demands that it upgrade its capacity, economy and national institutions to meet levels of international best practice in a few years. As we in Ireland know, it takes decades to do that. We have been at it for decades and still have a long way to go, yet countries like Greece are asked to make these changes and to become Germany in the space of approximately five years. One reason this approach does not work is that it cannot be done.

What will occur during the next few years? A new Greek Government has been elected and a raft of reforms that will be painful for the Greek people have been introduced. Those reforms were only politically possible when the troika threatened to turn off the tap, which would essentially have closed schools and hospitals.

Regardless of Greece's efforts and successes, it will probably need significant additional support over and above what is contained in this Bill. This year, Greece's national debt will hit 190% of GDP. Without the haircut taken by private investors, it would have been 220%. In recent years, debt sustainability has been discussed a great deal in the Oireachtas. Debt becomes unsustainable somewhere between 80% and 120%, depending on a country's tolerance for it. Ireland could probably deal with a higher debt level than Greece could. We are at 120%, which is unsustainable. Greece is at 190%. I can see no situation in which Greece will not need a significant write-down of its debt. However, there is a problem with how the eurozone will deal with the issue. It will give Greece a little bit next year, a little bit the following year and so on and so forth. This sounds familiar. Greece's debt level will remain unsustainable. It will just about keep the lights on and the schools open, but it is looking at decades of stagnation.

What can the Government and Oireachtas of the Republic of Ireland do? Immediately, we can vote this Bill through, which I imagine we will do. In the coming months, we can promote an understanding across Europe that no country can be expected to reinvent itself in a small number of years, particularly when it is dealing with multiple crises simultaneously and when the model it is being asked to adopt is someone else's idea of what a modern society and a modern economy should be. We can also argue that Greece's debt is unsustainable and that it needs one or two serious write-downs. It should not be done in pieces of 5% here and 5% there so that it stays on the never-never for the next few decades. Those write-downs need to be made in tandem with some structural reforms, but we need to be smart, compassionate and understanding about what is asked of Greece in return for a substantial further write-down in its debt to make it sustainable.

While we are doing that, we should be seeking the same for Ireland. Rather than stating that we will repay all moneys owed, we should be insisting on a significant write-down in the total burden of debt that this country has taken on in order to prop up the eurozone's financial system. Rather than accepting a few more years to pay back money at 3.5%, we should be making the same case as that for Greece. We are about to vote through a package for Greece at 0.5%, yet we are meant to be happy about being allowed to borrow at seven times that rate for another few years. A reduction in our rate to 0.5% or, ideally, to Deputy Mathews's 0% would constitute real burden sharing. It is important that we not accept the scraps from the table of Europe.

I listened with interest to Deputy Olivia Mitchell's criticisms of my reaction to the Minister for Finance, Deputy Noonan's announcement this week that we could still borrow for a few more years at 3.5%. Apparently, I was being churlish and - that old chestnut - talking down the economy. How quickly the new guard takes on the rhetoric of the old. Rather than swallowing the Government's prozac, as Deputy Mitchell would appear to have done, let us examine the facts attached to this deal about which we are meant to be so happy.

First, there will be no cash benefit for at least three years. Second and on conservative assumptions, it will on average be worth between €50 million and €100 million per year to Ireland for the next decade. This amounts to a fraction of the increase in public sector increments this year alone. It is not to be sneezed at, but it is nothing to be getting excited about either.

The deal allows us to continue borrowing at 3.5% when Greece will get a deal for 0.5% and, lest we forget, the European Central Bank, ECB, is lending long-term money to European banks at 0.75%. Let us be clear, in that we are meant to be happy with a deal that charges us for money at seven times Greece's rate and at more than four and a half times the rate charged by the ECB.

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The other aspect announced by the Minister, Deputy Noonan, which was not picked up and did not make the headlines is that we would still bear the risk for the ESM recapitalising the banks. That is significant. In fact, this blows last July's announcement completely out of the water, and it is a victory for Chancellor Merkel and Germany. What did the German Finance Minister do? The morning after the July announcement at 4 a.m. he said it was nonsense, that every sovereign would still be on the hook for the risk of its banks. In other words, there will not be any burden sharing. The Minister, Deputy Noonan, conceded that on the same day that we were told to be happy about the 3.5%.

I do not like coming to the House and calling the Government out. I would very much like the Government to come to the House with good news, but it is part of my role in opposition to call it out. The facts say that yesterday's announcement was a victory for spin over substance. If we are to recover we must get a substantial write-down in the total debt burden. I support the Bill because it goes some way to doing that for Greece. It is high time that the Government achieved the same for this country.

Deputy Clare Daly: Deputy Mathews suggested that Members should vote for the Bill under protest. A far more effective protest would be to vote against it. It is clear that the hierarchy throughout Europe is not listening to the damage and devastation the continuation of its policies continues to mete out to ordinary people on whose shoulders the burden rests. We refer to the loan facility as the bailout for Greece, but as other Deputies have pointed out, this is about the continuation of bailouts for banks and a process that has seen Greece stripped, raped and pillaged in a manner slightly different but where the effect is the same in this country. It takes the biscuit to dress it up, as some Deputies have done, as a benevolent act to help the Greeks. It adds insult to injury. What is at issue in the debate is the ratification of a continuation of policies that have brought Greece to its knees but have done enormous damage throughout the economies in the rest of the eurozone as well.

We must take time to examine in detail where such policies have already brought Greece. At the end of last year the Greek economy had experienced five years of recession and three years of unprecedented austerity meted out to its people. One could ask what it was all for, and whether the policies succeeded in transforming the Greek economy. One could say, yes they certainly did, if one's definition of transformation is throwing a society backwards, pauperising a generation and leaving young people with the prospect of being poorer than their parents for the first time in decades.

Official statistics reveal that one in every three Greek people live below the poverty line. That is a phenomenal figure. Deputy Donnelly referred to the unemployment figures, which officially indicate a quarter of the population is unemployed. However, in truth it is nearer to being 30% to 35% unemployment. Youth unemployment is significantly more than that, at in excess of 50%. Unemployment among women is 30%. What an indictment of neoliberal policies that the talent and creativity of ordinary people, especially young people, is being left to rot while many necessary and important social functions and tasks that could be undertaken are not being done because they are being sacrificed on the altar of deregulation, privatisation and a conscious rowing back of the gains in the welfare state that had become the norm in post-war Europe.

What the Bill offers as a solution is more of the same. The Greek Government passed a budget with another austerity cutback of €9.4 billion to be taken out of the economy this year in return for €44 billion of a so-called bailout. That is not money for nothing. The terms of the

bailout might be slightly reduced in the Bill but the money will not benefit any ordinary person or public services in Greece. The money is being borrowed to repay existing debts. Let us examine the scale of the con that is being undertaken. Further borrowings are being put on the shoulders of the Greek people to pay existing debts. In return for getting the money to pay a debt that was not generated by ordinary people the Greek people have to pay in further austerity. That sounds familiar, as we are used to it in this country as well

The adjustment this year and next year to which the government has signed up will mean further cuts in public sector wages and pensions and in health and education. In some sectors of the health service workers have not been paid for six months. They have not received a wage in six months but they are still going into work in the hope that the situation might turn around or they might be taken on by a private hospital. Sick people, including pensioners, cannot get basic medication. It is a cataclysmic collapse of the economy. There are stories in all of the international newspapers about the devastation people are experiencing. One could ask what is the logic of such economics. In the final quarter of last year, GDP in Greece fell by more than 7%. The decline is not halting either; it is getting worse. Whatever about enduring such conditions if one thought it would result in things getting better, the idea of doing it and paying such a price in order to enrich those at the top who caused the problem in the first place is lunacy.

I salute the Greek population in its struggle against that type of madness where we have seen the cumulative shrinkage and collapse of the economy by more than 25% in recent years. The proposition before the House is about a society going backwards. Sometimes one must call a halt. Austerity is not working. There cannot be an economic recovery for the people of Greece or those in the rest of Europe if we continue with those policies. We could be in the House all night describing what is going on in Greece. Homelessness has rocketed. A total of 40,000 people are currently homeless in Athens. The figures are unbelievable and are multiplying. We have referred to the increase in suicide and to people putting their children in orphanages because they cannot look after them. The Greek Government's solution is to impose further punitive taxation on its population. It is clear that there is a link somewhere and that the Government must have sat in and took a few notes. It should take further notes as well. The property tax in Greece has caused enormous hardship. One power company has disconnected the electricity of 30,000 homes per day as a result of enormous bills, a large part of which was due to the fact that the property tax is collected by the electricity company. What a draconian scenario. Many of those who were cut off have stayed disconnected because people do not have the money. The Government should draw the conclusion that one cannot get blood from a stone. One can bring in any amount of draconian legislation but if people do not have money then they cannot pay. The Government should take note.

The briefing paper for the Bill suggests that its purpose is to facilitate in the public interest the financial stability of the EU. That is rubbish. It is not for that purpose at all. Its purpose is to back up the private interest of big business and the banking system throughout the EU. Let us call a spade, a spade. That is what it is about. A total of 17 countries in the eurozone ended up in a double-dip recession last year. The Bill has nothing to do with benefitting ordinary people; it is about the continuation of neoliberal capitalism, which is not benefitting the common good but is about backing up the interests of a minority.

I do not have time to deal with the Irish debt situation to which other Deputies have referred, but the fact that we too are shouldering such a massive burden of bank debt, far in excess of any other country in Europe, must be taken on board by the Government. It is clear that is not the case. The problem will continue as long as we look at things the wrong way around. There can-

not be any recovery based on the type of policies being put forward in the Bill for this country or for Greece. We should start the other way around. Rather than reducing the terms of the debt we must focus on walking away from repaying debts that will not be repaid. If countries can borrow to repay debt for private banks, why can they not borrow to invest in jobs, job creation and a programme of public works? The only way the situation will be turned around is through stimulus, investment and putting people back to work. There cannot be a turnaround without a break of the existing system, not only in Greece but throughout Europe. It is clear from the catastrophe in Greece that the circumstances unfolding in Ireland and in many countries in southern Europe are not very different. The only way we will get out of this situation is by banding together across national frontiers to put the interests of ordinary people ahead of those of the private banks and big business.

Deputy Tom Hayes: I am pleased to have the opportunity to speak on the Euro Area Loan Facility (Amendment) Bill. This amendment benefits Greece, and in so doing benefits the wider European Union. As a member state of the European Union, Ireland will also benefit in the long term.

The amendments we are considering were agreed by the euro area finance Ministers in December 2012 but are subject to national procedures and approvals. These changes include an extension of the term of the loan under the facility from 15 to 30 years. Also included is a further reduction of 1% in the interest rates. On a more technical level, a feature of the Bill is the proposal to deal with these types of amendment to the Greek loan facility by resolution of the Dáil, without engaging the full legislative process, to deal in a timely fashion with important issues affecting a fellow member state. Ireland has loaned €345 million as part of the Greek loan facility. Under the provisions of the Bill, Ireland will receive a lower interest rate over a longer period. The principal of the debt, which is due to be repaid during 2020 to 2026, will now be repaid between 2020 and 2041. This will significantly reduce the risk that Greece will default on its repayments. It is in all our interests that we reduce this risk. Ireland also hopes to avail of lower interest rates over a prolonged period of repaying the debt we owe.

I have read and listened for months as experts have written in newspapers and spoken in the media, in the Dáil or elsewhere in the country on how we should renege on our debt. They say we should not pay the debt but walk away from it. I accept that when we entered into this process, it was partly a knee-jerk reaction to the situation in which we found ourselves. I remember the night the bank guarantee was put in place. That decision was taken on the basis of the best advice available. Since then, many people, particularly Opposition politicians, have said we can walk away from the debt. If we do that, we will turn our back on Europe and on democracy.

Ireland joined the European movement in the 1970s. At the time, Ireland was not a well-off country. The standard of education was low, there was a huge amount of unemployment, people were leaving the country and people in rural areas were poor. Huge strides and changes have been made due to our membership of the European Union. I recall attending a rally in Tralee in late 1969 or early 1970 prior to our joining the EU. The then Commissioner for Agriculture, Sicco Mansholt, was present. There were people on the streets at the time saying that Europe was bad for Ireland. There was huge interest throughout the country in the benefits, but there was also huge anxiety about whether we would get them. Having lived through those years I can state that we live in a different and far better country now than it was in those days. Look at the houses in rural Ireland and the prosperity evident in our roads and rail network. It applies to every aspect of life.

With regard to education, people of my generation left school at 14 and 15 years of age. Are they leaving school at that age now? No, they are leaving when they are in their 20s and well educated. There are third level colleges in every second and third county in the country. They are in Dublin, Cork, Galway, Letterkenny, Tralee, Thurles and Waterford. Throughout the country there are facilities where people can be educated. Regardless of whether our people stay in Ireland or go to Australia or Canada, they are educated. That is one result of the prosperity generated by our involvement in Europe. It has made for a better place and a better people. We forget all this when we speak here about burning the bondholders and turning our back on Europe. How dare people say that? I challenge them to say it when the Irish people, on several occasions, have made decisions about Europe. We made a very strong commitment when we first joined the EU, and in every referendum and election relating to Europe since then, the Irish people have fully supported what we have gained from Europe.

I had not intended to participate in this debate but I feel passionate about where this country has come from. People are forgetting what the situation was in the 1960s and 1970s. We are a far better off nation, one of which one can be proud. It is the best place to be. I have confidence in the Taoiseach and Minister for Finance and in their efforts to seek a better deal. This is about getting a better deal for Ireland. Yes, we can negotiate, and we will continue to negotiate, but one does not turn one's back on one's debts. One pays one's bills and pays one's way. It is nonsense to say one should turn one's back on them. One can make a better deal, secure low interest rates and fight to have to repay it over a long period of time. If a person borrows €100 tomorrow and has no money after paying it back, it is impossible to manage. It is different if it is being paid off over 50 or 100 years.

Ultimately, this Bill is about finance and cash. We can strike a better deal. We have been good Europeans, even if we have blotted our copy book in a few ways. Overall, however, we are very committed to the European project and I believe that the Europeans will eventually row in behind us. We have too much invested in it. The people who politicise this by talking daily about burning bondholders in order to grab headlines should stop and think of the people who are unemployed and of the young 17 and 18 year olds who will be leaving college in a few years. The way to proceed is to have guts, stand and fight a good fight in Europe and make a good deal for the people. I have no doubt that we will be in a far better place in a few years time.

Deputy Paschal Donohoe: The discussion on this Bill offers us an opportunity to discuss the concerns raised by Members such as Deputy Donnelly about bailouts and how they work. It also offers us to a brief opportunity to reflect on the announcement made this morning in the United Kingdom and what that means for the future both of Europe and of Ireland. It is worth reflecting on what happened this morning before we address some of the issues colleagues have with this Bill.

If today marks a significant and historic change for Britain and its relationship with the European Union, we should be clear that the same could be true for us. In 1961 and 1973 the prospects for our membership of the European Union were profoundly intertwined with what was happening with our neighbour. Since then, if the UK is our neighbour as determined by geography, it has also become our nearest ally in many cases. That has been determined by common policy positions that in turn have been driven by a confluence of national interests. The speech by Prime Minister David Cameron today is the latest and potentially one of the most historic consequences of the global economic crisis. Let us consider what he said.

6 o'clock

Earlier Mr. Cameron stated that a referendum verdict leading to a UK exit would be a “one-way ticket, not a return”. His core argument can be summed up with one sentence: “And when we have negotiated that new settlement, we will give the British people a referendum with a very simple in-or-out choice to stay in the EU on these new terms or come out altogether. It will be an in-out referendum.” We must recognise, therefore, that while the announcement marked the end of a debate about when the speech would be given and what would be in it, it was also the start of a much more significant and historical journey for the UK, which will have strategically significant consequences for our State. It is greatly ironic that just as the idea of a “Grexit”, or the exit of Greece from the EU, recedes from the horizon, a “Brexit”, or the exit of Britain from the Union, takes its place. The only thing that is certain about the journey that started today is the prolonged uncertainty it will engender on a number of levels.

What is the prospect for the opening of treaty negotiations, which the UK fundamentally needs to commence its resettlement? Does the announcement not make the commencement of negotiations and a new treaty less rather than more likely? What is Prime Minister Cameron looking for? The UK is not in the eurozone or the Schengen area but it wants to remain in the Common Market and a party to the common security, foreign and defence policy arrangements. Will concessions in the areas of working time and the common justice policy be enough to salve the elements of British society, media and politics that are looking for either an exit or a new settlement? These are all major questions, which do not have clear answers. However, it is certain that the efforts to provide those answers will require significant energy and commitment. The simple reason for that is for a member state to secure a change in treaty or policy area, it must be approved by every member state.

While simplicity is absent from potential answers to the questions raised earlier, we can have simplicity in the principles of an Irish response. I am struck by three initially. First, we must make clear to those looking on that there is no equivocation in our membership of the Union now nor will there be in the future. Second, many of the questions raised by the Prime Minister require an answer. Questions relating to democratic legitimacy, a lasting solution to the eurozone crisis and competitiveness are in our national interest to have answered. Third, for outside investors and buyers of government debt, Ireland can offer certainty about crucial areas that the UK cannot such as continued access to the Single Market, access to a banking union and a role in future policy formation within the EU.

We should examine where the Union and the eurozone stand now compared with the worst fears articulated over recent years. Recent and reasonable fears that have pervaded public debate include whether the euro would break up; whether nation states, both small and large, could fund themselves and avoid the spectre of an unplanned sovereign default; and whether Greece would stay in the eurozone and Ireland could avoid a nightmarish Pandora’s box if an unplanned exit took place. Where are we now? Interest rates on government debt are falling, particularly on that of so-called peripheral states; the exit or ejection of any country from the eurozone is currently off the agenda; and the ECB’s commitment to play a more active role in government debt markets, the passage of the stability treaty and the foundation of a banking union all show early but firm movement towards a more stable economic union. Many figures, both in this Chamber and elsewhere, have denied that any of this would happen and they are, curiously but understandably, silent now.

However, we must also be clear that despite these achievements, much remains to be done and we cannot be complacent about that. First, there must be a resolution to the debt crisis. The reminder today that debt to European income levels are stuck at almost 90% of national income shows the vast amount that remains to be done. Second, there must be a rekindling of economic growth without which everything becomes impossible to achieve. All we can see is that the worst fears of the past have not materialised for now and they appear unlikely to materialise tomorrow. That is a very important claim but it is also a fragile one, which should encourage us to do more, not less. That is why this Bill is important and should be supported. Initiatives such as this play a vital role in putting in place the foundations for a more stable and robust currency and economy in the future, capable of meeting the needs of the people it serves. Vicky Price, in her recent book, *Greeconomics*, writes of the absence of such systems when she notes: “We ended up with a monetary union as a preamble to a political union that consisted of countries that simply did not form an optimal currency area.” She concludes: “The no- bail-out clause, now of course breached repeatedly was the axis on which the euro deal rested. The euro would never have got started if there hadn’t been agreement on a no bail out clause.”

Bailouts are in place in three countries. People who oppose mechanisms such as this must answer a simple question. If they are opposed, where will struggling states find the money to fund their public services if they cannot borrow on the financial markets? Is opposition to bailouts not a recipe for greater austerity? This is not the same as saying that previous or current bailouts were well done, fair or well implemented. The lack of burden sharing among all creditors and the lack of market access for some bailout countries, including our own, were either mistakes or injustices. However, the basic question remains. In the absence of bailouts or aid programmes, how can countries unable to borrow fund their public services? Bailout programmes pose major political and ethical challenges. Countries in them do not want to be in them, while countries outside them do not want to pay for them. Whatever about the economics of bailouts, the politics could strangle Europe.

It is a stark reality that if the Union is seen as a debt collection agency for amoral and parasitic banks by one group of citizens in European society and seen by a different group as a mechanism by which a group of hard working, productive and financially sensible citizens pay for the feckless, easygoing and partying lifestyles of another group, then the failure of European institutions is almost certain. As those perceptions collide, I struggle to see how the spirit we will need to depend on throughout Europe is capable of flourishing. These sharp rocks of public and political opinion may be ephemeral and less stark than the immediate and visible reaction of financial markers, but they are no less lethal and no less capable of sundering the project of European integration. Ireland will play a part in avoiding this fate by becoming the first European country to exit a programme. While we accept the need for these programmes, Ireland must be determined to avoid becoming trapped in one.

Deputy Mick Wallace: With the agreement of the House, I will share my time with Deputy Mattie McGrath.

Acting Chairman (Deputy Bernard J. Durkan): Is that agreed? Agreed.

Deputy Mick Wallace: It is interesting to hear the different takes on what is happening. It is not surprising that we see things differently. The world would be a boring place if we all thought the same. The Greeks must be confused, however, as to who their friends are. Before last year’s election in Greece, the unelected President of the European Commission, José Manuel Barroso, declared that Greece must respect its commitments. By commitments he meant

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the package of pulverising privatisations, tax rises and cuts in jobs, pay and services demanded by the EU and IMF in exchange for loans that cannot be repaid and are reducing the country to beggary. Knowing most Greeks rejected spiralling austerity but wanted to stay in the euro, Europe's political class ratcheted up the fear of forced exit meltdown.

The eurozone problems are not only the result of a cock-eyed one-size-fits-all currency structure which was always going to buckle and fracture under pressure. It is also the product of the wider crisis of neoliberal capitalism which first erupted in the banking system about five years ago and has since caused massive problems for public finances, jobs, services and living standards throughout the western world.

The Greek Government predicted a 25% fall in GDP by 2014. Recently, the Greek Finance Minister, Mr. Yannis Stournaras, said:

A decline in tax revenues and rising unemployment is deepening the recession. The economy is being undermined by the draconian austerity programme, early debt repayments and high interest rates on its loans. There is a great risk of prolonging the negative consequences for the economy and society. There is too much emphasis on short-term austerity and not enough on improving the country's long-term prospects. If the economy misses targets more austerity is applied which causes a continued fall in GDP followed by another failure to meet its target.

As a member of the troika in Greece the IMF is a part of this self-defeating approach, yet it said recently the first lesson is that fiscal consolidation efforts need to be complemented by measures that support growth. That is not what is happening there.

It is also upsetting to see that the Greeks are still spending too much money on arms. The former MEP, Dimitrios Papadimoulis, has said that well after the economic crisis had begun, Germany and France were still trying to seal lucrative weapons deals, even as they were pushing the Greeks to make deep cuts in areas like health. Some 15% of German and 10% of French arms exports go to Greece. Even though there has been a reduction of late, in 2012 the Greek military budget accounted for almost 4% of national output. This compares with the eurozone average of 2%. This defies logic.

A Greek writer, Maria Margaritis, recently wrote about Greece staring into the abyss. She says Europe must choose. She writes:

The misery to which Athenians have been reduced, the soup kitchens, the homelessness, the depression, the suicides, the rising tide of poverty that is swallowing the middle class and the feeling of disorientation and lost identity that comes with the collapse of the assumptions people live by is all adding to serious disillusionment.

When you ask people in the street if they would rather Greece went bankrupt than submit to further measures many now point out that it is already bankrupt, that the public sector workers have gone unpaid for months, hospitals are short on supplies and the poor are being wrung dry in order to pay the banks. Many say, "Let us get it over with", knowing it is impossible to know what a default might bring.

Maria Margaritis argues that it is not just Greece's identity that is at stake but Europe's. She says:

All eyes are fixed on Athens, but the way out of the crisis requires a choice of what kind of Europe we want. The one we have now, with its deep structural inequalities and its rigid adherence to a failed economic ideology coming from neoliberalism protects neither democracy nor human rights. Stiff necked and punitive, it prefers to eat its children.

Some people say there is no alternative. I do not agree. When an economy is struggling to breathe while the Government says there is only plan A, we should not accept that. There is always an alternative. Cutting the deficit is vital and it has to be done, but at the right time and in the right way. Otherwise it will make things worse. Austerity squeezes the life out of an economy at the very moment it needs more oxygen. Only growth puts money into the national coffers. If that means short-term borrowing, so be it. After all, we are borrowing plenty and so is every other country in Europe.

The troika assumed the Greek economy would shrink by 4.3% in 2012, hold steady in 2013 and grow at 2% per year thereafter. It is hard to credit where those figures came from. The Greek economy actually contracted by 6.5% in 2012, which was not a big surprise. Is it holding steady in 2013? I do not think so.

Austerity, as we know, has an ideology behind it. It is not just about balancing budgets. It means reducing wages, deregulation of the labour market, low public spending and tax exemptions for capital. It is not necessarily the way to go.

Bank bailouts are strange things. I was looking at the words of the then Minister for Finance, the late Brian Lenihan, on the night of 30 September 2008, when he said:

The Government's purpose and the objective of this legislation is to reinforce the strength of the Irish economy, the financial sector and especially to protect the long-term interests of the taxpayer. Maintaining a stable banking system is at the heart of the functioning of our economy and the daily lives of everyone living in our country. This legislation is not about protecting the interest of the banks. It is about the safeguarding of the economy and everyone who lives and works in this country.

He went on to say:

I stress that the provisions we are asking the House to approve are in no way a bailout for the financial system. The granting of guarantees to individual institutions will be subject to specific terms and conditions for each institution, including appropriate remuneration of the benefits of the guarantee. This is important to ensure the implementation conforms to EU state-aid and competition law requirements. The guarantee provided by the State is not intended to insulate the shareholders of these financial institutions from the risks attached to the investments they have made, as much as they may have benefited from significant rewards over the years.

In that context, I want to make two crucial points. The guarantee is not free and the taxpayer who ultimately underwrites this support will be remunerated for the value of the support provided. The terms and conditions on which the guarantee is provided will ensure the taxpayer gets value for money.

A very good article by Matt Taibbi, was recently published in the United States. It is called *Secrets and Lies of the Bailout: One Broker's Story*. He says:

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It has been four long winters since the federal government, [through] Treasury Secretary, Hank Paulson, committed \$700 billion in taxpayer money to rescue Wall Street from its own chicanery and greed. To listen to the bankers and their allies in Washington tell it, you'd think the bailout was the best thing to hit the American economy since the invention of the assembly line.

It was all a lie - one of the biggest and most elaborate falsehoods ever sold to the American people. We were told that the taxpayer was stepping in - only temporarily, mind you - to prop up the economy and save the world from financial catastrophe. What we actually ended up doing was the exact opposite: committing American taxpayers to permanent blind support of an ungovernable, unregulatable, hyperconcentrated new financial system that exacerbates the greed and inequality that caused the crash, and forces Wall Street banks like Goldman Sachs and Citigroup to increase risk rather than reduce it. [...]

But the most appalling part is the lying. The public has been lied to so shamelessly and so often in the course of the past four years that the failure to tell the truth to the general populace has become a kind of baked-in official feature of the financial rescue. Money was not the only thing the government gave Wall Street - it also conferred the right to hide the truth from the rest of us. And it was all done in the name of helping regular people and creating jobs. [...]

Investors may not actually believe the lie, but they are impressed by how totally committed the government has been, from the very beginning, to selling it.

Today, what few remember about the bailouts is that they had to approve them. It wasn't like Paulson could just go and unilaterally commit trillions of public dollars to rescue Goldman Sachs and Citigroup from their own stupidity and bad management ... At one meeting to discuss the original bailout bill - at 11 a.m. on September 18th, 2008 - Paulson ... told members of Congress that \$5.5 trillion in wealth would disappear by 2 p.m. that day unless the government took immediate action and the world economy would collapse "within 24 hours". [...]

The White House and leaders of both parties actually agreed to this preposterous document but it died in the House when 95 Democrats lined up against it. For an all-too-rare moment during the Bush administration, something resembling sanity prevailed in Washington.

So Paulson came up with a more convincing lie. On paper, the Emergency Economic Stabilization Act of 2008 was simple: Treasury would buy \$700 billion of troubled mortgages from the banks and modify them to help struggling homeowners. Section 109 of the act ... specifically empowered the Treasury secretary to "facilitate loan modifications to prevent avoidable foreclosures." With that promise on the table [the Act was passed].

But within days of its passage, the Fed and the Treasury unilaterally decided to abandon the planned purchase of toxic assets in favour of the direct injection of billions in cash into companies like Goldman and Citigroup. [...]

[In January 2009] Larry Summers, the senior economic adviser to ... Obama ... who had been forced out as Harvard president for suggesting women lack a natural appetite for math and science [...] laid out a five point plan in which the bailout was pitched as a ... giant populist programme to help ordinary Americans. Obama, Summers vowed, would use

the money to stimulate bank lending to put people back to work. He went so far as to say the banks would be denied funding unless they agreed to “increase lending above baseline levels.” He promised that “tough and transparent conditions” would be imposed on bailout recipients, who would not be allowed to use bailout funds [to enrich shareholders or executives]. As in the original TARP bill, he pledged that bailout money would be used to aid homeowners in foreclosure [and] promised that the bailouts would be temporary - with a “plan for exit of government intervention” implemented “as quickly as possible.”

Sadly, from originally giving \$700 billion towards looking after those with distressed mortgages, the figure was reduced to \$50 billion, then \$30 billion and by November 2012, the total figure that had been allocated to helping people struggling with distressed mortgages was \$4 billion, less than 1% of the \$700 million. The article continues:

But even before Summers promised Congress the banks would be required to increase lending as a condition for receiving bailout funds, officials had already decided not to even ask the banks to use the money to increase lending. In fact, they’d decided not to even ask banks to *monitor* what they did with the bailout money. Barofsky, the TARP inspector, asked Treasury to include a requirement forcing recipients to explain what they did with the taxpayer money. He was stunned when the TARP administrator Kashkari rejected his proposal, telling him lenders would walk away from the program if they had to deal with too many conditions. [...]

In the end, there was no lending requirement attached to any aspect of the bailout, and there never would be. Banks used the hundreds of billions of dollars for almost every purpose under the sun [except] lending to homeowners and small businesses in the cities they had destroyed. [...]

Moreover, instead of using the bailout money as promised - to jump-start the economy - Wall Street used the funds to make the economy more dangerous. From the start, taxpayer money was used to subsidize a string of financial mergers, from the Chase-Bear Stearns deal to the Wells Fargo Wachovia merger to Bank of America’s acquisition of Merrill Lynch. Aided by bailout funds, being Too Big to Bail was suddenly Too Good to Pass Up. [...]

They Lied About The Health Of The Banks.

The main reason banks didn’t lend out bailout funds [was] simple: [they] needed the money ... to survive. [That led] to another ... broken promise - that taxpayer money would only be handed out to “viable” banks. [...]

Congress had approved the \$700 billion to buy up toxic mortgages but \$250 billion was now shifted to direct capital injections for banks. This new ... portion of the bailout was called the Capital Purchase Program ... [In announcing this] Paulson ... promised that they would be stuffing cash into “healthy and viable” banks. This ... was the entire justification for the bailout: That the huge infusion of taxpayer cash would not be used to rescue individual banks, but to kick-start the economy by helping *healthy* banks start lending again.

This did not happen. It turned out that nine of the major banks that got most of the money were in serious trouble at the time and would not have survived without Government money, which in some cases they got for as little as 0.01% interest. The Government did conduct regular stress tests on some of these banks but that was a joke. If the wrong results came in, the figures were changed. The article goes on to state:

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This episode underscores a key feature of the bailout: the government's decision to use lies as a form of monetary aid. State hands over taxpayer money to functionally insolvent bank; state gives regulatory thumbs up to said bank; bank uses that to ... sell stock; bank pays cash back to state. [There are too many similarities between what happened in America, Europe and here.] This is a virtual repeat of the financial crisis, in which a wave of greed caused bankers to ... chase yields everywhere, to the point where lowering lending standards became the norm. Now the government, with its Implicit Guarantee, is causing exactly the same behavior - meaning the bailouts have brought us back to where we started. [There has never been a better time to be too big to fail.]

[W]hat ... did the bailout accomplish? It built a banking system that discriminates against community banks, makes Too Big to Fail banks even [bigger], increases risk, discourages sound business lending and punishes savings by making it easier and more profitable to chase high-yield investments than to compete for small depositors. [...]

Other than that, the bailout was a smashing success.

Deputy Mattie McGrath: I often disagree with Deputy Wallace on various issues but I could not disagree with a syllable of what he said this evening. We have seen what happened in Greece, with penury being forced on people. There were two different scenarios where some people rose up and protested while others accepted austerity. At least Greece fought and gained concessions through fighting austerity and the powers that be, while others were forced into penury and public servants and others are not being paid as they should be. The same scenario exists here. Austerity is not working.

I have run a small business for the past 30 years and if I ran my business like that, I would not have lasted in business for five years. We cannot endure dose after dose of austerity and expect bright results. It might suit a certain type of person to say Ireland is doing great, that it is doing what it is being asked to do and dosing the people with austerity. I do not believe that. The Taoiseach is only person I know who believes that but I disagree with him fundamentally about growth.

The bank bailout was based entirely on lies. I voted for it and I have regretted it every day since. We were told we were staring into the abyss if we did not do this. That was outright lies. The former Minister, Brian Lenihan, God rest him, and his officials were told naked lies. It continued when they said the so-called pillar banks were to lend €3 billion each year. They did not give 300,000 but told more lies. The shenanigans that have gone on in the banks have been deplorable. People have been arraigned and charges brought against them but no one has been found guilty of anything yet, and after so many years, that is shocking. If I was to transfer funds from one account to another before they were due and the accountant signed off on them, it would be fraud regardless of whether it was €50, €500 or €1,000, never mind the billions of funny money that was moved in out.

This beggars belief. A greater power is involved here than democracy and I am concerned about it. There is a corrupt chain of money and events that means these people cannot fail. The last Government and this Government have piled misery after misery on the people to save these scoundrel banks. We hear stories, and if we want to go down to the courts, we will see.

Any of us who are honest with ourselves, in our clinics and in our constituencies, meet constituents all the time, whether they be ordinary householders who are in debt with a mortgage,

business persons or what we call speculators, with appalling stories of how loans were pushed at them and how they were forced into taking out loans. I accept they signed on the dotted line. A businessman was with me last weekend who is 50 years of age and has four children. He is now unemployed. Thankfully, all the staff he had are getting social welfare. He is not getting a penny. He went into his bank one day six or seven years ago to buy a house in a town in Tipperary. He was asked why he wanted to purchase one building and was advised to buy the whole block, and within four days he had borrowed €3.3 million. The man probably should not have got €300,000, but that is how reckless the banks were because there was commission and greed. The same occurred in Greece as occurred with ourselves. When our banks ran dry, the French and German banks shovelled funding in here by the load for speculation and they are being bailed out. They are laughing all the way to the bank. They are being bailed out at the expense of the ordinary taxpayers here and the ordinary people are being forced out of business.

God forbid one must deal with NAMA, the most dastardly unit that was ever set up. When it was set up I described it as a wild animal in the woods and stated that we had no idea where it would end up, and I have proved right.

We spoke earlier on a Topical Issue debate about the level of suicide. It is frightening the level of financially driven suicide in this country thanks to this banking crisis. In my county, there was a case quite recently. The blackguarding that decent businessmen of all persuasions - merely persons who wanted to work, create businesses, employ, invest and be somewhat speculative, but who certainly had good track records in business - are getting from NAMA, the courts and the system is nothing short of outrageous. I do not know how people are putting up with this in this so-called modern democracy of ours that was fought so hard for. They are being blackguarded and driven to suicide because of bullying, intimidation, threats and chicanery. They are making efforts to repay and the offers they come up with will not be accepted, yet the property can be sold three days later for a fraction of the price to those in an inner cycle. It is outrageous and scandalous. I ask the Minister of State, Deputy O'Dowd - I do not know who I will ask anymore because I have been asking for four years - that someone look at this. It is still going on. A merry dance is being danced and they are laughing all the way to the bank.

Acting Chairman (Deputy Bernard J. Durkan): I understand Deputy O'Donnell proposes to share his time.

Deputy Kieran O'Donnell: With Deputy John Paul Phelan.

Acting Chairman (Deputy Bernard J. Durkan): Is that agreed? Agreed.

Deputy Kieran O'Donnell: I support this Bill. I want to put it in an Irish context. There is a great deal of theoretical talk about debt sustainability in the Irish context and there has been considerable debate on the impact various measures will have. It is a little disingenuous that the Opposition states continually that this will not work and that will not work. Anyone who has been involved in business will be aware that it is not about one measure; it is about a range of measures. On debt sustainability, outside of one's capacity to repay, any business loan encompasses three key elements: the amount of the loan, the interest rate on the loan and the repayment terms. Those are all elements to it.

First, I want to deal with the restructuring of the European financial stability fund, EFSF, that is currently under way, as announced by the Government yesterday. I welcome that measure. To put it in context, if one can defer repayment of a loan, it increases the sustainability

of that loan. Furthermore, if one extends the term of a loan by a number of years, by the time that loan comes to be repaid, the value of the loan in real terms will have fallen due to inflation, and that is often overlooked. It would be akin to someone taking out a loan of £40,000 in the late 1980s to buy a house and, effectively, repaying the loan now. A sum of £40,000 back then would have been worth a significant amount more than £40,000 today. I very much welcome that measure, but I see it as part of a range of measures.

The Government previously negotiated a reduction in the interest rate on these particular loans, the EFSF and the European Commission loans, which is to be welcomed. The second element of it is the repayment.

There has been much debate about the promissory note. In layman's terms, effectively, there was no, or very little, interest charged to the State for the first three years of the promissory note. That had no impact on the current account of the budgetary system or on the ordinary citizen. The difference is that for 2013, 2014 and 2015, it has a significant impact. For 2013, it has an impact just short of €1.9 billion on the general Government deficit. For 2014, it has an impact just short of €1.8 billion, and for 2015, it has an impact just short of €1.7 billion. For those three years combined, one is talking about an impact of over €5 billion on the Government's budgetary position. Any relief we get on the interest in respect of the promissory note has a considerable beneficial knock-on effect on reaching our budgetary targets, on our debt-to-GDP ratio and on ordinary people's lives. That is why I wish the Government success in the negotiations. It is not merely about the amount. The interest is a key factor in the promissory note because of the way it was constructed. The previous Government arranged that no interest would hit the budgetary position for the first three years. For want of a term, it squeezed the interest over a shorter period of time. The interest was approximately 5.9% over the length of the promissory note. It ended up being nearly 9% because they squeezed it into these particular years.

Equally, lengthening the repayment term of the promissory note has almost the impact of reducing the loan. If one pushes the loan down the road, over time the real value of it drops. What I am looking at here is that we must get it to the position where, if we get a reduction in the promissory note interest, it will make our debt significantly more sustainable and make a considerable improvement in our budgetary position which will have an impact on the lives of ordinary people who we all represent in this House.

This is business. This is not about show-boating. There is a great deal of show-boating on this particular issue. This is about euro and cent. With the promissory note, we are looking at getting the interest rate down so that instead of having payments in the order of €1.9 billion in 2013, €1.8 billion in 2014 and €1.7 billion in 2015, those sums would be reduced. In 2013, the promissory note will make up 20% of the interest charges on our debt. In 2014, it will make up 18% and in 2015, it will make up 17%.

On the issue of the contingent capital, CoCo, notes in the banks and weighing it up, the Government, like any business, must de-risk the balance sheet of the State. There is a risk attached to having those contingency funds in the banks. Furthermore, our debt-to-GDP ratio in 2013 will be 121%. We need to try to bring that down. Selling those contingency funds going directly to reducing our debt levels also has an impact on our debt sustainability. We must also operate in an environment whereby Ireland pays its way. We are seeking a raft of practical measures to improve our debt sustainability significantly. It has a positive impact on ordinary people's lives.

Reducing the interest rate on the promissory note will have a very significant influence, which has been overlooked. I would like to see what I would regard as a measured, knowledgeable and constructive debate on how our debt operates and how effectively we can get it back with a suite of measures. I am looking for a matrix of tools within debt sustainability through selling the CoCo notes and putting that towards reducing our debt levels and expanding the repayment terms in regard to the EFSF. It is often overlooked that funds we have drawn down in more recent times from the EU programme are over a far longer period of time, which is to our benefit. By the time they come to be repaid with inflation, they will have effectively reduced in real terms.

The significance of the interest charge on the promissory note on the ordinary citizen has been overlooked. If we get the reduction in the interest rate on that note, it will have a significant effect on reaching our deficit-GDP target and have an impact on the ordinary person through the various current balance budgetary measures that need to be introduced. It will ensure the markets respond more favourably and, when we exit bailout programme, which I have no doubt we will, it will ensure the cost of borrowings are sustainable in the future. In the coming months we should have an informed and robust debate on the impact. Rather than the headline seeking and clichéd attacks, let us have a reasoned and measured debate on our debt.

Deputy John Paul Phelan: I am glad to have the opportunity to speak on the Bill and support its objective, which is to alter the arrangement for the European Union and the IMF to provide funding to Greece. Anything that could ease the interest rates and extend the term and therefore reduce the impact is to be welcomed from a Greek point of view. It is a country that has gone through dreadful upheaval in the past four or five years and the impact on ordinary Greek families and individuals has been horrific. This legislation is about easing, albeit marginally, the burden that the Greek people will have to face, which is why I will be supporting it. It is also an opportunity to follow up on announcements made in recent days with regard to examining Ireland's debt position following the Eurogroup finance Ministers and ECOFIN meetings over the previous two days. Therefore, this discussion comes at an opportune time.

Many figures have been bandied about tonight. I was a Member of the other House on the fateful night of the bank guarantee. During the debate on the guarantee I got my chance to speak at approximately 5 a.m. and the then Minister, the late Mr. Brian Lenihan, God rest him, gave an impassioned speech as to why it was necessary. Most people would agree that perhaps some of the advice he was being given at the time was inaccurate, to be generous. I have no doubt as to his bona fides in proposing that legislation, but I believe he was misled and others were misled as a result of that. Following the bank guarantee, the most shocking political decision of the previous Government was the subsequent decision to nationalise Anglo Irish Bank, which officially effectively meant that its debts were the country's debts. The promissory note to which the previous Government signed up meant it would be treated effectively like national debt. Of course, it did so in a very cynical manner whereby interest would only be charged from 2013 - in other words, after the general election would have taken place.

I remember putting questions to the then Taoiseach, Mr. Brian Cowen, and others and never got any satisfactory answers as to why the then Government took those decisions. We have never got those answers. I am pleased the Government's legislation programme for this term includes on the A list an amendment to the rules allowing Oireachtas committees additional powers of investigation. It is important that the Oireachtas Joint Committee on Finance, Public Expenditure and Reform would get those extra powers with regard to not just the decisions made around the bank guarantee but ultimately the decision to nationalise Anglo Irish Bank.

No real information has ever been ascertained as to why that took place.

On the need to change the terms of the promissory note, there is considerable misunderstanding about what national debt is. Many people who comment and profess to understand national debt fail to understand that national debt is rarely paid off. It is turned over when the debt falls due and a new bond is issued resulting in a new debt being taken on in its stead. That is the nature of national debt.

Deputy O'Donnell was correct in pointing out that between €5.5 billion and €6 billion of current budget expenditure for the next three years is involved in funding the promissory note as established by the previous Fianna Fáil-led Government. Any positive change would have a very good economic impact for the country. Any change to the term or the rate of interest being charged would have a significant positive impact. That is why this week's news, while small in nature, is none the less a step in the right direction. There have been a number of similar steps in recent months. The job the Minister for Finance and his officials have to do on the promissory note before it falls due at the end of March is crucial for the country. They are moving in the right direction. Clearly, I am not a party to the negotiations. It is important they are brought to a successful conclusion. Almost half of our total debt liability is in respect of the recapitalisation of Allied Irish Banks and Bank of Ireland. I have not yet heard much national discussion on, as mentioned by Deputy Kieran O'Donnell, the possibility of the European Stability Mechanism purchasing some of our debt. I have heard some commentators say this might not be beneficial for us in that while State shares in the banks are currently at a low value, they could ultimately be worth more to us and, having already recapitalised the banks to the tune of billions of euro, we would be making a second error in selling those interests at a greatly reduced value. The Minister might respond to that issue when replying to the debate. While I have not heard too much discussion on that issue during the past couple of months, I am sure we will hear more about it during the course of the next few months.

I agree with Deputy Stephen Donnelly's comments in relation to the sustainability of debt and that the Greek debt-to-GDP ratio of 190% is clearly unsustainable. The European average in this regard is approximately 90%. Ireland's debt-to-GDP ratio is at 120% and is perceived to be at the upper end of what is sustainable. If there is to be significant economic growth in this country, that figure must be reduced. The mechanism by which it is reduced, whether through the European Stability Mechanism purchasing our interests in the pillar banks or a write-down, is arguable but important. Deputy Donnelly is correct that a piecemeal approach to the Greek problem by way of a little write-down here and there will only keep it alive rather than inject it with the medicine necessary to ensure its economic recovery. It would be imperative, if a significant write-down for Greece were achieved, that Ireland would be in a position to benefit from that particular arrangement as well.

I support the provisions contained in this legislation. When we signed the original European agreement in respect of the bailout for Greece, we did not anticipate our being in a similar situation a number of months later. The mechanism by which that was established means unanimity among member states is required. Measures that would ease the burden on the Greek people should be supported by members on all sides of the House.

Deputy Seamus Healy: While listening to the debate earlier I heard my constituency colleague, Deputy Tom Hayes, take issue with and criticise those calling for the burning of bondholders. I have to assume that Deputy Hayes was criticising the Taoiseach, Deputy Kenny, and the Fine Gael Party who called during the general election of 2011 for bondholders to be burned

and for not another cent to be paid to the banks. Fine Gael has since reneged on its promises in this regard, resulting in this country being in a serious social and economic crisis. Fine Gael Members were elected on those promises, on which they have since reneged, which is a common story in this country.

I am opposed to this legislation which seeks to impose more austerity, to fleece low and middle income families by way of cuts in services and increases in taxation, to pay banks and bondholders and reward those who created the crisis in which we now find ourselves. Austerity has not, is not and will not work. It has not worked in Greece and will not work in Ireland. As I stated earlier, this country is in social and economic crisis, with 430,000 people unemployed - more than half of whom are long-term unemployed - massive emigration, and increased taxation by way of the property tax, a proposed water tax and various other forms of taxation. There have been huge cuts to services in the areas of education, health and social welfare. We also have a mortgage crisis, with many homes in negative equity and, sadly, a large number of children in this State living in poverty.

It is time we stopped paying other people's bills, which is what we have been doing. We must also cease rescuing the failed investments of international financiers. We must, as once stated by James Connolly, start the reconquest of Ireland and the restoration of our economic sovereignty. This can only be done by the neutralisation of Ireland's bank related debt. We must stand up for ourselves in Europe and must make clear to other European countries that we will do so. To do so requires that we cease repaying outstanding bonds, cease paying interest on the portion of the national debt which arises from bank related borrowings, cease paying the promissory notes to Anglo Irish Bank-IBRC and cease, as we did last year, procuring other banks to pay them at a cost to the State. We must also cease paying all future tranches of Ireland's contribution to the European Stability Mechanism, ESM. If the ESM cannot be used to retrospectively pay for the recapitalisation of the Irish banks, why is Ireland contributing to it? We must halt all sales of State holdings in financial institutions.

This State, which put €5 billion into Bank of Ireland, now owns a mere 15% of that bank while an American venture capitalist purchased 37% of it for €1.1 billion. Allied Irish Banks and Permanent TSB must not be sold to the ESM. They should be fully nationalised and absorbed into the public service. The State can then ensure an adequate level of lending to small businesses and end the paying of exorbitant salaries and pensions to senior executives. In the meantime, the public service directors of these banks should be made answerable to the Government and Oireachtas. These measures would represent a real move towards restoration of Irish sovereignty and would send a message to Europe that this is what we want. The notion that a formal exiting of the bailout programme will amount to the recovery of our economic sovereignty is nonsense. A combination of the ESM treaty and subservience to the market for borrowings will mean a continuation and almost certainly a further diminution of our economic sovereignty.

While Greece got a significant deal, it is only on what might be termed a life support machine.

7 o'clock

It is a significantly better deal than Ireland received. Not only has the interest rate on the country's loans been scaled back to 0.5%, which is virtually nothing, it also received a ten year deferral of interest payments which will save approximately €44 billion. It can buy back its

debt from market investors below face value and eurozone countries will be able to forgo their profits on Greek bonds held by national central banks. The Greek rescue loan maturity has been doubled to 30 years and this is another significant aspect. The question of write-downs is still in play for Greece which almost certainly means they will happen.

The claim made yesterday by the Minister for Finance that we will save billions on this new deal is nonsense. It is expected the maturity dates on a fraction of State borrowings will be put back for an unspecified number of years. The Minister has admitted there will be no write-down of debt. The State will not save a single cent overall. The total to be repaid, including interest, over the longer period will be greater. Like lengthening the period of a mortgage one pays less money annually but more in the longer term. Even Dan O'Brien in *The Irish Times* claimed the deal will be less beneficial than the deal in 2011 because there is no interest rate reduction on this occasion.

The original deal was achieved not by Ireland but by Greece, while the deal yesterday was proposed and achieved by Portugal. The Irish situation is much worse than extending a mortgage on a house. The support given by the Government to the ESM treaty will mean huge capital repayments beginning in 2015. Ireland's debt to GDP ratio is likely to be approximately 120% in 2015 and reducing the debt to GDP ratio by one 20th of the excess per year in accordance with the treaty will mean reducing it by 3% of GDP per year. Without significant economic growth it means we will pay back €4.5 billion per year in principal on top of the already €9 billion per year in debt servicing. This debt will only be paid back on the basis of yet more savage austerity imposed on working people which in turn will mean a worsening of the Irish economic crisis. I will oppose the Bill, which is a continuation of austerity which has not worked and will not work.

Deputy Joe Higgins: The Euro Area Loan Facility (Amendment) Bill 2013 changes the arrangement for the bailout of Greek capitalism from its deep crisis and from the crisis of the European financial market system in general. This bailout and the vicious austerity agenda that is contingent on it has been an unmitigated disaster for the people of Greece. This amendment to the bailout terms does nothing whatsoever to alleviate this disaster. The arrangement proposed in the Bill, to be passed by all parliaments of the eurozone, is merely a rearrangement of the crude instruments of torture to try to keep the victims alive for a further period so their economic lifeblood can continue to drain away to the financial markets and the bankers of Europe.

Last year during the second general election campaign in Greece, the leader of the left-wing party Syriza, Alexis Tsipras, called for the repudiation of the unbearable debts foisted on the Greek people, including the massive troika loans used to bail out the Greek banks. Alexis Tsipras stated Greece was a social hell and demanded an end to the austerity package of the troika which is crushing workers in large swathes of the former middle strata of society. In these demands comrade Tsipras was absolutely right and represented the genuine interests of the Greek working class, the middle layers of society and the poor.

Some speakers here have outlined the extent of the crisis in Greece and its manifestations, the devastating effects of austerity and of the dictatorship of the European financial markets. In October 2012 unemployment rose to 26.8% officially. This had rocketed by a stunning 368,102 people since October 2011. In one year unemployment saw an increase of one third of 1 million and, shamefully, youth unemployment, was at 56.6% in October 2012, again at official figures which are no doubt understated. Wages have collapsed by up to 40% from 2010 to the present. Poverty and outright destitution are now rampant in Greek society. Public services are being

dismantled, degraded and cut to the bone. Hospitals are starved of funds. In one shocking anecdote in Sismanogleio Hospital in Athens there was a reported instance of low paid workers suffering the cuts of austerity making a collection to buy the ingredients for soup for the patients. This is the European Union in 2013.

Small enterprises have closed by the thousands as the effects of austerity destroy the ability of ordinary people to purchase goods and services, exactly as is happening in Ireland. What has changed fundamentally in this euro area loan facility? It simply maintains the crushing burden of debt on the Greek people but agrees to spread it out somewhat further, for twice as long, and re-adjusts interest rates. Hence we have Annex 2 of the Bill, a table which shows the final payment will be made on 15 September 2041, so the children born this week will be in their 28th year when the last of the debts in this schedule are supposed to be paid. Children yet unborn will carry the burden of the crisis of Greek capitalism, of the European market system and of the bailout foisted on the Greek people to save the European market system.

The German bank tasked with administering the debts which are the subject of this Bill is KfW, or in English, the Reconstruction Credit Institute, misnamed one would have to say in this instance since this particular credit arrangement brings only destruction in its wake and not reconstruction. Crucially, this re-ordering of the Greek bailout will not lay a basis for the recovery of the Greek economy; the opposite will be the case. Unfortunately Greek debt is simply unsustainable and this does not change that.

The Minister for Finance stated yesterday with regard to the Irish debt that the possible new deal on Irish bank debt and general debt would be to extend the period of payments and adjust the interest rates. The Minister for Finance said that lengthening the payments period for bank debt with reduced interest, however, is “not a game changer”. This begs the question, what is the point in toying out and running on to the field if one has no prospect of being a game changer? In my view, the Minister meant that the proposal with regard to Irish debt, of spinning it out, does not alter the fundamental elements of the crisis, which are an unsustainable level of debt, the destruction of austerity, a crisis in the domestic economy driven down by austerity, and a catastrophic collapse in investment.

It is similar, if not exactly the same, for the Greek people. They need a fundamental change of policy, as do the Spanish, Portuguese, Italians, Irish and many other communities and peoples within the EU. However, crisis-plagued European capitalism will not provide the necessary radical changes or solutions. The sharks in European financial markets are only interested in feeding on their own profits and profiting from the misery of the Greeks, the Irish and others.

The Greek people are not the cause of this euro crisis, they are its victims. From the start, it was economic insanity to force weak capitalist economies like Greece - and like Ireland, despite the delusions of grandeur that existed at the time we entered the euro - into a common currency where it was quite clear they could not measure up to powerhouses of European capitalism, such as Germany, for example. At the time, the left pointed out that the euro straitjacket would inevitably bring about a crisis situation.

The paralysis in European capitalist economies is clear from the investment strike currently in place. Last year, the *Financial Times* and the *Wall Street Journal* published significant articles outlining how €3 trillion in accumulated profits by big European countries remained uninvested and lying in European banks, while 26 million people languished in unemployment. That is because European big business is not confident that against the current background it

would make further profits by investing in productive capacity.

This increasingly shows the parasitic nature of European capitalism. The historic justification for capitalism was its development of productive forces, that it could unleash the productive capacity of humanity and transform many areas of life, even if it often did so by means of ruthless exploitation. For 20 years now, the tendency within world capitalism has been to become increasingly parasitic in its quest for profits. It has gone from productive investment to financial products, speculation, derivatives and gambling of all kinds, against a background of deregulation and privatisation which right-wing governments provided for it, inevitably giving rise to the financial crash. That is the reality of the situation.

How can working people in Europe put any faith in this system, and in the governments that supervise it, to secure their future? In recent times across Europe, tens of millions of working people and the poor have been mobilising massively against austerity. They seek an alternative to the dead end that is this market system.

A socialist economy is the alternative, where major institutions would be liberated from the hands of speculators and parasites. Those institutions would be put under democratic control, management and ownership, and then tasked with investing in productive areas of society and in the creation of crucial infrastructure and services, thereby putting millions of people to work. They would regenerate the broken economies of many European countries at the present time, thus instituting a system that provides a decent future for youth, as well as developing services for the sick and elderly. That is the only alternative to this disaster that is merely being carried on by the Bill currently before the House.

Ba mhaith liom cúpla focal breise a rá maidir leis an mBille um Shaoráid Iasachta an Limistéir Euro (Leasú) 2013. Baineann an reachtaíocht seo le tarrtháil an chaipitileachas Ghréagach atá curtha i bhfeidhm. Faraoid, tá an clár seo tubaisteach amach is amach do ghnáth-mhuintir na Gréige - lucht oibre na Gréige agus daoine óga na Gréige - atá ag fulaingt torthaí na déine go dian le ceithre nó cúig bliana anuas. Tá siad ag fulaingt ón tubaiste eacnamaíochta atá an polasaí déine tar éis cur i bhfeidhm, nuair a cuireadh i gcroí an pholasaí go dtarrtháilfear na bainc agus córas caipitileach na Gréige ar ghlúine gnáthmhuintir na tíre sin. Ní chuireann an Bille seo aon athrú bunúsach i bhfeidhm maidir leis an bpolasaí seo agus maidir leis an déine. I ndáiríre, níl i gceist sa reachtaíocht seo ach tréimhse aisíocaíochta na fiacha a dhéanamh níos faide agus athrú a dhéanamh ar an ráta úis. Cuirtear an t-am amach go dtí 2041, rud a chiallaíonn go mbeidh daoine atá fós le breith freagrach as an t-ualach seo a thagann ón géarchéim. Dá bhrí sin, ní athraíonn sé seo aon rud bunúsach maidir leis an tubaiste atá ar mhuintir na Gréige i láthair na huaire. Is de bharr sin go raibh an ceart ar fad ag Ceannaire an Pháirtí SYRIZA, an t-Uasal Tsipras, nuair a dúirt sé nach ceart na fiacha seo a íoc, gur ceart go gcuirfí ar ceal iad agus go gcaithfí deireadh a chur leis an bpolasaí déine atá ag déanamh creiche ar a mhuintir. Bhí an ceart ar fad aige.

Dá bhrí sin, ní dhéanann an Bille seo aon ní chun saol níos fearr dáiríre a chur i bhfeidhm do mhuintir na Gréige. Coinníonn sé ar aghaidh an polasaí céanna atá ag cur an oiread sin fulaingthe ar na gnáth daoine. Tá sé sin soiléir ón ráta dífhostaíochta mar shampla, atá anois, nach mór, 27%. Tá an dífhostaíocht i measc an óige tubaisteach, beagnach 57%, tá seirbhísí poiblí faoi bhrú agus á thógaint as a chéile, agus tá ioncam gnáth daoine creachta de bharr an pholasaí seo. Tá lucht beag ghnó i gcruachás amach is amach.

Dá bhrí sin, in ionad Bille den tsórt seo, is é atá ag teastáil ná athraithe bunúsacha maidir leis

an polasaí gur cheart a chur i bhfeidhm. Is é is ceart a tharlódh ná go dtiocfadh muintir na tíre, muintir na Gréige agus gnáth lucht oibre na Spáinne agus na Portaingéile le chéile agus go ndéarfadís nach bhfuil siad toilteanach a thuilleadh fulaingthe nó a thuilleadh creacha a thógaint d'fhonn an córas caipitleach agus airgeadais agus na boic móra a shábháil, ach a mhálairt.

Ba chóir dóibh teacht le chéile chun malairt eacnamaíochta agus polaitíochta a chur chun cinn. Chiallódh sé sin go mbéadh na hinstiúidí móra airgeadais agus comhlachtaí móra eile in úinéireacht phoiblí, faoi stiúru phoiblí, faoi stiúru dhaonlathach na ndaoine agus ag cur chun maithéasa an tsochaí. Bhéadh siad ag cur chun cinn straitéise chun infheistíochta, chun na milliúin a chur ar ais ag obair, chun infrastruchtúr riachtanach a fhorbairt agus a chur i bhfeidhm, chun seirbhísí poiblí a fhorbairt agus chun aire a thabhairt do dhaoine atá breoite, do sheandaoine agus a leithéid. D'fhéadfaí é sin a dhéanamh le malairt córais ina mbéadh an córas airgeadais ann ar mhaithe le tromlach na ndaoine seachas faoi dheachtóireacht mhionlaigh bhig agus faoi na boic móra, faoi comhlachtaí móra baine agus a leithéid, nach bhfuil uathu ach brabús agus níos mó brabúis.

Dá bhrí sin, ní dhéanann an Bille tada. Táimidne ar an eite chlé ag cur ina aghaidh. Táimid chun vótáil ina aghaidh agus leanfaimid orainn ag troid ar son na malairte, is é sin, athrú in bpolasaí na déine, deireadh leis an déine agus leis na fiacha, agus polasaí sóisialach a chur ina áit chun eacnamaíocht na tíre agus na hEorpa a fhorbairt ar mhaithe le tromlach mhór mhuintir na hEorpa seachas an polasaí atá ag cur na milliúin i gcruachás, i bhfulaingt agus i dtruamhéileachas faoi mar atá i láthair na huaire.

Acting Chairman (Deputy Peter Mathews): I call Deputy Durkan. I understand the debate will conclude at 7.30 p.m.

Deputy Bernard J. Durkan: I understand. I thank the Cathaoirleach and am glad to have an opportunity to speak on what I consider to be an important Bill from a different perspective to that of the previous speaker. I am sure that while we respect each other's views, we are not necessarily obliged to agree. For whatever reason this nation has found itself in its present plight, the blame game is of no consequence at this stage. Everyone knows what has happened in the past and there is not much sense in dwelling on it now other than to note that despite the claims of Opposition Members and despite their continuous rants about austerity, which in fact is good housekeeping, the policies pursued by the present Government are actually working.

Everyone is aware that a huge burden has been placed on taxpayers. It is highly burdensome that everyone is obliged to carry the burden that was foisted on us for whatever reasons. However, one certain point is the policies pursued by the Government are working. The so-called austerity is working and is bringing about results. Members should recall the difference between the present position and that which obtained two years ago when, were we to go into the marketplace to borrow, we would pay through the nose for it. Moreover, we did and the offers made to us were colossal. The position has changed dramatically since for a variety of reasons but one of the biggest single factors in bringing about that change is confidence. I refer to confidence in the destination to which one must go to borrow money. From where do Opposition Members expect the money to come that the Government must borrow to meet its budgetary requirements in the current year or for last year? Does anyone in this House really think someone will be sufficiently charitable to thank us for having been very good and then, while noting we do not intend to repay it, to hand over the money to us anyway? It does not work that way. International businesses, economies and financial services do not work that way. Nothing I have ever known works that way. Moreover, and I am sure the Acting Chairman, Deputy

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Mathews, has similar experience, I have never known of a lending institution that was prepared to lend money on the basis that although one did not really intend to pay back what one had got on the previous occasion, one now wanted more. It does not work that way.

We must become a little realistic. A huge burden is being shouldered by the Irish people and piling more misery on their heads by telling them they are going down and there is no hope is not the right message to give. Members must be more positive now and I was sorry to hear the linking of the economic situation with the levels of suicide. While there may well be a link, suicide is a serious issue in Ireland and has been for several years. It did not come about today or yesterday but, sadly and tragically, has been with us for a long time. There are various reasons that suicides continue to occur. I have never spoken about that subject in this House previously but I am familiar with and have dealt directly with people who have been in that difficult situation. At this difficult and vulnerable time for all our people, Members must be supportive of those who find themselves under pressure. Members must reassure those who find themselves unable to meet the consequences of the kind of situation in which we are at present. It would be poor of Opposition Members, were they to use such a tragic subject to advance their cause for political purposes. While that is not their intention, there is a grave danger this could happen. In respect of linking the economic situation with suicide, Members must be able to tell clearly those people who are under pressure at present that all is not lost. They must be able to tell them that we are recovering and it will be a short time before we see the light that is getting brighter in that tunnel. Members must build on that to support our people. They must stand together with them and leave no one floating in our society. Increasingly, Members must be the shoulder on which people wish to lean. They should hold out the hand of friendship to those who find themselves in difficulty and should do something economically about it, which is what the Government is doing.

In debate last week the Governor of the Central Bank spelled out clearly to all and sundry what would happen were we to behave irresponsibly. Were we to so do, there would be consequences and the Governor of the Central Bank pointed that out several times. He is not exactly known for making this point so emphatically but effectively, he made the point that were we to decide to do something ridiculous, such as defaulting on that to which we already have committed, for whatever reason and regardless of whether the reason was right or wrong-----

Acting Chairman (Deputy Peter Mathews): I apologise for interrupting Deputy Durkan but there has been a technical hitch and I must clarify something. The Bill will be guillotined at 7.30 p.m. and with the Deputy's gracious approval and agreement, the Minister of State will now be invited to make a concluding reply before the guillotine takes effect at 7.30 p.m. I apologise.

Deputy Bernard J. Durkan: I always defer to a guillotine and this will be no exception.

Deputy Richard Boyd Barrett: We have the wrong kind of guillotine here.

Acting Chairman (Deputy Peter Mathews): If the Minister of State wishes to be brief this evening, he can follow through on Committee Stage tomorrow.

Minister of State at the Department of Communications, Energy and Natural Resources(Deputy Fergus O'Dowd): I will follow though on Committee Stage tomorrow. That probably suits everyone.

Acting Chairman (Deputy Peter Mathews): Consequently, a few minutes remain to Dep-

uty Durkan before 7.30 p.m.

Deputy Bernard J. Durkan: Even the guillotine does not come automatically.

Deputy Richard Boyd Barrett: Let us get the guillotine.

Deputy Bernard J. Durkan: Notwithstanding the encouragement from my colleagues on the other side of the House, who would have easy, simple, answers to offer the people, I note utopia does not exist.

Deputy Joe Higgins: Deputy Durkan's neck is too hard for the guillotine. He would break it.

Deputy Bernard J. Durkan: They can call as much as they like, they can cry and rant at the moon or even at the sun but one point is certain, namely, we are recovering from where we were and the position is much better than many Members had thought. I had expected that we would be in a much worse position financially and internationally by now but thankfully, we are in a better situation. Whatever happens from now, I ask that those in the Opposition unite with the Government parties in pursuing what is in the best interests of this country. At the same time there should be an acknowledgement that there is a significant burden being carried by the Irish people, and as a result, we must work together. We must reassure each other and our colleagues in Europe. We must put our shoulders to the wheel, as we have done in the past two years, and continue to work for the good of the country.

Acting Chairman (Deputy Peter Mathews): I appreciate Deputy Durkan's gracious agreement.

Deputy Richard Boyd Barrett: If not the Deputy's blind optimism.

Amendment put:

The Dáil divided: Tá, 93; Níl, 24.	
Tá	Níl
Bannon, James.	Adams, Gerry.
Barry, Tom.	Boyd Barrett, Richard.
Breen, Pat.	Colreavy, Michael.
Broughan, Thomas P.	Crowe, Seán.
Browne, John.	Daly, Clare.
Butler, Ray.	Doherty, Pearse.
Buttimer, Jerry.	Ferris, Martin.
Byrne, Catherine.	Flanagan, Luke 'Ming'.
Byrne, Eric.	Fleming, Tom.
Calleary, Dara.	Healy, Seamus.
Carey, Joe.	Higgins, Joe.
Coffey, Paudie.	Mac Lochlainn, Pádraig.
Conaghan, Michael.	McDonald, Mary Lou.
Conlan, Seán.	McLellan, Sandra.
Connaughton, Paul J.	Murphy, Catherine.

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Conway, Ciara.	Ó Caoláin, Caoimhghín.
Coonan, Noel.	Ó Snodaigh, Aengus.
Corcoran Kennedy, Marcella.	O'Brien, Jonathan.
Costello, Joe.	O'Sullivan, Maureen.
Coveney, Simon.	Pringle, Thomas.
Cowen, Barry.	Ross, Shane.
Creed, Michael.	Stanley, Brian.
Daly, Jim.	Tóibín, Peadar.
Deasy, John.	Wallace, Mick.
Deering, Pat.	
Donnelly, Stephen S.	
Donohoe, Paschal.	
Dowds, Robert.	
Doyle, Andrew.	
Durkan, Bernard J..	
English, Damien.	
Farrell, Alan.	
Feighan, Frank.	
Fitzpatrick, Peter.	
Griffin, Brendan.	
Hannigan, Dominic.	
Harrington, Noel.	
Harris, Simon.	
Hayes, Brian.	
Hayes, Tom.	
Healy-Rae, Michael.	
Heydon, Martin.	
Humphreys, Heather.	
Humphreys, Kevin.	
Keating, Derek.	
Kehoe, Paul.	
Kenny, Seán.	
Kirk, Seamus.	
Kitt, Michael P.	
Kyne, Seán.	
Lawlor, Anthony.	
Lynch, Ciarán.	
Lyons, John.	
McCarthy, Michael.	
McConalogue, Charlie.	
McFadden, Nicky.	
McGinley, Dinny.	

Dáil Éireann

McGrath, Finian.	
McGrath, Mattie.	
McGrath, Michael.	
McGuinness, John.	
McHugh, Joe.	
McLoughlin, Tony.	
Martin, Micheál.	
Mathews, Peter.	
Mitchell, Olivia.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Dara.	
Murphy, Eoghan.	
Nash, Gerald.	
Naughten, Denis.	
Neville, Dan.	
Nolan, Derek.	
Ó Cuív, Éamon.	
Ó Fearghaíl, Seán.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Dowd, Fergus.	
O'Sullivan, Jan.	
Penrose, Willie.	
Phelan, Ann.	
Phelan, John Paul.	
Ryan, Brendan.	
Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	
Troy, Robert.	
Tuffy, Joanna.	
Twomey, Liam.	
Varadkar, Leo.	
Wall, Jack.	
White, Alex.	

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Joe Higgins and Richard Boyd Barrett.

Amendment declared carried.

Education (Welfare) (Amendment) (No. 2) Bill 2012: Second Stage (Resumed) [Private Members]

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

Deputy Finian McGrath: I welcome the opportunity to speak to this new legislation, which forms part of both the debate on child safety and the broader debate on education. Children and pupils will not be able to learn properly or feel safe or secure in a school or class unless they are protected from bullying. As well as being a personal safety and security issue, bullying is a major barrier to pupils attaining a proper education and creates a serious distraction from academic achievements. If it is allowed to continue, it can destroy a child’s educational future. There are two major wrongs involved in bullying and while the Bill addresses parts of the jigsaw, I do not agree with all of its provisions.

The most important aspect of this debate is the need to provide for the maximum safety and protection for victims of bullying. Their safety comes first. Anti-bullying actions fail when immediate and direct action is not taken against the bully. Where action is taken, the victim is made to feel safe, his or her peer group gets the message that bullying is not tolerated and the community sees that action has been taken. Dithering and failure to act make the situation worse.

The Bill proposes to amend the Education (Welfare) Act 2000 to provide for the imposition of binding mandatory measures on the board of management of schools to ensure the welfare of the child is adequately safeguarded in respect of all forms of bullying that may occur within the school. Bullying outside school premises is a major issue, as I am aware from my previous occupation. We must be conscious that children who are bullied in the schoolyard or classroom can be bullied in other environments. The Bill states clearly the definition of bullying and addresses the different forms it can take as well as the different motivations behind it.

Many DEIS and poor schools have policies on bullying and are implementing them in a strong and commendable way. I welcome the debate and will support the legislation.

Deputy Luke ‘Ming’ Flanagan: I also welcome this debate. Never would there be a day in the Chamber when such a debate was not worthy.

My two most formative experiences have been attending school and going to prison. My secondary school experience and that of many of my friends was more difficult than was my experience of prison. School was a complete jungle. Is this because school reflects society? That seems to be the case. What else can one expect in school when, upon turning on a television, a decision on whether someone is a good singer requires being tortured by a bully and a decision on whether someone is a good business person involves being tortured by a bully and eventually being told that he or she is fired? There is bullying everywhere one looks in society. To remove it from schools, it must first be removed from society.

The world’s main economic focus is neoliberalism, an idea that is based on the concept of the survival of the fittest. This concept depends on bullying thriving. If we want children to

stop bullying one another, we need to set the example. Nothing else will solve this problem.

Deputy Seamus Healy: I welcome the opportunity to contribute on this legislation. I also welcome our debate on this important subject of child safety and protection. The Bill addresses the school environment, but situations outside the school that have a direct bearing on it must also be tackled.

Bullying affects not just a child's safety, but also his or her education, health and, in some unfortunate cases, life. While I welcome the proposal that binding mandatory measures would be applied to boards of management in this regard, there is little point in having legislation unless we provide the services, resources, teachers and staff required to ensure that the Bill's measures are implemented. The recent reduction in career guidance teachers has been identified as a significant problem. One-to-one engagement between career guidance teachers and children is lacking, a situation that is leading to serious difficulties within schools.

Deputy Tom Fleming: I welcome this amendment Bill. Our only provisions on the dramatically growing phenomenon of bullying are the September 1993 guidelines on countering bullying behaviour in primary and post-primary schools. It is heartening to see that the joint managerial body covering 400 secondary schools has issued updated guidelines. The Irish Vocational Education Association, IVEA, is finalising guidelines and the Association of Community and Comprehensive Schools, ACCS, has advised its members to strengthen their codes of behaviour. These initiatives are in response to the fast growing trend of cyberbullying, which has reached epidemic levels not only in Ireland, but across Europe, and is having a devastating effect on its victims.

Another element of this issue is that of racist abuse. Alongside school authorities and staff implementing codes of conduct, parents can play a vital role by participating in the process, particularly as regards the issue of cyberbullying. Supervision and control of children's Internet usage is vital if teenagers are to be protected from online threats and abuse.

Drastic cuts to guidance and counselling services are taking effect at the worst possible time, with cyberbullying rampant in society. In a recent survey carried out on behalf of the Institute of Guidance Counsellors, IGC, one third of the 745 second level schools and further education and post-leaving certificate colleges identified a 51% reduction in time spent on one-to-one counselling, with a drop from 2,777 hours across 241 schools in the 2011-12 year to 1,349 hours this year, an overall decrease of 21% in guidance and counselling hours. This reduction has led to the abolition of approximately 500 State-paid posts in 700 schools, forcing principals to stretch resources further and to juggle priorities. I urge the Government to reconsider this ill-considered reduction at a time when schools are trying to cope with the growing epidemic of cyberbullying.

Deputy Mattie McGrath: I am delighted to speak in support of this Bill. I compliment its proposers. This is an important issue. I have children in national school, secondary school and third level. Every day, we see reports of severe issues. Today, an e-mail from An Post in Cork outlined the effects and damage caused by cyberbullying and bullying in general. The 1993 guidelines are well out of date. We must strengthen them and make them meaningful.

As a former member of the boards of management of a national school as well as a secondary school, one that became a community school, I know that this work will not be easy. It is a worldwide issue. Boards of management are primarily composed of lay people with some

teaching staff. The parental role in ensuring good levels of respect for others cannot be forgotten.

As Deputy Tom Fleming mentioned, we must be fair towards and understanding of other nationalities. When I visited schools 15 years ago, the students were all locals. Now, there could be 15 nationalities. The issue has broadened and, obviously, this Bill will not address it, but parents must train their children, as children spend longer at home than they do at school.

An Leas-Cheann Comhairle: I must ask the Deputy to conclude, as we are running out of time.

Deputy Mattie McGrath: The cutbacks in career guidance hours, another Government attack, are abysmal and counterproductive. Career guidance teachers are the people who pick up on bullying issues. Can the Government not see that?

An Leas-Cheann Comhairle: I call Deputy Neville. There are two minutes per slot and many Deputies wish to contribute.

Deputy Dan Neville: I wish to share time with Deputies Michelle Mulherin, Dominic Hanigan, Jim Daly, Joanna Tuffy, Gerald Nash, Paudie Coffey, Tom Barry, Ciara Conway and Joe McHugh.

An Leas-Cheann Comhairle: Go maith.

Deputy Dan Neville: School can be a difficult place for many. Add a culture of bullying and it becomes intolerable. School should be a place where people feel safe and have the opportunity to grow and develop, but bullying sets growth and development back.

Ask any student about bullying and he or she will have a story. Each story is unique and tells us a great deal about bullying and the pain it causes. When a child's self esteem is destroyed and he or she takes an overdose to get away from the pain, one can clearly see that the issue of bullying is not to be taken lightly. Bullying is a negative and, often, aggressive manipulation by one or more people of another person or people, usually over a period. It is abusive and based on an imbalance of power. It is also described as a pattern of behaviour in which one person who has a great deal of internal anger, resentment and aggression and who lacks interpersonal skills chooses to displace his or her aggression onto another person. This person is chosen for his or her vulnerability to the bully. The tactics used include constant criticism, exclusion, nit-picking, teasing and verbal, psychological, emotional and physical violence.

Victims of bullying are reluctant to tell others for various reasons, including their fear of further bullying if they tell.

8 o'clock

They think they will be singled out even more and, deep down, they hope if they stay quiet that the bully might like them. They do not believe teachers can do anything to make the bullying stop. They do not want to worry their parents or guardians. They are afraid if their parents or guardians tell the school authorities, the bullying will get worse. Telling on peers is regarded as a bad thing to do. Victims feel they are somehow to blame and 30% of them do not tell anybody.

It is important to recognise signs of bullying. A person might be a victim of bullying if

he or she refuses to go to school, suffers from depression or mood swings, asks for money or begins stealing it, becomes withdrawn, has unexpected cuts and bruises or has possessions that go missing and he or she attempts suicide.

An Leas-Cheann Comhairle: Thank you, Deputy.

Deputy Dan Neville: We should have a more detailed discussion on the matter.

An Leas-Cheann Comhairle: I am sorry the debate is so limited but each speaker currently has only two minutes. I must emphasise that to Deputy Mulherin as well.

Deputy Michelle Mulherin: I thought I had three minutes.

Deputy Dan Neville: So did I.

Deputy Michelle Mulherin: I am sharing with Deputy McLoughlin. I will be brief.

An Leas-Cheann Comhairle: The speaking arrangements have been changed.

Deputy Michelle Mulherin: I welcome the debate. When I think about the word bullying, another word comes to mind, namely, terrorism. Bullying is interpersonal terrorism. It is unfortunately a current reality. I therefore beg your indulgence, a Leas-Cheann Comhairle, in beginning with one of the various definitions of terrorism. There is no accepted universal definition of terrorism for the simple reason that it has been politicised. However, while terrorism is the use of terror and intimidation for some political end; bullying is personal.

Cyberbullying in particular is perpetrated by a generation that lacks communication skills which appreciate civility and the democratic processes of dialogue. It is impersonal ventilation without qualification irrespective of any standards or etiquette. We are failing to impart those standards to the next generation which are necessary for peaceful coexistence with other human beings on this increasingly pressurised and crowded planet.

Bullying can affect all ages, devastating young and old. However, it is with young people who bully that we have the best opportunity to tackle the issue and assist the victims of such behaviour. Parents and guardians are an integral part of the process. They are the people most intricately involved in a child's life. That includes a parent whose child is bullying. He or she must face up to it and challenge it. Where one has a child who is a victim one must develop a listening ear so that children can be identified.

The Bill is correct in identifying bullying as an educational issue but what is called for is a more comprehensive programme than is proposed, which is being pursued at many levels by the Minister for Education and Skills, Deputy Quinn, in conjunction with the Minister for Children and Youth Affairs, Deputy Fitzgerald, as we speak. I will oppose the Bill.

Deputy Tony McLoughlin: I thank Deputy Mulherin. I commend Deputy O'Brien on bringing forward this timely Bill. Today's edition of *The Leitrim Observer*, a local paper in my constituency, features on its front page the type of sick behaviour by some people using social media. It will give an idea of what is happening. The term Internet trolls is slang for people who host items online in a forum or blog with the intent of provoking an emotional response. The father of Ciara Pugsley, the young schoolgirl from County Leitrim who tragically died by suicide, highlighted this week at a conference a post on a social network which urges teenagers to do a "Ciara". The front page of the newspaper refers to the site which encourages teenagers

to commit suicide. That is the level of depravity that exists and it must be dealt with by schools. Thugs and bullies who are cowards are aided and abetted by websites such as ask.fm because they are allowed to remain anonymous. That is so wrong.

Deputy Dominic Hannigan: I have only a couple of minutes to speak on the issue because of the high level of demand from Deputies to speak, which can only be a good sign. Too many young people in this country are affected by bullying every day and we must do something about it. Although we will vote against the Bill tonight I agree with the idea behind it. We must stop bullying in schools and elsewhere.

The Government and the Labour Party are well aware of that and are committed to doing something about it. In our election manifesto we agreed that we would tackle homophobic bullying in schools and we brought the commitment through to our negotiations with Fine Gael and it is now in the programme for Government. The Minister for Education and Skills set up a working group on bullying last year in order to introduce a new approach to tackling bullying in schools.

From speaking to parents in Kells, students in Dunshaughlin and teachers in Ratoath, bullying is unfortunately present in all schools throughout the country and it is a problem that all of those groups want to do something about. We expect the action plan on bullying to be produced soon. From speaking with organisations that are involved with it I am aware that it is an exciting plan that will make a difference to the lives of young people. In the Gallery there are members of BeLonGTo, one of the organisations that has been working on the plan. I have been working with it in recent years and I have been impressed with the way it has managed to increase the confidence of many young people who, sadly, have experienced bullying. We must work closely with such organisations in the future in order that we introduce measures that will tackle bullying in schools. I must conclude, but I wish the Minister the best with his plan. All of us in this House are united in trying to do something to tackle the issue.

Deputy Jim Daly: I welcome the Bill and the debate it has initiated. However, I do not intend to support the Bill no matter how well-intentioned it is. As a former student, teacher and principal I do not consider it to be the solution to the myriad challenges faced by schools in dealing with the problem.

Bullying is a culture that must be acknowledged, addressed and challenged at every available opportunity. The responsibility to ensure that this culture is exposed and acknowledged within a school community is manifold. Legislating to force responsibility for dealing with bullying onto school management is merely shifting the emphasis away from the primary educator, namely, parents. The duty for dealing with bullying spreads much further and wider within the school community and the home in order to address the underlying issues.

Bullying is a culture and for that reason I fear it will not submit to the charms of legislation. People's tolerance of difference, or lack thereof, has always amazed me. There are myriad reasons why people perceive others as different. I read a story, as Gaeilge, many years ago about a young Irish girl who died of starvation on a sailing ship due to her absolute refusal to eat food that was given to her by a person with black skin. It is probably too easy to suggest that the young girl was racist. Bullying is a difficult and challenging issue and the responsibility for dealing with it must be spread much further and wider than is acknowledged in what is proposed in the Bill.

Deputy Joanna Tuffy: I welcome the debate that Sinn Féin has initiated, but I do not welcome its Bill. The definition of bullying is much too broad. It is dangerous, as it potentially criminalises children. Bullying is a complex issue and if we are honest we could all say that at some level we have all bullied and been bullied at some stage. The issue can be sensationalised, but we are talking about children in the Bill, sometimes as young as four or five. In some cases those being bullied and doing the bullying are from troubled backgrounds. I object to the burden the Bill places on school boards of management, in particular the elected officer. It puts a huge burden on one elected officer on the board. Who would want to take up such a position on a school board of management? We are talking about volunteers from among parents and members of the local community. They could inadvertently become an offender under the legislation.

I note also that the legislation specifies that there should be sanctions, which is a negative approach to tackling bullying. We must take a much more comprehensive and positive approach in the main. The Bill specifies that a person must report an incident of bullying to the elected officer within one working day. If that is not feasible such a person could find themselves in breach of the legislation. It is not clear what sanctions would apply if the legislation were breached by an elected officer or any other person involved. It is the wrong approach. The Minister's approach is what is required, namely, a holistic, whole-school approach that is comprehensive and deals with the issue in a broader way. That includes, for example, mental health and emotional intelligence. Some schools in America now teach mindfulness. It is important to teach children not to bully and also how to deal with being bullied. A member of Comhairle na nÓg raised the issue before the joint committee. He said that the education system does nothing to promote self-confidence in young people and places a massive emphasis on academic development over social development, which is wrong and crazy. That should be the starting point for our approach to bullying.

Deputy Gerald Nash: Deputy O'Brien's Bill reflects widespread concern in this House and society at large. The action plan on bullying due to be published in the coming days will address those concerns comprehensively. It has been produced by the anti-bullying working group which was established in June 2012 following a successful anti-bullying forum set up by the Minister for Education and Skills, Deputy Quinn, and the Minister for Children and Youth Affairs, Deputy Fitzgerald, in response to a request from the National Anti-Bullying Coalition. I was happy to have been instrumental in the establishment of that forum. I have worked closely with that organisation since its inception, and in its visits to the Dáil and presentations to Members it has brought home to us the horrendous human costs of bullying. Nobody who has heard the first hand testimony of people such as Jeremy Prince or Jonathan Pugsley on their visits to this House, who lost their children to suicide, could be in any doubt about the need to strengthen the protection available to our children both in and outside school.

I believe it must become mandatory for schools to record incidents of bullying and to put in place corrective and, most importantly, preventative bullying policies. It is interesting to note there is a yawning gap between how bullying is treated in the workplace and how it is treated in the education system and in the school environment. That is instructive. Ideally, the approach to bullying should always include parents, but schools should have discretion as to whether to inform parents in cases where such an action could add to the distress of the child. As Deputy Tuffy said, it is a complex issue.

In her definition of bullying, Professor O'Moore of Trinity College stressed the repetitive nature of the act, which Deputy O'Brien also includes in his definition. Professor O'Moore also

emphasises the need to adopt a holistic approach to tackling the problem. It is not possible to tackle one form of bullying and then return to deal with the rest. There must be an underlying philosophy and guidelines which can be adjusted to tackle bullying in all its manifestations, be it racism, homophobia, targeting those with disabilities or simply targeting the child who wears the wrong clothes in somebody's opinion or listens to the wrong music. I look forward to the forthcoming publication of the action plan as another positive step in protecting our children.

Deputy Paudie Coffey: I welcome the opportunity to contribute to this debate, and I commend Sinn Féin for putting this Bill on the agenda. It is important to speak about and address bullying and the victims of bullying at every opportunity and, indeed, do anything possible to protect the victims of bullying. Bullying can have severe consequences for a victim's confidence and later life and sometimes can result in tragedy, as Deputy Neville said.

While I acknowledge the motive behind the Bill, I have concerns about the implications of putting it in legislation. Boards of management are already obliged to have child protection and anti-bullying policies, procedures and action plans in place in schools. I have been a chairperson of a board of management for the last five years and I see the challenges for volunteers in giving their time to deal with the demands on them as community representatives, parents' representatives or patrons' representatives on boards of management. We must be careful about imposing statutory obligations on volunteers serving in that capacity. I support the concept of training supports. The action plan which the Minister for Education and Skills, Deputy Ruairí Quinn, is due to announce tomorrow should go a long way towards addressing this complex problem.

I agree with other Members that this is not just about bullying in schools, but also bullying outside schools, before and after school and during break time. School is already a relatively controlled environment where students come together. I believe the key to this issue is parental and societal responsibility to educate children that bullying is not acceptable and that regardless of whether they are the bully or the victim, if they see it happening they must act. That is where the damage is done. We must also tackle cyberbullying. It is a huge challenge for society. It happens quietly and unknown to parents and teachers. It is the area which must be tackled in a respectful manner.

I welcome the fact that the Minister will launch the action plan tomorrow. He has consulted widely with all stakeholders and I believe it will go a long way towards assisting those in authority in schools, homes and society. A comprehensive response is required to deal with this complex problem, but essentially it will boil down to a non-acceptance of bullying in any form.

Deputy Tom Barry: I welcome the opportunity to speak on the Bill. Before discussing it, we must acknowledge the work that has been done for children during this Government's term of office. There was the establishment of the Department of Children and Youth Affairs, the referendum on children's rights and the drafting of the action plan by the anti-bullying working group. Much work is being done in this area, and that will continue throughout the Government's term of office.

I was a member of a board of management, so I have concerns about the Bill. It is not practical or workable. One person is required to report on one working day while another person is required to report on another working day. If a person does not follow these protocols, what are the implications for the volunteers involved? Section 14(7) of the Education Act 1998 means that they might not be protected and the volunteers could find themselves being sued. That

would be an intolerable situation and cannot be allowed to happen. We are not running an army in this case, just a school.

The executive functions provided for in the Bill would be functions for the teachers, but we have not discussed them with the teachers. It would be unfair to foist this on teachers without discussing it. A little more thought is required. It is a very important issue. This morning, for example, there was name calling in this House. In my view name calling is a form of bullying. Strangely, it came from the other side of the House. There is a certain element of “do as I say, not as I do”. We need to be cognisant of what we say here. I agree with Deputy McLoughlin on social media. We could spend hours going through this debate and the implications of what is happening, but we do not.

Deputy Ciara Conway: I welcome the opportunity to speak on the Bill. I also have some of the concerns outlined by my colleagues, particularly regarding the onus on a person on the board of management to make a report. Previously, in the case of the Children First guidelines, we saw the hesitancy of people, often professional people, to make reports to social workers regarding child protection. This is a very similar area and a huge amount of support and training would have to be devoted to what is essentially a volunteer organisation.

There has been much talk in this debate about the victim and the perpetrator of bullying. However, I have spoken to professionals and, this afternoon, I spoke to a school principal on the phone about their thoughts on the action plan on bullying being launched tomorrow by the Minister for Education and Skills, Deputy Ruairí Quinn, and the Minister for Children and Youth Affairs, Deputy Frances Fitzgerald. The big problem is the conspiracy of silence that surrounds bullying. It is not only the victim or the perpetrator but also the onlookers who fail to report it. They do not want to break the code of silence or fear they will become victims of bullying. As a parent, I would like to think my daughter would not stand by and watch other people being bullied. Until we as parents can instil in our children that it is not good enough to stand on the sidelines and watch bullying take place, we will not be able to tackle bullying in schools.

Bullying is as old as time and unless we break the conspiracy of silence that exists around bullying, we will have to debate it again and again. I look forward to and welcome the action plan being published tomorrow. I welcome the opportunity to speak on this important issue. I hope it is not a fad because there has been so much tragedy as a result of bullying, but that it will remain a priority for the Government. I also hope we will be able to implement the action plan in the months ahead.

Deputy Joe McHugh: I welcome Sinn Féin’s initiative in bringing this issue forward. I will try to be as specific as possible in the two minutes available to me. The chilling reality of the world we live in is that while people have always gossiped in the past, now people can do it on-line and we can see it at first hand. In the past, the subject of gossip was sometimes the last to find out and sometimes never found out at all, and were protected by that. Now, however, there is no escape or protection for the subject because of anonymity on-line and on radio. That is something that must be addressed as well.

We can learn from the schools. I met a group from Milford Community School before Christmas and the teenagers talked about dignity, respect, rights and responsibilities. We can learn from our teenage ambassadors. People of that age have a civic responsibility and a heightened awareness of civic duty, environmental issues and the way to treat people. We must have an all-encompassing strategy. Deputy Conway is absolutely right that we must include the

parents and the community. Cyberspace is here and will remain here, so we must learn and teach people the techniques and tools as to how to treat people with dignity and respect. That is the issue. If adults have the protection of anonymity on national or local radio when they can send in text messages saying they are Bill from Donegal when they are from Cork or Mick from Dublin when they are from Wexford, what message does that give to our young people?

Deputy Mary Lou McDonald: It is clear from the contributions that we are united as one voice across the House in saying bullying is unacceptable behaviour whether it is on the basis of a person's gender, skin colour, sexual orientation, height, hair colour, spectacles or freckles or, in other words, all the various guises and excuses used to target an individual or child and systematically and deliberately to break down his or her confidence and ability to function in a healthy way. We say with a united voice that this is not acceptable and Members have pointed correctly to broader society where schools are a reflection of the world in which we and our children live. All of us who are parents have a responsibility to our children to keep them safe from bullying, to prevent them from being bullies and to instill in them a sense that when they witness bullying behaviour, they must name and challenge it. All of that is correct.

Our legislation does not set out to pretend that what it provides is a catch-all and absolute solution to bullying in society or in schools. No legislation could claim to do that but the difficulty we have, despite our unanimous and well-intentioned views in opposition to bullying, is we seem to be making a prescription for a scenario where everybody is responsible, including parents, teachers, boards of management and key influencers in society, but nobody is held accountable. The purpose of the Bill is to ensure in schools that have robust anti-bullying policies and effective prevention and intervention measures, a person is designated to oversee them and is made accountable for them, which is crucial. If we want to effect a cultural change in schools and to protect our children, we have to be sure there are robust accountability mechanisms in place and they must rest with adults. It is the duty of adults to keep children safe. Volunteers on boards of management are currently asked to take on daunting and responsible tasks up to and including finding the euros to keep the school doors open and the building heated.

I do not accept that it is a step too far to vest in a named individual on a board of management the responsibility for oversight and accountability. If we are not prepared to do that and legislate alongside our regulatory framework, all the goodwill in the world and all the words of condemnation amount to nothing. Accountability has to be instilled on this issue and that is what the Bill sets out to do. I am baffled by Government Members welcoming the debate and setting out the issues who will then vote against the legislation.

Deputy Pádraig Mac Lochlainn: I am happy to support my colleague, Deputy Jonathan O'Brien, and the Bill. However, it is a poor reflection on society that it is necessary in the first place. Up-to-date legislation is long overdue. The last guidelines on countering bullying in schools were circulated in 1993. School in 2013 is a different place from 1993 when the phrase "cyberbullying" would have been meaningless. It is imperative that our guidelines are updated to ensure technologies that were not around then do not slip through the net.

We must not underestimate the effects of persistent bullying through Facebook and other fora. The media have highlighted the tragedies in which bullying was associated with teenage suicides and we have experienced a number of these in my own county, Donegal, in the recent past. No child should ever feel so bullied that the only way to end the trauma is to end his or her own life. As legislators, we have a responsibility to ensure we do everything within our capability to prevent bullying from occurring in the first place. However, there is a wider issue

regarding legislators. We have often heard Deputies pontificate in the Chamber on the issue of bullying and who have then felt comfortable making pronouncements on the way in which other Deputies dress. It is not only hypocritical, it is unacceptable. Furthermore, Deputies have affirmed their commitment to ending homophobic and transphobic bullying, yet they have refused to make a statement on or push to introduce same-sex marriage. I particularly welcome the comments by the US President, Barack Obama, in his inauguration speech, who has taken a lead on this issue. Hopefully, others will follow not just across the US but across the world. If all citizens are equal, that must be reflected in all aspects of our society and law. That is the strongest message we can send.

With regard to the broader issue of sexuality and gender equality, the lack of equality for certain groups goes to the core of why homophobic and transphobic bullying is viewed as acceptable in certain quarters of society. It is heartening that the Minister is open to updating anti-bullying guidelines in schools, but Members should also lead by example and fight all the underlying issues that lend themselves to bullying in general. There was a furore recently when Julie Burchill made transphobic comments in *The Observer*. However, closer to home, the journalist, Eilis O'Hanlon, made similar comments about transgender people which received much less attention. In my own county, a Fianna Fáil county councillor, Sean McEniff, and a Fine Gael town councillor, Eugene Dolan, attacked the entire Traveller community in a most disgraceful fashion. Eugene Dolan said all Travellers should be sent to Spike Island while Sean McEniff believes they should all be housed on their own. This is 2013 and we have public representatives and journalists who utter statements such as this. We then wonder why such commentary finds its way into schools.

It is up to everyone to speak out when they witness bullying, whether it is in the school yard, council chambers or the newspapers. I urge all Members to support the Bill. If Members are happy with the essentials in the Bill, I urge them to allow it to go forward to be amended on Committee Stage, if needs be. It is too important to become a victim of petty party politicking. All of us should be able to get behind the fundamental principles underpinning the legislation to safeguard children and assist principals, teachers and staff. Many Members are parents of school-going children and will understand its importance. We all have a responsibility as public representatives to ensure what we do and the actions we engage in are an inspiration and guide and a light shone on the path for the next generation. Some of the comments made by public representatives over the past week, including in my home county about Travellers, were shameful, bigoted and racist and it is no wonder they filter down to children in schools.

Deputy Peadar Tóibín: Ba mhaith liom tacaíocht a thabhairt don Bhille thábhachtach seo. Is féidir le Teachtaí Dála ar gach taobh an Tí tacaíocht a thabhairt don Bhille mar tá na bearta istigh ann an-mhaith agus is ábhar iontach tábhachtach é seo don ghlúin seo.

A total of 15% of students surveyed indicated that they experienced some level of bullying in the given school term. Bullying is a major component of the discipline issues schools face but most bullying, unfortunately, remains hidden.

Forty years ago, corporal punishment and bullying of pupils by some teachers was a stain on our education system. Research shows that nowadays, as well as student to student bullying, there can also be student to teacher bullying. The children referendum enshrined the rights of the child and all parties supported it. The Constitution will not be worth a whit to the children of the country if resources are not put into actively safeguarding their lives.

Schools are not just places of learning. They are, in good measure, part of the formation of individuals' lives. The children of our generation faced different challenges from today's children. Additional pressures are now brought to bear through mass marketing, the sexualisation of children and pressure to conform and consume. Films and games often stream violent images and narratives and we now have 24 hour social media speaking to and recording the thoughts and actions of personalities who are in the process of being created. Despite these, children still need support, stability and security. They need a safe place where they can develop and grow in confidence. This is not the case.

I acknowledge the concerns expressed by the Minister for Education and Skills about mandatory reporting of bullying incidents to parents and the implications this might have for young people who have not spoken openly about their sexuality. I remind the Government that when introducing this legislation we always accepted that there is room for improvement and refinement. The introduction of amendments would adequately address some of these issues. The Government cannot, on the one hand, say Sinn Féin never offers positive solutions and, on the other, vote against every Sinn Féin Private Members' Bill brought before the Dáil.

Until now, the significant point of contact for children in schools has been the guidance counsellor, but the Government budget reduced their number by 500. Cuts in the number of special needs assistants, English as an acquired language assistants, Traveller support teachers and home school liaison posts serve to brush under the carpet the anguish and suffering of children who are being bullied. The Bill would make a material difference to the children of Ireland. I urge Deputies in the Government parties to rise above partisan politics, prioritise the next generation, support the Bill and allocate the necessary resources.

Deputy Seán Crowe: As a former Sinn Féin spokesperson on education, I have met families throughout the country who were affected by this issue. In my own constituency, and from my own experience, I know of the difficulties many children face at school.

A disappointing aspect of the debate is that we are being told, once again, that our proposals are not practical, that guidelines are in the pipeline or that something will happen in the next six months. I do not believe that. We know that three girls committed suicide in the past six months as a result of bullying.

A number of years ago, a family came to me and asked me for help for their child. The mother of the family had been going through the boy's socks and underwear and came across a suicide letter in which he outlined the bullying he was suffering. The family had gone to the school on four previous occasions to talk about the bullying the boy was being subjected to, with no satisfaction. Other people got involved and the family moved out of the area because of what was going on in their child's life. That is just one example of what is going on.

The children being bullied can be vulnerable or potentially vulnerable. Sometimes they are not vulnerable but are made vulnerable by what is going on in their school. Some schools have the issue off to a T. They respond to bullying in kind and have guidelines and ways of dealing with it. Some, however, do not have guidelines. There is no consistency. Of five schools in an area, each one will approach the problem differently. We need consistency.

We need to wake up to what is going on in Irish society in this regard. I was bullied as a child. I did not see myself as vulnerable but bullying made my life hell going to school, in school and coming from school. I went to school in a different era, but children are going

through the same thing in the 21st century. That is wrong. We need to adopt approaches that work for our children, not talk about adopting them. If we are sincere about approaching this problem, why do we not let the Bill go through and have a real discussion about what is happening in society?

Deputy Sandra McLellan: I welcome the opportunity to speak on the Bill and I commend my party colleague, Deputy Jonathan O'Brien, on bringing the Bill forward and giving us the opportunity to debate this issue in the House.

The Bill attempts to update the Education (Welfare) Act 2000. It outlines an updated definition of bullying and includes references to cyberbullying and bullying of at-risk groups. The legislation also attempts to amend where responsibility lies and create a greater role for school boards of management. The aim of the legislation is the introduction of a comprehensive anti-bullying policy in every school.

The Bill also requires the Minister for Education and Skills to introduce regulations based on the existing guidelines. This will give those guidelines legal status in their current form. The Minister will also be obliged to review those newly introduced regulations every two years.

There has been a failure adequately to deal with the issue of bullying in legislation. Schools have been left to their own devices in tackling the issue of bullying. This is not acceptable. It is imperative that the Minister accepts the Bill in order to address the issue of bullying in our schools.

I do not wish to dwell on the tragic cases that have come to national attention in recent months. The issue must still be raw for the families concerned. Considering the horrific cases of self-harm and suicide that have touched so many homes in Ireland recently, we must demand that the Minister act quickly to address the issue of bullying in our schools.

The Bill attempts to update the definition of bullying to include the quickly developing technologies to which young people have access. While the use of technology and social media must be seen as a source of learning and education for pupils, we must be aware of the possibility of the misuse of this technology. As recent cases have indicated, cyberbullying has the potential to wreak havoc in the lives of young people. We must have legislation that can address the ever-changing use of new technology and tackle cyberbullying head on. The Bill also addresses bullying that can occur due to sexuality and identification as a member of an alternative sub-culture.

Teachers can be the victims of bullying and this can be just as harrowing. The stress teachers experience from bullying can negatively impact on their job and their performance in the classroom. This has implications for the teacher and the students. Pupils can also be bullied by teachers. Everyone has the right to enjoy the comfort of a healthy and happy workplace. The Bill seeks to provide a safe environment for everyone in the school. Having clear and precise procedures in place will assist teachers and boards of management to tackle the problem of bullying head on. At a time of limited resources, it is important that it be clear what these groups must do to be most efficient with their time.

Young people learn from their environment. That is why we must ensure that schools are happy and healthy places to be. The young people of today will be the adults of tomorrow. The type of society we desire for the future must be nurtured in the present. In the broader context, legislation to tackle bullying is important in establishing a healthy and positive school ethos.

23 January 2013

Deputy Michael Healy-Rae: I welcome the Private Members' Bill and I thank Deputy O'Brien for bringing it forward. I want to deal with another form of bullying that is rampant at the moment. Journalists bully. I want to quote: "cute hoors", "sleeveens", "chancers", "gombeen men". These vile, poisonous words were penned about myself and my family by Eamon Dunphy and they were disgraceful.

An Leas-Cheann Comhairle: In fairness, Deputy, this is about the Bill.

Deputy Michael Healy-Rae: Yes, I am just expanding on the Bill. We are talking about bullying and I am allowed to expand on it. "...Animal Farm, where there poor animals (us) were no longer able to differentiate between the Healy-Rae pigs and the FF humans." This was written by another journalist who parades around this House on a daily basis.

An Leas-Cheann Comhairle: In fairness, this is about education.

Deputy Michael Healy-Rae: Some of the journalists would need to be educated.

An Leas-Cheann Comhairle: The Bill is about educational welfare and the Deputy only has two minutes.

Deputy Michael Healy-Rae: If the Leas-Cheann Comhairle does not take up my time, I will be finished but I must have my say.

The sort of bullying that goes on in national newspapers is disgraceful. I want to make it clear that not all journalists are involved in these bully-boy tactics. There are respectable journalists operating in this House but unfortunately some of these people have taken it upon themselves to attack Sinn Féin Members, talking personally about their families, about me and about other Members on this side of the House. They think they can write whatever they like, that they have poetic licence to say whatever poison they like about individuals. The people they write about have families, we have children and we do not deserve to be bullied like that by this type of people.

An Leas-Cheann Comhairle: The Deputy's time is up.

Deputy Michael Healy-Rae: I support the Bill but I also want to make it clear that the whole debate should be expanded because there is more bullying going on than just the sort that is being discussed.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O'Sullivan): On behalf of the Minister for Education and Skills, I thank Deputy O'Brien for the opportunity to have this debate and I commend the House for the wide range of comments and analysis which Deputies have made to this debate on bullying.

As the Minister of State, Deputy White, stated last night, it is important that we use every opportunity to raise awareness about this issue and also to send a clear message that no form or type of bullying is acceptable. I reiterate the views expressed last night that while well intentioned, Deputy O'Brien's Bill is not a workable solution and for that reason the Government is opposing it.

While we oppose this particular Bill for the reasons the Minister of State and others outlined last night, I also emphasise that preventing and tackling bullying has been given a high priority by this Government and in particular by the Minister for Education and Skills. The Minister has

taken specific action in the last year to ensure we implement the commitment in the programme for Government to help schools tackle bullying, homophobic bullying in particular. It is fair to say that the Minister has given greater priority and shown greater personal commitment to tackling this issue than any other Minister for Education in the last 20 years. The Minister was due to launch a new action plan on bullying tomorrow but due to a family bereavement, this will now take place early next week, and he will be giving priority to implementation of the actions outlined over the coming weeks and months.

As mentioned already in this debate, he will also be launching new guidelines on mental health for post-primary schools. These guidelines aim to support schools in developing a whole-school approach to mental health promotion and suicide prevention and are of relevance to all members of the school community. In particular, they have been developed to support principals, guidance counsellors, student support teams and teachers.

A number of points have been made during the course of the debate about how we should more effectively tackle bullying in our schools and I would like to comment on some of issues. On guidance, while I regret that any budget measures which reduce the allocation of resources were required, the alternative was to increase class sizes at second level and leave the guidance allocation untouched. Unfortunately, due to the severe financial situation we find ourselves in, savings have to be found. Notwithstanding that, as part of the budget measure we sheltered the impact for all the DEIS post-primary schools by increasing their standard staffing allocations. The day-to-day management of how teaching resources are used in schools is carried out at local school level, and I am confident that in doing so, schools will act in the best interest of students.

It is also important to point out that existing policy makes guidance not just the responsibility of the school guidance counsellor but a whole school activity. Under the existing arrangements each school develops a school guidance plan as a means of supporting the needs of its students. While the school's guidance planning will involve the guidance counsellors in the first instance, other members of school staff and management also have key roles to play and parents and students must be seen as an essential part of the process.

Finally, I reiterate the view that bullying is not just a problem that schools should deal with. The role of parents, other adults and the wider community is crucial in shaping the attitudes and behaviour which encourage respect for and empathy for others in young people. I thank the House for the opportunity to contribute to this debate.

Deputy Pearse Doherty: I commend Deputy Jonathan O'Brien for introducing this Bill. It is timely and I am encouraged that the Government plans to deal with this in its publication next week. There is no reason, however, why the Bill cannot be supported and allowed to go ahead to Committee Stage, where any necessary amendments can be made.

This legislation is overdue. Guidelines from the 1990s are not sufficient for 2013 and the coming years. This generation of schoolchildren and young people have been immersed in communications technology from a very young age. Anti-bullying guidelines and laws simply do not reflect that; they are out of date.

Our young people deserve to be protected from every type of bullying and I was glad to see that Deputy O'Brien in his Bill set out a comprehensive definition of bullying, specifically including all electronic forms of communication. I also welcome the inclusion of homophobic

bullying. This section of the Bill brings anti-bullying policy into the 21st century.

The appointment of a single anti-bullying officer from the board of management is a sensible move because tackling bullying is the responsibility of us all but having a dedicated officer will ensure complaints do not fall through the cracks. Mandatory reporting follows best practice from the Nordic countries and will provide clarity and certainty for teachers, boards of management, parents and students.

Best practice and all the goodwill in the world, however, are not enough when it comes to defeating bullying. We need comprehensive plans to defeat bullying in all its guises. Regulations based on the Department's guidelines need to be produced and need to be reviewed every two years. Bullying is changing as fast as technology and the anti-bullying guidelines need to be able to do so too.

We are all sadly too aware of the effects bullying can have in some cases. Coming from Donegal, and representing the Finn Valley area, it would be remiss of me not to talk about the awful tragedy that unfolded late last year for the Gallagher family. There is no justification for the torment that young girl, Erin Gallagher, was subject to. In the aftermath of Erin's untimely death, there was a huge outpouring of grief from people across Donegal that took the form of Facebook pages and social network comments. There was a genuine outpouring of grief and a genuine desire to do something about bullying and to stamp it out.

Many others, however, took the opportunity, perhaps not deliberately, to hit out at those who were named by Erin Gallagher as her bullies. Those people, we must remember, have just started their teenage years. I read some of the comments on Facebook earlier and selected ten for the debate: "you's lot are murderers", "i hope you lot suffer for the rest of your life", "you are evil lil scum bags", "their parents r scum", "evil ppl", "kick those bullies face in", "evil little demons!!!", "scum bags", "who ever was involved should be killed" and "we all know who these bitches are". I say that because these young girls are reading those comments. I know that because their family has told me. These young people are vulnerable themselves. All of us want bullying to stop and the people who made those comments, and there are many more comments like that on social networks out there for eternity until they are deleted by the people who posted them, wanted to see bullying stopped but what they did instead was become bullies themselves. God forbid one of the people who reads those comments would decide to end her own life prematurely and leave a note quoting those comments.

We need a comprehensive way to deal with bullying. It must be stamped out in all its guises and people must be very careful of what they say and the effects their remarks have on others.

Deputy Gerry Adams: I want to begin by applauding an Teachta O'Brien for bringing forward this important piece of legislation. Recent tragedies have acted as a wake-up call for all of us of the terrible impact bullying, including bullying through the social media websites, can have on young people. There have been numerous studies in recent times about the pressures faced by young people. Indeed, the first all-island report on suicide revealed that Ireland has one of the highest rates of suicide among young people, particularly young men, in Europe and bullying plays its part in this.

The issue of bullying is a complex one that affects families, and, of course, parents and families have their role. It affects entire communities and there needs to be a community response as well. Of course, it affects the whole school community. In my constituency, just

before Christmas, County Louth VEC requested that all of its schools and centres undertake a root-and-branch review of their approaches to dealing with bullying, including cyber-bullying. That is a very good initiative.

I recently attended the young scientist exhibition at the RDS and met students from De La Salle college in Dundalk who had carried out their own project on bullying and its effects on young people. It is a remarkable piece of social science and investigative work that highlights the importance of this issue for young people.

I am disappointed that the Government has set its face against supporting this Bill. I can see no logic for this. The Government seems to work in this way on many important issues. Rather than embracing and, if need be, amending a Bill such as this in a positive way, the Government opposes good initiatives by the Opposition and trots out its lobby fodder to do so. It seems that this is solely about party politics and the authorship of this Bill, not about dealing, as the Dáil should, in a collective and non-partisan way with an important issue such as this which affects so many citizens. Therefore, I want to deal with some of the criticisms levelled against it.

Last night, the Minister of State, Deputy White, expressed concern at the pressure he claims the Bill would impose on the boards of management as a result of the mandatory reporting of bullying to parents. He further claimed that the Bill will force schools boards to convene a meeting to address any and every incident. This is wrong. It is a disingenuous interpretation of the legislation. I would refer the Minister to section 2 of the Bill which clearly defines in detail bullying behaviour. What we are talking about here, therefore, is clearly defined behaviour where a victim is singled out for targeted abuse of a psychological and-or physical nature.

The Bill does not set out to over-burden school boards by forcing them to respond to every argument or row. Most teachers are well equipped to deal with this. Instead, we are talking about very specific incidents that are in part covered by the Government's own guidelines and the updated guidelines contained in section 2. It is ironic that the Government criticises the Sinn Féin legislation for supposedly putting the onus for responding on an individual board member and then expresses a concern that a school board would be expected to meet collectively whenever an incident is reported. This seems to contradict the Government's stated views on collective governance and runs contrary to the whole-school approach needed to tackle this issue.

The suggestion that boards might have to meet weekly or even daily is another red herring. As I have already stated, the Bill refers to very specific threatening behaviour and if this was happening regularly in a school, then clearly there would be very serious problems within that school which would need to be addressed on a wider level.

This Bill is a considered response to this problem and so far, the Government has failed to respond adequately. The Bill put forward by an Teachta O'Brien provides an appropriate starting point in getting to grips with a growing problem and I would urge Government Deputies to support it.

Deputy Jonathan O'Brien: First, I thank all of the Deputies who contributed to the Second Stage debate on this Bill, both those who spoke for and those who spoke against it. I also thank Dr. Stephen Minton from Trinity College Dublin, who is one of Ireland's leading experts on bullying and who freely gave his expertise at both the research and drafting stages of the Bill, and Mr. Simon Gillespie and Mr. Gavin Gallagher in my office who put in a great deal of research time prior to the final draft being published.

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It is clear from the individual contributions, both last night and tonight, that there is a recognition that there is a need to urgently address this issue. I do not think any Deputy who spoke on the issue would disagree with that. We also realise that it is not only something which is confined solely to the education sector. It is something which has to be addressed across society as a whole. The question is will we continue to speak as individuals or will we act as a collective in this Oireachtas by introducing legislation to provide the framework needed to deal with this complex issue? We need to ask ourselves are we individuals or will we deal with it as a collective.

Last night, in my own contribution I provided some detail of the rationale for putting forward this Bill. I did so in the hope that we could achieve cross-party consensus on this issue because it is one that affects tens of thousands of people across the State, from children and teenagers to teachers and parents.

While researching the issue of bullying in preparation for publishing this Bill, we looked at what works best internationally. We placed a particular focus on the Norwegian model because it is recognised internationally as one of the most progressive in dealing with anti-bullying measures. During that stage of research, it quickly became evident to us that all of the countries that have progressively dealt with bullying and that have reduced the number of incidents of bullying, particularly within the school network, had done so on the basis of putting in place legal frameworks from the outset which they then used as building blocks to carry on. It is clear that a key principle of anti-bullying work starts with such legislation.

The initial legislation put in place in those countries which we looked at, such as Norway to which I referred and Sweden, provided not only the framework for that space where they were currently dealing with it but also the building blocks for future frameworks. For instance, it has been proved that countries which have in place the legislative framework are better equipped to deal with the evolving nature of bullying as a result. They are not relying solely on guidelines and are beginning with a head-start.

As I stated yesterday, the current problem in the State is that we are relying solely on 20 year old guidelines which are outdated. The Minister has stated he will publish a report. The report has been put back to Tuesday next but so far none of the media reports on it has stated whether it will contain any legislative reform. All of the media reports have talked about enhanced guidelines. All of them have talked about reporting mechanisms which are templates. I believe that unless there is a combination of regulations and guidelines, we will continue to see this *ad hoc* approach from school to school. Some schools are excellent when it comes to bullying in the procedures they put in place but other schools are not. We have a responsibility to provide that legislative framework so that every school is starting from a good place.

Last night, the Minister of State, Deputy White outlined a number of issues that the Government had with this Bill. One of those that stuck me was where he cited the concern about tasking one individual with too much responsibility. Perhaps he understood and needed to justify the Government's decision not to accept the Bill because if he had read section 3(2)(d) he would have seen it states clearly that "the Board of Management shall prepare countermeasures to bullying which the school must comply with." It is not up to one individual. It is up to one individual to have the oversight of those anti-bullying measures.

This Bill also directs the Minister for Education and Skills to introduce regulations and those regulations will form the basis of the anti-bullying measures which the board of management

will then introduce. This is in keeping with the whole-school approach because it is the board of management which formulates the anti-bullying measures, in consultation with parents, students, teaching staff and based on regulations which have been issued by the Department of Education and Skills. We are tasking one individual with the responsibility for the oversight because we can no longer have a situation, as Deputy McDonald stated, where everybody is responsible but nobody is accountable.

I ask the Government to reconsider voting against the Bill.

9 o'clock

Question put:

The Dáil divided: Tá, 45; Níl, 77. Tá Adams, Gerry.Boyd Barrett, Richard.Broughan, Thomas P.Browne, John.Calleary, Dara.Collins, Joan.Colreavy, Michael.Cowen, Barry.Crowe, Seán.Daly, Clare.Doherty, Pearse.Donnelly, Stephen S.Ellis, Dessie.Ferris, Martin.Flanagan, Luke 'Ming'.Fleming, Tom.Grealish, Noel.Healy, Seamus.Healy-Rae, Michael.Higgins, Joe.Kelleher, Billy.Kirk, Seamus.Kitt, Michael P.Lowry, Michael.Mac Lochlainn, Pádraig.McConalogue, Charlie.McDonald, Mary Lou.McGrath, Finian.McGrath, Mattie.McGrath, Michael.McGuinness, John.McLellan, Sandra.Martin, Micheál.Naughten, Denis.Ó Caoláin, Caoimhghín.Ó Cuív, Éamon.Ó Feargháil, Seán.Ó Snodaigh, Aengus.O'Brien, Jonathan.Pringle, Thomas.Ross, Shane.Stanley, Brian.Tóibín, Peadar.Troy, Robert.Wallace, Mick.NílBannon, James.Barry, Tom.Breen, Pat.Butler, Ray.Buttimer, Jerry.Byrne, Catherine.Byrne, Eric.Carey, Joe.Coffey, Paudie.Conaghan, Michael.Conlan, Seán.Connaughton, Paul J.Conway, Ciara.Coonan, Noel.Corcoran Kennedy, Marcella.Costello, Joe.Coveney, Simon.Creed, Michael.Daly, Jim.Deasy, John.Deering, Pat.Donohoe, Paschal.Dowds, Robert.Doyle, Andrew.Durkan, Bernard J.English, Damien.Farrell, Alan.Feighan, Frank.Fitzpatrick, Peter.Griffin, Brendan.Hannigan, Dominic.Harrington, Noel.Harris, Simon.Hayes, Brian.Hayes, Tom.Heydon, Martin.Humphreys, Heather.Humphreys, Kevin.Keating, Derek.Kehoe, Paul.Kenny, Seán.Kyne, Seán.Lawlor, Anthony.Lynch, Ciarán.Lyons, John.McCarthy, Michael.McFadden, Nicky.McGinley, Dinny.McHugh, Joe.McLoughlin, Tony.Mathews, Peter.Mitchell, Olivia.Mitchell O'Connor, Mary.Mulherin, Michelle.Murphy, Dara.Murphy, Eoghan.Nash, Gerald.Neville, Dan.Nolan, Derek.O'Donnell, Kieran.O'Donovan, Patrick.O'Dowd, Fergus.O'Mahony, John.O'Sullivan, Jan.O'Sullivan, Maureen.Phelan, Ann.Phelan, John Paul.Ryan, Brendan.Stagg, Emmet.Stanton, David.Timmins, Billy.Tuffy, Joanna.Twomey, Liam.Varadkar, Leo.Wall, Jack.Walsh, Brian.White, Alex.

Tellers: Tá, Deputies Aengus Ó Snodaigh and Jonathan O'Brien; Níl, Deputies Emmet Stagg and Paul Kehoe.

Question declared lost.

Message from Select Committee

An Ceann Comhairle: The Select Sub-committee on Arts, Heritage and the Gaeltacht has concluded its consideration of the Houses of the Oireachtas Commission (Amendment) Bill 2012 and has made an amendment thereto.

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The Dáil adjourned at 9.15 p.m. until 10.30 a.m. on Thursday, 24 January 2013.