



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Máirt, 26 Samhain 2013

Tuesday, 26 November 2013

Chuaigh an Ceann Comhairle i gceannas ar 14.00 p.m.

Paidir.
Prayer.

Ceisteanna - Questions

Priority Questions

Schools Review

91. **Deputy Charlie McConalogue** asked the Minister for Education and Skills when the value for money review of small primary schools will be published; and if he will make a statement on the matter. [50478/13]

Deputy Charlie McConalogue: My question relates to small schools, particularly the value for money report which the Minister has in his hands. How long has he had that report and why has it not been published? Small schools are under severe pressure and particular concerns have been raised about minority ethos schools where minority denominations are under particular pressure. Any change to a small schools policy would be particularly difficult and dangerous for them. Could the Minister outline the current situation with regard to that?

Minister for Education and Skills (Deputy Ruairí Quinn): I thank the Deputy for his question. I am currently considering the report of the value for money review of small primary schools and I am doing this in consultation with my Government colleagues. My intention is to publish the report on completion of this consideration process. I am not in a position to give a precise publication date at this time. I think I received the final report in February or March but I can come back and give the Deputy that information.

Deputy Charlie McConalogue: I do not believe it is good enough that this report has not yet been published. I do not see why the Minister should have been sitting on it for possibly nine months at this stage, nor do I understand why he cannot outline to the House when it will be published. It has been in his hands. Why has he not published it and why is he not consulting with other political parties and the educational partners? While he has been sitting on this report, the pupil-teacher ratios of two, three and four-teacher schools have been cut every year. This issue is of major concern to those schools. Speaking on behalf of Church of Ireland

schools, Dr. Ken Fennelly indicated that, if the Government sought to wind down schools of fewer than 56 pupils, minority faith schools would be disproportionately affected.

It has been reported in the media that a threshold of 85 pupils has been set as the minimum number for schools. Will the Minister confirm whether this is the case? Will he also confirm that he will publish the report? Our party believes we must support those schools, not leave a threat hanging over them.

Acting Chairman (Deputy Olivia Mitchell): The Deputy has overstepped his time.

Deputy Ruairí Quinn: I remind the Deputy that the report in question was commissioned by his former colleague, the then Minister Mary Coughlan, a former representative of the Deputy's new constituency of County Donegal. The report contains a set of proposals. It took a long time to be completed and checked. Discussions are ongoing because of the sensitivities to which the Deputy referred and I am not in a position to tell him when the report will be published.

Deputy Charlie McConalogue: I am not particularly worried about who commissioned the report. I am concerned about what it contains and what the Minister will do about it. Anyone can commission a report, but the Minister is responsible for how he leads the education system and treats our smaller schools. What we have seen from him has been a reduction in schools' capitation and the removal of the minor works grant, although the latter was given a temporary reprieve this year. Under his stewardship, the number of pupils needed by schools to retain their teacher numbers has been increased every year. According to today's *Irish Independent*, one in five schools is concerned about whether it will be able to retain its number of teachers. The Minister professes publically that he does not wish to close schools at a time while he is making it more difficult for them to exist. He is creating a double jeopardy. By allowing a question mark to hang over schools, parents of children who are now starting out are wondering whether their children will be able to complete their primary education in those schools.

Acting Chairman (Deputy Olivia Mitchell): Please, Deputy, allow the Minister to reply.

Deputy Charlie McConalogue: As such, many of our primary schools question whether they will be able to continue existing. The Minister's continual delay of the report's publication without a reasonable explanation accentuates everyone's concerns.

Acting Chairman (Deputy Olivia Mitchell): Please, the Deputy's time has concluded. Everyone must stick to the new regime.

Deputy Ruairí Quinn: I have listened to the concerns raised by many representatives of rural Ireland, including my colleagues in the Labour Party and Fine Gael. Complex issues are involved. I have tried to provide within the constraints in which we found ourselves three years ago. We made a reduction, or a disimprovement as it were, in the pupil-teacher ratio of small schools in order to provide a degree of certainty and to enable school communities to plan for the future, which is the very point the Deputy made. I outlined what the situation would be over three years so that school managements and communities would be aware of it and could make whatever choices they desired as regards other schools in their areas. There are no further proposals for changes in the pupil-teacher ratio.

Special Education Review

92. **Deputy Jonathan O'Brien** asked the Minister for Education and Skills if he will provide an update on the working group established by the National Council for Special Education on its proposal to develop a new model for the allocation of teaching supports for children with special educational needs; and if he will make a statement on the matter. [50480/13]

Deputy Jonathan O'Brien: In June, the Minister decided to go to the Cabinet to seek an additional 500 resource teaching posts to maintain this year the number of hours that children had last year. That was because there was an increased demand for resource teachers. At the time, the Minister established a working group under the chairmanship of Mr. Eamon Stack. I am seeking an update on that working group.

Deputy Ruairi Quinn: The National Council for Special Education, NCSE, has established a working group to develop a proposal, for consideration, for a new model for the allocation of teaching supports for children with special educational needs, based on the profiled educational needs of schools.

Mr. Eamon Stack, the NCSE chairperson and former much respected chief inspector in the Department, has been appointed to chair this working group. I received an oral briefing from the chairperson on the progress of the work of this group to date on 2 October 2013. The group expects to complete its work by the end of spring next year.

The NCSE consulted widely with interested parties in developing its policy advice and I understand that the working group has also consulted a range of interested parties, including parents and representative groups, as its work has progressed. I look forward to a considered debate on this matter when the proposals are finalised.

Deputy Jonathan O'Brien: I am somewhat concerned because we were under the impression, although I do not know where that impression came from, that the working group would report back as quickly as possible. Everyone in the House thought the group would come back with recommendations. We have subsequently found out that is not the case and that it will report in early spring 2014.

In response to a parliamentary question tabled by Deputy Kyne, the Minister said it would probably take another 12 months for it to be implemented. I am concerned because when the Minister announced the 500 additional resource teaching posts last year he said it was a one-off and that there would be budgetary implications as a result.

The Minister has also stated that the current model is not sustainable, is flawed and needs to be changed. We know the current model is unsustainable and flawed, as well as being weighted more in favour of schools that can afford to get tests done privately, so there is an urgent need to have the recommendations implemented as quickly as possible. At this stage, however, we are probably looking at the 2015 academic year.

Deputy Ruairí Quinn: When I made the decision to reverse what previously had been Government policy and to maintain the *status quo* rather than reduce it back in June, it was a move that was welcomed by all concerned. On foot of that decision, I knew I would have to find the resources for that from elsewhere within my budget at that time. We were able to do that successfully without diminishing the provision of services elsewhere.

I could have given the impression that I was going to get an earlier report. I got a work-in-progress report but I was never under the impression that they would come up with an alternative model by the end of this calendar year. If I conveyed that impression to the Deputy, then I apologise. I was certainly briefed by the chief executive and others that it would take at least until the spring of 2014. Mr. Eamon Stack told me that he had made good progress with all of the interested parties and groups involved. From his own constituency work and as his party's spokesperson on education, the Deputy will be aware of the variety of concerns. The allocation model we have is over ten or 15 years old. A lot of research has been undertaken both here and abroad in that time. On the basis of what we now know collectively, including such research and the report that was sent to me, the NCSE is considering whether there is a better and more effective way of allocating resources to children with special educational needs. Based on the progress made to date, I am told that they will have a substantive report in spring 2014 but I cannot be any more precise than that.

Deputy Jonathan O'Brien: I thank the Minister for his comments. I agree completely that the current model is flawed and needs to be re-examined. That is why we welcomed the establishment of the working group under Mr. Eamon Stack. We await its recommendations in due course. Now that we are looking at early spring 2014 - probably a further 12 months for it to be implemented, whatever the recommendations are - we cannot have another situation where students are facing cuts in hours, as they were in May and June this year. It is all well and good to say that a working group has been established, will report in spring 2014 and that its recommendations will be implemented, but in the meantime students should not have to suffer as a result of that delay. Until such time as the report has been published and a new model has been implemented, the commitment given this year regarding the maintenance of hours at current levels and the additional 500 posts, which have been welcomed, must be honoured.

Deputy Ruairí Quinn: I share the Deputy's view. It is my intention to maintain the status quo until such time as there is roll-out of the recommendations on the new model, assuming that we accept them. Following discussion of these recommendations in this Chamber the changes will be made. I do not propose to change the *status quo* until such time as we are in a position to implement a replacement.

Special Educational Needs Service Provision

93. **Deputy Finian McGrath** asked the Minister for Education and Skills if he will ensure that all pupils with Down's syndrome in mainstream schools receive adequate resource hours. [50605/13]

Deputy Finian McGrath: Will the Minister ensure all pupils with Down's syndrome in mainstream schools receive adequate resource hours? I ask this question because there are many families of children of Down's syndrome in particular who are concerned about the lack of resources and adequate services for their children. It is important to highlight this issue. A number of parents are currently engaged with the courts on the issue of resource hours allocation for their children. There is a crisis in this area, which needs to be accepted and dealt with by the Minister.

(Deputy Ruairí Quinn): As a former primary school teacher, the Deputy will be aware that pupils with Down's syndrome who have a mild general learning disability, in addition to mainstream class teaching support, receive support from learning support teachers allocated

to schools by my Department through the general allocation model. Those pupils who are assessed as having a more significant, moderate or severe general learning disability receive an individual allocation of resource teaching hours. This individual allocation is made by the NCSE.

The recent NCSE report on supporting children with special educational needs recommended that under a proposed new allocation model all children, including those with Down's syndrome, should be allocated additional resources in line with their level of need rather than by disability category. The NCSE also recommended that in the short term, pupils with Down's syndrome who are in the mild general learning disability category should continue to be supported by schools' learning support allocation in the same way as other pupils with a mild GLD.

Deputy Finian McGrath: I thank the Minister for his reply. On the allocation of resource hours, many children with Down's syndrome, because they do not fall into a particular category, are not receiving the hours that would assist them in making greater achievements at primary school level.

I have a number of questions for the Minister. Does the Minister accept that all children with Down's syndrome and other disabilities have a right to an adequate resource allocation? Is he aware that within the primary teaching system there are 121,353 pupils in classes of more than 30 pupils, within which are a number of children with Down's syndrome and other disabilities who are being impacted by this issue?

On access to services, a lack of educational psychologists to carry out psychological assessments is causing a huge problem for many families, with many being forced into the charity sector to have them done. Will the Minister agree that this is unacceptable and that in a modern democratic inclusive republic all people should be treated fairly?

Deputy Ruairí Quinn: I agree with the Deputy. We must try to do that within the limited resources available. As I said, the NCSE report recommends that a new model be established. Until such time as its detailed recommendations on that model have been received, I am not in a position to increase the number of categories as suggested by the Deputy.

With regard to overcrowding in classrooms, I have asked the building unit of my Department to provide me with statistical information in that regard. The pupil-teacher ratio should not result in classes of more than 28 pupils. If that number is exceeded in any instance, I will want to know why. It is one matter if two classes are accommodated in one room, but it should not otherwise be happening. The problem is that we do not have the information readily to hand in the building unit in Tullamore. It has been suggested, for example, that up to one third of all classrooms are overcrowded. I have asked for the complete information and will publish it as soon as I receive it.

Deputy Finian McGrath: It is important that we obtain that information. I was given a figure of 121,353 by a group of disability bodies, which was the information given to them. It is an issue the Minister must address seriously. In recent days two mothers of children with Down's syndrome have been granted leave to challenge the law on resource hours for children with that condition. We must not go back to the old days where parents of children with disabilities had to go to the courts to secure the resources their children needed. That type of court action costs the Minister a great deal of money, which he does not have. The uncertainty is causing great hardship and distress to parents, who just want the services to which their children are entitled.

I acknowledge that much good is being achieved by the provision of resource hours. All parents of children with disabilities are seeking is a quality education service.

Deputy Ruairí Quinn: It is ten years since the provision of services for children with special educational needs was given formal recognition by the former Minister for Education and Science, Mr. Noel Dempsey. At that time, just under 1.5% of the total departmental budget was allocated in this area; the allocation now is in the order of 15%. A great deal of research has been undertaken in the meantime and the thinking, as contained in the report from the NCSE, is more orientated towards resourcing the profiling of schools, which we can now do with a greater degree of accuracy than before, and resourcing those schools in a manner that enables them, by the deployment of those resources, to reach out to all children with different levels of learning abilities and disabilities.

That is the type of space we are trying to carve out, but it is not easy. As I said, the report that is due next spring will be discussed in this House and implemented. Parents should not have to go to court to obtain what we all want for our children, namely, the best possible education.

State Examinations Reviews

94. **Deputy Charlie McConalogue** asked the Minister for Education and Skills his response to continuing concerns among teachers and parents regarding junior certificate reforms and the need for independent assessment of examination papers; and if he will make a statement on the matter. [50479/13]

Deputy Charlie McConalogue: My question relates to the issue of junior certificate reform, particularly the need for independent assessment and marking of examinations. Parents and teachers alike have expressed their concerns regarding the changes proposed by the Minister in this area. I understand the initial advice from the National Council for Curriculum and Assessment to the Minister was that the junior certificate should remain an externally assessed examination that is set and certified by the State. The Minister, however, seems to be going down a different path. I am asking for a commitment, as part of junior certificate reform, that there be independent assessment and that it remain a State-certified exam.

Deputy Ruairí Quinn: Extensive quality assurance measures will be included in the new junior cycle. These include subject specifications with clear learning outcomes and samples of student work outlining the standards expected; an assessment and moderation toolkit; a junior cycle for teachers team which will provide continuous professional development programmes for teachers, principals and deputy principals in educational assessment and moderation; and the introduction of standardised tests for all students in English reading, mathematics and science, and in Irish reading for Irish-medium schools. The State Examinations Commission will set and mark the final examinations in English, Irish and mathematics until such time as the new assessment methodologies are embedded. The commission will provide the final papers and marking schemes for the other 18 subjects which teachers will use. School moderation will provide for standardisation. The results awarded by schools to their students will be monitored by the Department and anomalies will be highlighted and acted upon. A dedicated website, www.juniorcycle.ie, can be used by parents, teachers and students to access resources.

Deputy Charlie McConalogue: The Minister indicated that the State Examinations Com-

mission will, initially, continue to set the paper and assess the exams in the case of three subjects. Will the Minister give a commitment that we will continue to have a State-certified junior certificate examination and that in future we will also have independent assessment of junior certificate examinations?

Let us consider the position. My party fully supports the need for junior certificate reform and the reasons behind it. That is why we initiated the process of consultation and reform which the Minister is now carrying on. However, the move to make the junior certificate examination a low stakes examination, a move we support, can be done without making it an examination which is not assessed by the State and which is not a State-certified examination. We need to retain that aspect of it.

Teachers and parents will make the point to the Minister. A person is not supposed to examine his own work. Teachers have made points about examining students' work, but we should recognise that in marking examination papers, teachers are also marking themselves in some ways in terms of how their classes have done. Students, parents and teachers need to have confidence that if a student is doing an examination in Carndonagh Community School, the result can be benchmarked against the result that a student gets in another school in another part of the country.

Acting Chairman (Deputy Olivia Mitchell): Deputy, I will come back to you. Let the Minister respond.

Deputy Charlie McConalogue: We cannot have a situation whereby the credibility of that benchmark and examination is lost because of the approach the Minister is taking.

Acting Chairman (Deputy Olivia Mitchell): You are stretching your time.

Deputy Ruairí Quinn: I put it to the Deputy and to the wider teaching community that the decision taken to abolish the examination - I welcome the support for it from across the House - was a big step, just as the abolition of the primary certificate in 1968 was a big step. No one would suggest that in 2013 we should go back and introduce a written State examination for 12 year olds in primary school. That was the norm and, sadly, it was the final State examination for far too many people. We do not want young people to leave school at 15 years. They do not need a State examination. The need moderation and they need to be measured in respect of the progress they are making an education, but not necessarily by a State examination. That said, we understand the sensitivities and this is why, for a period, as the process is bedded in, the State Examinations Commission will set the examination and mark it in the three critical areas, that is, English, mathematics and Irish. Over time, that will evolve.

The first cohort starting English will enter first year next September. It will sit an examination in 2017 after the next general election. Over time, up to 2020, the process will be rolled out. As we travel that journey together we will make the changes that are necessary on the basis of evidence and the constructive engagement that we are getting all the time from the teaching community.

Deputy Charlie McConalogue: It is important to point out that the initial advice to the Minister from the National Council for Curriculum and Assessment, following consultation, was that we should keep a State examination and that it should continue to be set by the State and marked and assessed independently. The Minister has gone down a different route. I heard him say at one of the teaching conferences in the spring this was a personal political project of

his.

Deputy Ruairí Quinn: It was a decision.

Deputy Charlie McConalogue: A personal political decision. I recall the Minister describing it as a personal political project. The Minister is outlining that in the first three years the first three subjects will continue to be independently assessed.

In no way do we want the junior certificate to be a terminal examination. Much progress has been made to ensure students get to leaving certificate level. However, we want the learning to be centred around the student and absorption. I see no reason why we should go down a path whereby the credibility of the benchmark, assessment and examination is undermined and the Minister should engage seriously in that regard.

I am aware of the view the of Minister but he should listen to other people. As we start the process the Minister should give confidence to people such that the process will not be undermined. Without the Minister admitting that, he should say that he will listen to those concerns and ensure they are responded to. Otherwise, that confidence will not be there.

Deputy Ruairí Quinn: A State examination at 15 years of age can have a detrimental affect on people, as we already see with the existing junior certificate. We need moderation and we need to assess the progress students are making but we do not need a State examination to do that. We need to have continuous discussion and understanding and review progress as we go through the process. If changes need to be made based on what the outcomes are delivering, then we will make those changes. However, as regards the final destination of one State examination at the end of second level or post-primary education when aged approximately 18, this is what many other countries have, including Scotland, Finland and New Zealand, and is a place where we should be.

Industrial Disputes

95. **Deputy Jonathan O'Brien** asked the Minister for Education and Skills if he will provide an update on the efforts that are being made to resolve the ongoing industrial relations dispute with the ASTI; if he will provide assurances that his Department's focus will be on reaching a fair settlement with the ASTI and to resolve the outstanding issues that have arisen from the Haddington Road agreement; and if he will acknowledge that teachers are being increasingly overwhelmed by new initiatives that are being implemented at a time when schools are enduring unsustainable cutbacks in resources and services. [50548/13]

Deputy Jonathan O'Brien: As the Minister is aware, the ASTI's executive council will recommend to its members the rejection of the recent outcome of the discussions between the union and the Department of Education and Skills. The Minister may not wish to comment on this issue in advance, which I can understand, but the second part of my question again pertains to junior cycle reform. Does the Minister recognise that serious concerns have been expressed by teachers, which must be taken on board and which must be addressed in the best interests of students?

(Deputy Ruairí Quinn): I am acutely aware of the difficulties faced by all public servants, including teachers, regarding the necessary measures the Government has been obliged to in-

troduce. However, these measures must to be viewed against the backdrop of the Government's efforts to recover from the serious financial and budgetary situation that continues to face this country and to restore stability to the public finances. The context of the Haddington Road agreement was the need to address the major and unprecedented financial difficulties facing the State. At this stage, all public service unions, with the exception of the ASTI, have accepted the terms of this agreement, that is, approximately 300,000 workers.

The current position is that ASTI members have not accepted the agreement and are not operating the changes to the supervision and substitution scheme provided for in the agreement that the other two teacher unions are operating. Given that situation, I have indicated, as has my colleague, the Minister for Public Expenditure and Reform, that the continued payment of the supervision and substitution allowance to ASTI members is unsustainable. The Government has provided time and space for the recent discussions between officials from my Department and the ASTI in a final effort to resolve this issue and it is now a matter for the membership of the ASTI to make its decision on the outcome of those discussions. However, I would be less than frank if I did not make the point to Members that the payment of the supervision and substitution allowance cannot be continued.

It is now a matter for the membership of the union to make its decision regarding the outcomes of those discussions. I wish to take this opportunity to restate the significant benefits that will accrue to ASTI members if they accept the Haddington Road agreement and will outline them for the benefit of the House. First, there will be improved levels of payment for newly qualified teachers. Second, there will be a review of the usage of the 33 additional hours required by teachers under the Croke Park agreement negotiated earlier. Third, a firm timetable will be provided on the establishment of an expert group to examine casualisation in the teaching profession, particularly at second level. The fourth benefit will be the introduction of additional assistant principal posts to support the management of schools. This is what is on the table for those members who I understand will be voting from 1 December until approximately 15 December. I welcome that the ASTI have agreed to re-ballot its members on the Haddington Road agreement and I hope those members will accept the benefits of the agreement.

Deputy Jonathan O'Brien: I thank the Minister and note he has made much of the issue of substitution and supervision. As he noted, the union members themselves will decide the outcome in this regard. However, the Minister must also see this issue in the context of the bigger picture, in which implementing junior cycle reform is being discussed. The Minister is aware that Sinn Féin is very supportive of what is proposed by the Department but teachers have real concerns in this regard. They believe themselves to be advocates for students and do not wish to be judge and jury either. This is the reason an issue has arisen in respect of the State examination and how to move to the new model. As the Minister stated in response to Deputy McConalogue, we are starting a journey and will take that journey together. However, one cannot start a journey on the wrong foot either and one must consider the current position in post-primary schools.

A number of initiatives have been introduced since the Minister came into office, some of which were highly progressive, such as anti-bullying procedures, new mental health guidelines and transfer options for first-year students. However, one must also consider the additional workload these initiatives placed on teachers and compare that with the cutbacks that have been taking place in the education sector. The teaching profession is very demoralised. Cutbacks are affecting front-line services and additional initiatives and responsibilities are being placed on the teaching profession while at the same we are trying to transform the junior certificate by

means of reform of the junior cycle. Many teachers are worried that the necessary resources and training are not being put in place to enable them to carry out this reform.

Deputy Ruairí Quinn: We have started on a journey. There has to be agreement about who will set the destination and I have set it, based on the advice I received. I take the political responsibility for that decision. As I said in Wexford, the best way to get to that destination, the best route and the speed at which we should travel, is open for discussion. Based on today's timetable, the final journey will not be complete until we reach the cohort of students who will be in third year in 2020. Nobody could say this is a rash or precipitous implementation of a policy. It is my hope that long before we get to 2020 we will see the continued recovery of the Irish economy. There is further evidence today of a further drop in unemployment and increased economic growth. It is my hope that this will provide the extra resources which will be needed as we progress with the other subjects. I have listened to the concerns of teachers in the first instance about being asked to assess their own students in a formal examination to replace the junior certificate. As I said in reply to Deputy McConalogue, that is why the State Examinations Commission will be in place for a period of time to ensure that in Irish, English and mathematics, both the examination and the marking will be done by the State Examinations Commission. We are listening to what I agree are the legitimate concerns of teachers. We will provide more resources as they become available. I am confident we can do that constructively.

Deputy Jonathan O'Brien: I refer to the working group set up to examine the issue of junior cycle reform. On 12 November 2013, the Minister wrote to the ASTI general secretary, Mr. Pat King, about the establishment of this working group. I believe the working group will consist of representatives of the unions, school management, the Department and the NCCA. I am open to correction but I understand an initial meeting has taken place. How long will the group be in place and will it deal with all the issues which have been raised. Junior cycle reform is beginning next September and teachers are not prepared for it. In a recent ASTI survey, 50 schools reported that with the current level of resources at their disposal, they do not think they are sufficiently equipped to roll out the junior cycle reform. Teachers have said they are not opposed to this reform and every Member of the House has welcomed it. We have to meet in agreement at some point.

Deputy Ruairí Quinn: I respect the profession of teaching and when teachers express concerns I listen to those concerns. However, we are talking about a cohort starting in first year on one subject next September. Resources are already available to facilitate and assist this. The big change is not in the teaching of English in the manner it is currently taught but rather the difference is in a combination of project work which will account for 40% of a student's total result at the end of third year. Exam-based papers will account for 60% which will be set and marked by the State Examinations Commission. The change we are discussing will not take place for another ten or 11 months and it will be confined to one subject in first year with a different form of moderation in 2017.

Deputy Jonathan O'Brien: What about the working group?

Deputy Ruairí Quinn: The working group is part and parcel of the clarification that the ASTI sought after the Haddington Road agreement was rejected. It is one of four items we have identified as being clear from the point of view of ASTI members and what will be a benefit for them if they vote for the Haddington Road agreement. The ASTI is in a formal dispute with us at the moment and the working group will not meet until the current difficulties are resolved.

Deputy Jonathan O'Brien: Does this mean the working group will not meet?

Deputy Ruairí Quinn: I understand it has been agreed in principle to establish it but I will confirm that for the Deputy. To the best of my knowledge a formal meeting of it has not taken place and probably will not take place until this current issue is resolved.

Other Questions

Early Child Care Education

96. **Deputy Charlie McConalogue** asked the Minister for Education and Skills the resources he is providing for the implementation of the Aistear framework; and if he will make a statement on the matter. [50228/13]

Deputy Charlie McConalogue: The purpose of my question is to ask the Minister the resources he is providing for the implementation of the Aistear framework. As he is aware, the Aistear framework was published in 2009. It was highly praised, and I joined in praising it. It is a curriculum framework for children from birth to six years and provides information for adults to help them plan for and provide enjoyable and challenging learning experiences. I ask the Minister the resources his Department is providing for the implementation and support of the Aistear framework.

(Deputy Ruairí Quinn): My Department is supporting the implementation of Aistear through the Aistear tutor initiative and the Aistear-in-Action initiative. Through the Aistear tutor initiative, Aistear tutors (primary teachers) deliver a suite of workshops to enable junior and senior infant teachers develop their use of play as a teaching and learning methodology. To date, almost 10,000 primary school teachers and principals have participated in Aistear workshops and summer courses. Through the Aistear-in-Action initiative, the NCCA worked with Early Childhood Ireland to support practitioners in using Aistear to enrich their preschool curriculum and to develop online resources for the Aistear toolkit. The €2.75 million that will be available in 2014 for a quality support service for the early years sector means that the early years sector will have access to a professional support service to facilitate the implementation of Aistear. I have asked the NCCA to develop a practice guide incorporating the core elements of Aistear and Síolta to assist with this service.

Deputy Charlie McConalogue: I thank the Minister for his response. I ask him to differentiate between the curriculum supports his Department is providing in primary schools and the supports it is providing in the preschool setting also because Aistear starts in the preschool setting. It is for children up to six years of age. A serious issue is emerging in the way we are implementing and supporting that curriculum at preschool level and the consistency of its implementation at primary level. What role does the Minister's Department, as the Department of Education and Skills, have in ensuring the Aistear curriculum is happening at preschool level and not only when the child moves to primary school?

Deputy Ruairí Quinn: I might have to come back to the Deputy on the precise information he sought in his supplementary question because I believe I am correct in saying that the pre-school delivery comes under the remit of the Minister, Deputy Frances Fitzgerald, and the Department of Children and Youth Affairs. There is close co-operation between the two because it overlaps from preschool to the first two or three years in primary school. I do not have the figure for the amount of money in that regard. The figure I have is €2.75 million but additional resources are going into primary schools for the literacy and numeracy strategy, which would be additional to this amount. I will get the figures and revert to the Deputy.

Deputy Charlie McConalogue: I have serious concerns about the level of joined-up thinking on education between the Department of Children and Youth Affairs, in terms of preschool services, and the Minister's Department in overseeing children up to the age of six in junior and higher infants. We must see much greater co-ordination in that regard because the Aistear curriculum has to be supported in preschools and it is the responsibility of the Department, as the Department of Education and Skills, to ensure that the educational curriculum is happening and being supported in the preschool year.

The preschool sector is quite young, so to speak. My party introduced the first preschool year and there has been much talk about the Government extending it to a second year. The current preschool year must be supported and key to that is the Minister's Department working closely to ensure it provides supports not only at infant and senior infant level in primary school but also at preschool level, which has been neglected to a large extent. Preschool services have not got the support to implement this curriculum. Will the Minister engage and look at the way it is being done by his Department and the Department of Children and Youth Affairs?

Deputy Jonathan O'Brien: I share Deputy McConalogue's concerns because, as the Minister knows, Aistear has two parts and the first part has 12 principles. It is very similar to the primary school curriculum but there are some notable additions which take place at preschool level. When one moves into the primary school setting, it is done through a curriculum whereas Aistear in the preschool setting is done through a number of themes. It is a question of how we transfer the themes being used at preschool level to a set curriculum in the primary school setting. There is a little more work to be done in how we manage that joined up approach.

Deputy Ruairí Quinn: I welcome the Deputies' support for this. We all look forward to the time when there will be two preschool years. There is broad agreement that is what we are aiming towards. There is no policy debate on this and it is a matter of when rather than should. It is a joined up programme from year one to year six. There is close interaction and integration and very strong co-operation between the two Departments. I am sure there is also very close co-operation in terms of the Department of Education and Skills and the support it has given to preschool teachers as well as to teachers in junior and senior infant classes. I will get more information for the Deputies and will outline exactly what is happening on the ground because I do not have all the information with me.

Student Grant Scheme Eligibility

97. **Deputy Charlie McConalogue** asked the Minister for Education and Skills if plans to include the family farm in means test assessments for third level support have now been discontinued; and if he will make a statement on the matter. [50225/13]

Deputy Charlie McConalogue: My question is on whether plans to include the family farm in means test assessments for third level support have been discontinued and whether the Minister will comment on that. As the Minister knows, he made very public comments on this in his role as an Opposition education spokesperson and since he came into this Ministry. It is a source of great concern to self-employed people and to farming families. Once and for all, will the Minister tell us whether it is off the table?

Deputy Ruairí Quinn: Once and for all, it is not off the table. There is not agreement as to how it should be implemented and we are looking for agreement. It is a good time to look for agreement because the agriculture community has never done as well as it is doing currently. That means it needs both capital and more people to go into it. At the Cabinet meeting today, we were briefed by the Minister for Agriculture, Food and the Marine, Deputy Coveney, that Ireland is expected to be the fastest growing milk producer when the cap is removed from the dairy sector in 2015. There will be something of the order of a 15% increase in milk yields and the farming community is currently gearing up for that prospect. There is also much increased employment in the sector, which is great news for this country because this is indigenous produce and the sector employs local people throughout the country.

Some people are in a position, because of the wealth of the families, to make a better contribution or do not need the same level of support as was previously the case, or perhaps was ever the case. As the Deputy knows, under the rules of the system drawn up, although not by my party, savings and surplus resources are not part and parcel of the assessment. Before SUSI was established, we got a telephone call from somebody who was assessing an application for a grant where a farm or a small firm had €300,000 in prize bonds. As that €300,000 was not income-based, it could not be taken into account. That kind of money is meaningful. Essential working capital for a small enterprise or a farm is essential to the operation of that enterprise but surplus funds, including savings, stocks and shares or whatever, should be part and parcel of the reckoner. That is my position and that of my party.

Deputy Charlie McConalogue: Large savings and funds are relevant to people who are not self-employed as well as to those who are. The Minister could do with a reality check in regard to his assessment of how well the farming community is doing. If he wishes, I can bring him around the farming community in County Donegal or in any other county. They have just come out of the most difficult winter and spring in recent history. Many families are suffering excessive hardship as a result of that. I remind the Minister of what his colleague, the Minister, Deputy Burton, has done over the course of her tenure in the Department of Social Protection. She has removed the 30% income disregard from families on farm assist. This means that every euro a farmer makes on the farm, working hard to do so, is taken straight off his farm assist payment, which is actually the same level as the dole. I think the Minister would be well served to check that out.

When we debated the means assessment for the self-employed and the farming community at committee level, the Minister indicated to me that he did not envisage that the working capital of a business or farm - land or buildings - would be assessed against the businessperson or farmer when a decision on a grant is being made. He also indicated that the normal throughput would not be assessed in such a manner. As he has done again today, the Minister indicated on that occasion that consideration was being given to assessing high levels of savings for these purposes. That is not specific to the farming community or the business community. It is an issue across the board. I ask the Minister to remove the cloud that has been left hanging over those who are self-employed and those in the farming community by making it clear, in line

with what he has said today and at committee level, that the possibility of specifically targeting them is no longer on the table.

Deputy Ruairí Quinn: I have no difficulty in agreeing with the Deputy. All additional moneys should be taken into account. Obviously, working capital has to be kept in reserve for the operation of a business. We are considering a model that looks at verifiable taxed income and nothing else. As long ago as the 1990s, the de Buitléir report recommended that the base of assessment should be wider from the point of view of equity. It is not a question of having something against the self-employed or targeting farmers. It is being presented as such by people who have their own reasons for doing so.

Deputy Charlie McConalogue: It is being presented as such by the Minister.

Deputy Ruairí Quinn: Not at all.

Deputy Charlie McConalogue: That is where this has come from.

Deputy Ruairí Quinn: In statistical terms, the farming community is much smaller than the self-employed community.

Deputy Charlie McConalogue: Absolutely.

Deputy Ruairí Quinn: I have consistently made that point. If it is assessed on a wider measure, rather than simply on salary or income, it can be more equitable. This would mean that more people who cannot afford to go to college will get the grants and the supports to enable them to do so. That is all that is at issue here. This is not some kind of crusade against any sector of Irish society.

Deputy Mick Wallace: I am inclined to agree with the Minister. Many small farmers in this country are in trouble and are finding it difficult to make ends meet. Sadly, the Irish Farmers Association has really only excelled in looking after bigger farmers. If the children of larger farmers who can well afford to pay for third level education are getting assistance, this must be happening at the expense of people from less well-off backgrounds, not nearly enough of whom are gaining access to education. I actually agree with the Minister in this regard.

Deputy Ruairí Quinn: I welcome the Deputy's support. I will be quite happy to debate this matter further at some future stage. We are trying, in the interests of fairness and equity, to see whether people can afford to make a contribution towards the education of their children - young adults in third level education - that is proportionate to what they have in total. We are taking account of the necessity for working capital in small businesses and in farms.

State Examinations

98. **Deputy Patrick O'Donovan** asked the Minister for Education and Skills in view of the increased numbers taking up higher level maths for examination at leaving certificate as a result of the reintroduction of bonus points, if he will consider a similar initiative for those students taking up applied math, physics and chemistry; and if he will make a statement on the matter. [50117/13]

Deputy Patrick O'Donovan: This question relates to the success of the Department in

increasing the uptake of higher level mathematics in the leaving certificate examination, which has been welcomed by employers and people working in education. I am concerned that the uptake of certain other subjects at higher level in the leaving certificate is still quite low, however, particularly in the cases of applied mathematics and physics. Given that it can be difficult for people who do not have those subjects to make the transition into university courses in areas like science and engineering, will the Department or the State Examinations Commission consider extending this initiative to those subjects?

Deputy Ruairí Quinn: All third level institutions collectively decided to operate a bonus points scheme for higher level mathematics for a four-year trial period from 2012 to 2015, with a review in 2014. I would like to pay tribute to the former Minister, Mary Coughlan, who led this initiative. As Deputy O'Donovan will be aware, CAO points are matters for third level institutions in the first instance. The Department has no role in calculating or awarding them.

The introduction of the new leaving certificate project maths syllabus and the provision of bonus points, has led to a welcome increase in the number of candidates presenting at higher level in the examination, up from 15.8% in 2011 to 25.6% in 2013. The target participation rate, as set out in my literacy and numeracy strategy, is 30% by 2020. I believe this target is quite achievable.

This situation will be monitored in the context of the broader work that the Department is carrying out on transitions. The issue of transition from second level to third level is a complex one. The Department is working with the HEA, the NCCA and other key stakeholders to develop a strategic, systemic response. The group is focussing on three key themes: predictability and grade banding in the leaving certificate, and broadening entry routes to third level.

It is not appropriate, at this time, to look at individual subjects, as the Deputy suggests, but rather to initially identify systemic solutions.

Deputy Patrick O'Donovan: I appreciate that the third level institutions are responsible for the points system. However, the difficulty does not just stem from the leaving certificate and the low uptake. For instance, in 2011 only 1,000 people or thereabouts took applied maths. As I have pointed out to the Minister previously, the difficulty relates to the number of third level students dropping out between first year science to second year. The same third level institutes are accepting students into engineering and science courses with ordinary-level leaving certificate maths and biology. These students are having major difficulty and it is grossly unfair to them.

We need to recognise the level of difficulty associated with studying physics in particular. The results speak for themselves. In 2011 only 8.8% of those who did the leaving certificate examinations did higher-level physics, which was down from 10.2% in 2006. They are still tiny figures of the overall cohort. Some 1,200 jobs are being created a week, many of them in the high technology sector. If we cannot encourage people to take higher-level leaving certificate physics, applied maths and chemistry, we will have a serious problem in filling the places on third level courses, not to mention retaining them to the point at which they are conferred with the appropriate degree. While I appreciate the Minister's answer, the HEA, the Department and the third level institutes need to review this. Given that it has worked for higher-level maths and that Engineers Ireland and others, including me, regard it as a good idea, the Minister should consider introducing it across the science spectrum.

Deputy Ruairí Quinn: I thank the Deputy for his comments. I agree broadly with his analysis and recommendations. Young people doing leaving certificate examinations are pretty smart at navigating their way to maximise the points they believe they can get. They will take the subject choice they feel most comfortable with to get the points they are capable of getting. Good luck to them and I am thankful that we have people who can do that. The problem is for us to change the marking system and to incentivise. We know that incentivisation works as the basis of Project Maths. In terms of teaching people maths, perhaps we should be looking at the entry for primary school teachers coming into teacher colleges. It is predominantly a female profession, notwithstanding the Deputy's presence in the room as a teacher. Some young women who have done higher level maths in the junior certificate then drop to a lower level doing their leaving certificate examinations because they do not need anything higher than that. We need to get good mathematics teachers into the primary school system and the secondary school system. It is a continuum and we need to work together to do it. The evidence from the bonus points for Project Maths is great evidence on which to build.

Deputy Mick Wallace: The bonus points system for maths is an exercise in entrenching inequality in the education system. This year, 12,500 of the more than 50,000 students who sat maths in the leaving certificate examinations got an extra 25 points. Many of them just got a grade D and they are getting into courses for which they might not necessarily be equipped. That only 7% of Irish ten year olds are learning a foreign language as opposed to 75% in Britain is a stark statistic. Did the fact that Google raised this issue have more to do with this than the overall quality of education in Ireland? Does the Minister accept students coming out of the system have a very poor level of English?

3 o'clock

Deputy Clare Daly: We are told that the extra points for mathematics raises the standard and encourages more people in that direction, but does society benefit? In light of the report published today, which reveals that the courses with high points are almost exclusively dominated by fee-paying schools, is it not the case that people who can opt for maths, and maybe extra tuition, use that advantage? Gaelscoileanna also feature. Are we not handing over access to university for these courses, which qualify for extra points, to these schools? Does the Minister agree that the standard of maths at higher level has been dumbed down?

Deputy Ruairí Quinn: I do not accept the Deputy's last point, that the standard in maths has been dumbed down. It is certainly different and some of the third level teachers of mathematics who expect somebody ready to go into a very narrow channel of mathematics such as physics or engineering see a different kind of leaving certificate pupil. We run the system between the NCCA and the Department to ensure people coming out of second level education are equipped for the rest of their lives. There is a debate in that area and we could go into it at some length.

There is a mismatch, as there was for quite some time, between the graduates coming into the system in areas for ICT and what was being produced. Part of the problem was identified as a low level of uptake for higher level maths. That was identified by Engineers Ireland and a group of other employers approximately seven or eight years ago. In response, the bonus points were suggested, a decision taken and implemented by the then Minister, Mary Coughlan. There has been a dramatic increase in the uptake. It has some distorting effects, as every change in a system does. It is too early to say whether it is unjust. Young people make rational choices to maximise their points and we should understand that in the way in which some subjects are

perceived to be easier than others although they get the same mark.

Summer Works Scheme Expenditure

99. **Deputy Thomas P. Broughan** asked the Minister for Education and Skills if he will provide details of the works that will be completed to schools in Dublin 5, 13 and 17 under the school works scheme, the funding for which was recently announced for 2014. [50101/13]

Deputy Thomas P. Broughan: I welcome the restoration of the summer works scheme, the €40 million allocated to it and the €28 million allocated to the minor works scheme. If my figures are correct, I estimated at budget time that this Minister has cut the education budget by almost €1 billion over the three budgets since this Government has been in power. While this announcement is welcome, as my own trade union, the Association of Secondary Teachers of Ireland, ASTI, has said, it is to be hoped it is a return to providing the best possible resources for our children.

Minister for Education and Skills (Deputy Ruairí Quinn): The Deputy will be aware of my announcement on 7 November of an additional €70 million for school improvement works. This comprises a once-off payment of more than €28 million to primary schools as part of the minor works scheme and a further €40 million to facilitate the re-introduction of the summer works scheme for 2014. The summer works scheme funding will facilitate schools carrying out small and medium-scale building works that will improve and upgrade existing school buildings. Commensurate with the level of funding set aside for the scheme, applications will be assessed in accordance with the prioritisation criteria outlined in the circular accompanying the scheme. Details are available on my Department's website *www.education.ie*. As the closing date for receipt of applications is 10 December next, it is not possible to provide the information sought by the Deputy. My Department expects to be in a position to notify successful applicants towards the end of February or early March 2014.

Deputy Thomas P. Broughan: The Minister's last comments answered some of the key points about the payment. Even small works require technical expertise and, as I understand it, consultants' fees cannot be recouped, or could not be recouped previously under the scheme. Is that still the case?

To follow up on comments made by Deputies in the Technical Group about the figures for schools published today in *The Irish Times*, I note that the highest transfer to third level education is from the 17 fee-paying schools on the south side of Dublin. Can we be certain there will be a fair geographical spread of this funding across the north and west sides of Dublin and the whole country to ensure everybody receives a reasonable share of this allocation?

Deputy Ruairí Quinn: The adjustments that had to be made in my Department, given my Department and the Departments of Social Protection, Justice and Equality, and Health are the four Departments that are the big spenders, and to make the corrections necessary-----

Deputy Thomas P. Broughan: I do not agree they are corrections or adjustments; they are anything but.

Deputy Ruairí Quinn: Reductions, cutbacks - whatever the Deputy wants to call them.

Deputy Thomas P. Broughan: They have left the education system struggling.

Acting Chairman (Deputy Olivia Mitchell): The Deputy should allow the Minister to respond.

Deputy Ruairí Quinn: What I have tried to do has been to protect front-line services as far as possible, which in response to Deputies Daly and Broughan, was-----

Deputy Thomas P. Broughan: It is not an either-or.

Acting Chairman (Deputy Olivia Mitchell): Order, please.

Deputy Thomas P. Broughan: I am sorry, but I do not like hearing these dead mantras from-----

Acting Chairman (Deputy Olivia Mitchell): The Deputy is taking up the Minister's time.

Deputy Ruairí Quinn: Fee-paying schools have had their pupil-teacher ratio significantly disimproved relative to what it was for the past 20 years. The burden of carrying the adjustment, correction or bailout - whatever the Deputy wants to call it - is, at the end of the day, putting a hand into somebody's pocket to take money out when they can least afford it, in order to regain our economic sovereignty. We have not fully recovered that yet but we are in a better place, as indicated by today's unemployment figures and other figures. Given a growing national population in the education space, we have tried to protect the delivery of front-line services and we will continue to do so.

Deputy Charlie McConalogue: I too welcome the fact there will be a minor works grant and a summer works scheme this year. The fact the Minister discontinued it last year left a lot of schools in a very difficult situation. The CPSMA, which is the management body for 90% of primary schools, indicated that half of our primary schools are in debt. Fund-raising events are taking place left, right and centre in every parish in the country, whereby families who are the most hard-pressed section of society, and who are trying to put their children through school, are being asked to cough up to make up the deficit. Will the Minister give a commitment that the funding will be here to stay next year and that he will not discontinue it again after this once-off funding which he has indicated he is allocating?

Deputy Ruairí Quinn: Given we are still in the calendar year for this budget and the next budget is going to kick in later, I am not in a position to make that commitment. I can tell the Deputy the indicators would suggest that any adjustments in the education budget, downwards or otherwise, will probably be less next year than they were this year. However, we will have to wait and see because there are a whole lot of variables that play into that.

The great thing about the parental and community engagement in Irish education, relative to other countries, can be seen in regard to even a small grant. I was in two schools in Cork on Friday where a mainstream grant had been made available rather than a minor works grant or small schools grant. In one case, this allowed for a building extension replacing five prefabs, and the parents were so happy to see this happening that the money leveraged a total sum of which 25% came from the parents and 75% came from the taxpayer. That is because of the relationship in this country between parental and community groups and the local school. This money can, on occasion, work to get children out of prefabs, which were a scandal. We should never have had young people in prefabs for the length of time they were in them. At the height of the Celtic tiger, 20% of all primary school children were in prefabs, which are now surrounded by ghost estates.

School Patronage

100. **Deputy Catherine Murphy** asked the Minister for Education and Skills if he intends to change the status of a school (details supplied) from that of a multid denominational school to that of a Catholic ethos; if his attention has been drawn to the fact that the school is not regarded as a denominational school; if his further attention has been drawn to the fact that the school is seen an inclusive school that welcomes all needs, all creeds and none; if his attention has been drawn to the fact that there are no church representatives on the board of management; the role the board of management and the VEC play in changing the ethos of an existing school; in the event that the school is now designated a Catholic school, the knock-on effect this will have on enrolment policy in terms of priority given to children of a particular faith; and if he will make a statement on the matter. [50300/13]

Deputy Catherine Murphy: Maynooth post-primary school currently has 1,300 pupils. It is a very successful school educationally from the point of view of inclusiveness and it is a unifying force within the town. The decision was made recently that its footprint was too small and it is to move to a new educational campus. The decision was made to create a second school - a community college - but also to change the ethos of the post-primary school from that of a multid denominational school to that of a Catholic school. Who has the power to make that decision? Is it the Department, the board of management, the VEC, the parents or a combination of these?

Deputy Ruairí Quinn: The school to which the Deputy refers is a non-designated community college under the patronage of the local education and training board, as the VECs are now known. Non-designated community colleges have a multid denominational ethos and cater for pupils of all faiths and belief systems.

The Department is not in receipt of any application from the patron to change either the patronage or the ethos of this school. I understand that while the school historically had the services of a Catholic chaplain provided by the Archdiocese of Dublin, this has not been the case in recent years. I also understand that the faith background of pupils will not be a factor in any way under the enrolment policies being developed for this school and the new post-primary school being commenced in the area in question.

Deputy Catherine Murphy: I spoke to the CEO of the VEC in respect of this because a number of parents contacted me who were concerned about what they understood to be a re-designation of the school as Catholic with the new school being a multid denominational school with an intake from a variety of different sources, some of them outlying schools. The only conclusion I could draw from the conversations I had was that there had been a re-designation. The Minister is clearly telling me that this is not the case and that the school will continue to be a multid denominational and inclusive school and that the new school that will stand side by side with it will have pretty much the same ethos. Is this what I am to understand from the Minister's reply? If the ethos is to be changed, who has the power to do this because, obviously, the nature of the school would fundamentally change if it were to cease being a multid denominational school?

Deputy Ruairí Quinn: The current system pertains to where the Department identifies the need to replace an existing school or build a new school. If the existing patron of an existing school applies for and is granted moneys for the building of a new school, the patronage will stay as it was previously. Where a new school is to be provided because of the growing population, the Department identifies the necessity in absolute terms as to the provision of space. It

then invites patron bodies to express an interest in running that school. My role in respect of the new schools establishment group is to ensure the existence of two things: a diversity of choice in respect of the patronage and ethos and manifestation of parental preference. If there are existing schools and if parental choice for a new school of a different patronage is manifested by the patron group, and there are rules and concerns about how that should function, that is only way in which it can be decided. A school cannot unilaterally change its ethos or patronage without getting clearance from the Department of Education and Skills.

Deputy Emmet Stagg: I thank the Minister for providing two new 1,000 pupil schools in Maynooth. Is he aware that the agreement reached between the parents in Maynooth and the Minister concerning the common enrolment policy has, in effect, been set aside by the VEC which has produced two separate enrolment policies? Is he aware of the disappointment and anger felt by parents regarding this decision? Will he intervene to ensure his decision stands in both the letter and spirit of that agreement between the Minister and the parents?

Deputy Ruairí Quinn: I am not aware either officially or informally of such a change. It has been brought to my attention in this House by both Deputies from the constituency. I will make my inquiries. The arrangement that was made in response to a local expression of community interest was the best that could be made that met the desires of the maximum number of people. If both Deputies are telling me that this has been unilaterally changed and that they have received complaints to that effect, I will make inquiries.

School Enrolments

101. **Deputy Clare Daly** asked the Minister for Education and Skills his views on whether it is appropriate for schools to request payment of a registration fee every year; and the measures he proposes to deal with this situation. [50116/13]

127. **Deputy Thomas P. Broughan** asked the Minister for Education and Skills the changes that will be made by his Department through legislation and guidelines to admissions policies in primary and post-primary schools here. [50102/13]

Deputy Clare Daly: I am aware the Minister is bringing in a new enrolment policy to synchronise things across the system. This question relates to where parents are asked to pay money upon registering their children, not necessarily in terms of enrolling them but for subsequent years. Does the Minister have any plans to deal with that?

Deputy Ruairí Quinn: I propose to take Questions Nos. 101 and 127 together.

Recognised schools in the free education scheme have teaching resources and other funding allocated to them on a different basis from those schools that charge fees. Continued eligibility for such funding arrangements are contingent on a school not requiring mandatory fees or payments from existing pupils or from those seeking admission to the school. Therefore, it is inappropriate and contrary to my Department's requirements that a recognised school, other than a recognised fee-charging school, would require payment of a yearly registration fee as a condition of continued enrolment in that school. This is an issue that is addressed in the recently published draft legislation before the Oireachtas Committee on Education and Social Protection which will regulate these matters in a manner that has not been the case. This framework also seeks to improve the admissions process and ensure the way schools decide on applications is

structured, fair and transparent.

Deputy Clare Daly: I thank the Minister for his response. The statement was very strong. It is the case that a number of schools are operating quite a skilful approach in a letter which appears to state that parents must register sons and daughters by a certain date and that there is a fee attached in a way that essentially blackmails or compels them to pay the money or where they feel compelled to pay the money. The way the Minister clarified it here can be of benefit to those parents who do not want to go along with that type of approach in these austere times.

Deputy Ruairí Quinn: Schools are entitled to a voluntary contribution and many parents are happy to pay it if they are in a position to do so. Of the 730 post-primary schools, only 55 are fee charging. There are no proposals to increase this number. In fact, inquiries are being made by some fee-charging schools as to whether they will enter the free education scheme. Under no circumstances can a school in the mainstream, non-fee-charging sector where it receives money from the Department - taxpayers' money, not the Department's money - charge compulsory contributions or fees of whatever kind.

Leaders' Questions

Deputy Micheál Martin: The cull of discretionary medical cards continues unabated. This involves taking cards from very sick and terminally ill people. Such people are still being asked to document and prove they have incurable conditions. Many of these cases are well known to the health authorities. Letters continue to issue in pursuit of a policy change this Government has decided upon, which is essentially to get rid of discretionary medical cards. It continues, as revealed in today's edition of the *Irish Mirror* where a terrible headline reads "Prove you're dying". It relates to a very high-profile case known to everyone in this House and the entire country. It is the case of Marie Fleming who is pursuing legislation for assisted suicide. Her condition is well known. She is terminally ill, yet she did not get her medical card automatically renewed. She was asked to provide documentary evidence to prove her condition is incurable. Her partner, Tom Curran, has spoken about the indignity of that.

It illustrates what thousands of families comprising many people with significant medical conditions are experiencing because of a fundamental change in policy in respect of discretionary medical cards. These are people who had cards for many years because of their conditions. Last week, I raised the cases of Katie Connolly, a child with Down's syndrome, and Ronan Woodhouse. I also raised the case of a 11 and a half year old child with a very rare syndrome. Thousands more are anxious and fearful of what the health service plan has in store for people with medical cards.

Will the Taoiseach once and for all accept there has been a change of policy in respect of discretionary medical cards? The revelation in today's *Irish Mirror* pertaining to Marie Fleming is a further illustration of that reality. The Taoiseach spoke last week about the information flowing around as an unreality, but the reality is there for Marie Fleming, Katie Connolly and Ronan Woodhouse.

Deputy Mattie McGrath: And thousands of others.

Deputy Micheál Martin: I am asking the Taoiseach to change the policy.

The Taoiseach: I do not have the details of the case that is so high profile-----

Deputy John Halligan: The country knows them.

(Interruptions).

An Ceann Comhairle: Deputies, please.

Deputy Finian McGrath: It is about a renewal.

The Taoiseach: -----but let me say this. I am not sure-----

Deputy Finian McGrath: We have been listening to this for the past two months.

An Ceann Comhairle: Settle down.

The Taoiseach: Can I reply to Deputy-----

Deputy John Halligan: She is critically ill. Everybody knows that.

Deputy Mattie McGrath: I have it on my laptop here.

An Ceann Comhairle: Be quiet, please.

The Taoiseach: -----Martin's question, please?

Deputy John Halligan: This is outrageous.

An Ceann Comhairle: Will the Deputy stay quiet, please?

Deputy John Halligan: It is inhuman.

An Ceann Comhairle: Would you mind staying quiet? This is Deputy Martin's question, not yours.

The Taoiseach: Deputy Martin asked a legitimate question-----

An Ceann Comhairle: Yes, exactly.

Deputy John Halligan: The Taoiseach knows the details.

The Taoiseach: -----about a sensitive issue. May I reply to it?

An Ceann Comhairle: Please, allow for a reply.

Deputy John Halligan: He knows the details of the case.

The Taoiseach: Deputy Martin's question is about a change of policy in so far as discretionary medical cards are concerned. My understanding is that, in this particular case, this is not a discretionary medical card. This is a medical card on entitlement, both on income grounds and on medical grounds. It is a case of renewal of an ordinary medical card. Deputy Martin is well aware that, in the case of-----

Deputy Timmy Dooley: The Taoiseach does know the case.

The Taoiseach: -----a no change policy here, people start off not being entitled to a medi-

cal card, an application is lodged and people are entitled to a medical card either on income grounds or medical grounds. Depending on the nature of those circumstances, a discretion is applied. Twenty thousand medical cards have been issued on discretionary grounds this year.

My understanding, and I do not know whether Deputy Martin can confirm this, is that this is a normal full medical card granted on eligibility grounds both on income and on medical grounds, and it is a normal renewal of a medical card. If I listened correctly to Marie's partner saying that he was not objecting to the renewal process, the fact is that it appears as if there was contact on a number of occasions from the HSE about verification of the woman's medical position.

Deputy John Halligan: The HSE knows it. That is outrageous. She is critically ill.

The Taoiseach: Deputy Martin knows and I know-----

Deputy Timmy Dooley: Was it not granted based on means?

The Taoiseach: -----that a person-----

Deputy Sandra McLellan: She is terminally ill.

The Taoiseach: Listen, please.

Deputy John Halligan: The woman is dying. This is outrageous.

The Taoiseach: This is an issue-----

An Ceann Comhairle: Will the Deputies please allow the reply without interruption?

Deputy John Halligan: That is not correct. My office is dealing with it.

The Taoiseach: This is an issue-----

Deputy John Halligan: That is not correct. The HSE knows about it. It is asking for the woman's details. She is critically ill. It is outrageous.

An Ceann Comhairle: Deputy, please.

Deputy John Halligan: It is outrageous.

An Ceann Comhairle: Please, through the Chair.

Deputy John Halligan: I am dealing with the issue and I know about it.

An Ceann Comhairle: Through the Chair.

Deputy John Halligan: This is the situation as it stands.

The Taoiseach: This is an issue that concerns a terminally ill person. As I understand it, the circumstances are that this is a normal, full medical card for renewal. A person does not become interminally ill once this is verified. There are significant numbers of people who are terminally ill. That position does not reverse itself. I accept that, in the process of centralising the processing of all medical cards in the country, there has to be a lesson learned in this case-----

Deputy Mattie McGrath: Irish Water here we come.

The Taoiseach: -----that when a person is terminally ill and has a full medical card that is not withdrawn - it was not withdrawn in this case - it is about having an effective, simple way of saying we understand this position, the medical condition of the person has not changed, and so the card continues. As I said genuinely, I do not have all the details of this, but my understanding is that it is an ordinary renewal process for a full medical card-----

Deputy Timmy Dooley: The Taoiseach is well briefed on some of the details.

Deputy Mattie McGrath: He has only half the information.

The Taoiseach: -----as distinct from a discretionary card. There is a lesson to be learned in there by the HSE in the sense that here is a terminally ill person. That, unfortunately, is not going to change. Therefore, there has to be an effective and compassionate and understanding process for the continuation of the card.

Deputy Mattie McGrath: There is no compassion.

The Taoiseach: That is something that, unfortunately, this case points out where a change must occur in the process of renewal in order that people do not have to deal with verification of an illness that is terminal.

Deputy Micheál Martin: The case of Marie Fleming is known to everybody. Deputy Haligan is correct in that, above all, it is known to the health authorities, who are acutely aware of her condition. Why should somebody who is ordinarily entitled on income grounds to a medical card have to provide documentary evidence about medical conditions?

Deputy Mattie McGrath: Hear, hear.

Deputy Micheál Martin: The person concerned was asked to provide documentary evidence about an incurable condition. The HSE had it all anyway. The real problem is that the 2013 service plan provided for the elimination of approximately 40,000 medical cards. This is what is happening. Does the Taoiseach not get it? This is why thousands of letters are going out-----

Deputy Mattie McGrath: He knows it.

Deputy Micheál Martin: -----to children with multiple conditions. I raised the case of the 11 and a half year old child last week. That child has asthma, is non-verbal and legally blind and has a profound mental disability and a very rare syndrome. The card was taken from that child.

The Minister of State, Deputy White, confirmed in a written reply to a parliamentary question that 10,000 discretionary medical cards were taken out of the system last year. This has never happened before.

An Ceann Comhairle: A question, please.

Deputy Micheál Martin: It is happening because the Taoiseach endorsed the HSE service plan last year which has allowed the HSE to use income eligibility guidelines to review every one of those cards. This comes from the Comptroller and Auditor General's report and the review. The basic rule of thumb is that anyone with a card who is above income guidelines gets a letter to the effect that if they can prove it, the person can get the card back. This is what is

happening. This is the change in policy.

Deputy Mattie McGrath: Full stop.

Deputy Micheál Martin: The Taoiseach keeps saying there has been no change. He knows that children who avail of the services of the Jack and Jill Children's Foundation are, in many instances-----

An Ceann Comhairle: Thank you, Deputy.

Deputy Micheál Martin: -----living in life-limiting and difficult conditions. Their parents are aghast and flabbergasted at the response of the Taoiseach and the Minister to the reality of their experience in trying to keep their medical cards. Children with the sickest and toughest of conditions are having their cards taken from them. Please, accept the bona fides of what I am saying.

An Ceann Comhairle: Thank you.

Deputy Micheál Martin: There needs to be a change of policy. These kinds of situations should not be happening. We can change it. Will the Taoiseach accept that what is happening is wrong and change it?

The Taoiseach: The Deputy started off with the first part of his question by asking about discretionary medical cards. He named a particularly high-profile case of a woman who is terminally ill.

Deputy Mattie McGrath: We all heard about it on the radio.

The Taoiseach: My understanding is that that is not a discretionary medical card. It is a full medical card granted on full eligibility.

Deputy Mattie McGrath: Which makes it worse.

The Taoiseach: The process is about the normal renewal of that medical card.

Deputy Mattie McGrath: Why take it off the person if that is the case?

The Taoiseach: In the case of somebody who is terminally ill, where there is an application for a discretionary card, the system is that an emergency card is issued for six months and then renewed and verified after that, but that is in the case of a discretionary card for a person who is terminally ill. As I understand this, there is no income coming into the household except a disability allowance-----

Deputy John Halligan: Why should the Taoiseach refer to a normal renewal for a person who is terminally ill?

The Taoiseach: -----and a carer's allowance, which qualify Marie-----

Deputy Micheál Martin: It should be automatic.

Deputy John Halligan: That is outrageous. It is inhuman.

The Taoiseach: No. These qualify Marie Fleming for a full medical card.

Deputy John Halligan: To even go down that road is to be inhuman.

An Ceann Comhairle: Deputy, please.

The Taoiseach: As I understand it, the conversation was about the process-----

Deputy John Halligan: It is inhuman the way the woman is being treated. She is terminally ill.

An Ceann Comhairle: We cannot hear the reply.

Deputy John Halligan: We are not getting any reply.

The Taoiseach: -----of the normal renewal of that medical card. There has been no change in the eligibility limits for medical cards.

Deputy Mattie McGrath: Come off it. Who is the Taoiseach coddling?

Deputy John Halligan: There has been.

The Taoiseach: I am talking about a woman who is terminally ill.

Deputy Micheál Martin: The Minister of State, Deputy White, confirmed that 10,000 cards had been taken out.

Deputy Mattie McGrath: We know what happened.

The Taoiseach: If Deputy Mattie McGrath chooses to make smart comments-----

Deputy Mattie McGrath: I have the details here. Does the Taoiseach want to see them?

The Taoiseach: -----about that, that is fair enough.

Deputy Paul Kehoe: Hear, hear.

Deputy Mattie McGrath: I have them here. The Taoiseach does not have a clue. He has them as well.

Deputy John Halligan: She has been asked to submit a medical report again even though the HSE already has it. This is terrible liaising.

The Taoiseach: Deputy Martin asked me a legitimate question.

An Ceann Comhairle: Our time has concluded.

The Taoiseach: What I can say to him is that-----

Deputy Micheál Martin: The Minister of State, Deputy White, said 10,000 last year.

The Taoiseach: -----when he says thousands of cards have been withdrawn-----

Deputy Mattie McGrath: They have been.

The Taoiseach: -----100,000 new medical cards issued this year-----

Deputy Micheál Martin: The Minister of State, Deputy White, said it. It is on the record.

Deputy Mattie McGrath: Disgraceful.

The Taoiseach: -----and there were 20,000 discretionary cards. We have to have a conversation about this. I am saying to Deputy Martin that, in the process of renewal in a case of a person who is terminally ill, there is a lesson to be learned by the HSE. A person who is deemed and verified to be terminally ill-----

Deputy Sean Fleming: That is what we are telling the Taoiseach. We have been telling him it for a while.

Deputy Timmy Dooley: The Government abolished the governance of the HSE and took control of it.

The Taoiseach: -----is not suddenly going to have his or her medical condition changed.

Deputy Timmy Dooley: Stop blaming the HSE.

Deputy Sean Fleming: Help the Minister, Deputy Reilly.

The Taoiseach: There needs to be compassion and an effective understanding of how that card is to be renewed if it is a full medical card. In the case of a discretionary card, clearly, that is where discretion kicks in, but this is not that case as I understand it. I do not know whether Deputy Martin has better information than I have, but my understanding is that Ms Fleming-----

Deputy Micheál Martin: The card was not renewed.

The Taoiseach: -----is entitled to a full medical card and what is involved is the process. I do not blame her partner for being annoyed if it is a case that there were calls from the HSE about verification of the illness. Once it is verified that a person has a terminal illness, whatever that illness is, we have to have an understanding how to put in place an effective renewal process which takes that pressure off the person.

Deputy Gerry Adams: Ar dtús, ba mhaith liom comhbhrón a dhéanamh le teaghlach an tAthair Alex Reid, go háirithe a dheirfiúracha Maura agus Margaret, a Aintín Ita, agus na Redemptorists. Fear iontach cróga ab ea an tAthair Reid agus gan an obair chrua a rinne sé, ní bheadh síocháin againn inniu.

Tuigim go bhfuil plean an HSE ag an Aire Sláinte i láthair na huaire. Is plean é seo faoina bhfuil daoine ar fud an Stáit an-bhuartha. An réasún go bhfuil daoine an-bhuartha is that the quality or state of any health service is a good indicator of how society treats the sick, including children, the elderly and citizens with disabilities. This is particularly so in a State which describes itself as a republic. Yesterday, the Health Service Executive delivered its 2014 national service plan to the Minister for Health, Deputy Reilly. It includes almost €700 million in cuts and there is speculation that the figure could be closer to €1 billion. Austerity rules. There is widespread concern about the effect this will have. Clearly, this is the worst small country in the western world in which to be sick. We were told at the weekend that in the period 2006-11, patients with breast, bowel and cervical cancer fared worse here than in the vast majority of industrialised states.

As the Taoiseach knows, last Friday the HSE confirmed that 24 health agencies - including some hospitals - are paying top-ups to their managers. In a republic, or indeed in any decent society, citizens have a right to a first-class health service on the basis of need. How the Tao-

iseach deals with this matter will be a mark of his Government's tenure. He clearly has no faith in the Minister for Health. The Department of the Taoiseach has assumed responsibility for health spending, along with the Department of Public Expenditure and Reform. Therefore, the Taoiseach will not be able to blame the Minister, Deputy Reilly, when his Government takes up to €1 billion out of the people's health service.

Can the Taoiseach confirm the scale of cuts contained in the health service plan? Can he tell us when the Government intends to publish this plan?

The Taoiseach: Aontaím leis an Teachta maidir lena ndúirt sé faoin Athair Reid. Chas mé leis cúpla uair agus tá a fhios agam go ndearna sé obair dhian iontach i leith phróiseas na síochána, ní hamháin sa Tuaisceart, ach i dtír na mBascach sa Spáinn freisin. Níor chas mé go pearsanta leis ach cúpla uair, ach bhí díospóireacht agam leis. Go ndéanfaidh Dia trócaire ar a anam dílis.

The Health Service Executive has an obligation to produce its health service plan for acceptance and approval by the Minister for Health, based on the budgetary allocation to the Department of Health and the ancillary services. The plan was delivered by the Health Service Executive to the Minister yesterday, as is the HSE's obligation, with accompanying correspondence. The Minister for Health now has three weeks to reflect upon and consider that plan and give his comments on acceptance or amendment of the plan, as the case might be. That work is already under way, so I do not want to comment any further on it except to confirm that it has been delivered. I can also confirm that the Minister and his officials are now working on the presentation of the plan to see whether it is acceptable to him or whether he considers that it should be amended in one fashion or another.

Deputy Gerry Adams: The Taoiseach says the plan has been prepared and given to the Minister for Health, which is right. However, the Taoiseach avoided commenting on the new situation whereby his Department and the Department of Public Expenditure and Reform, along with the Minister for Health, have assumed responsibility for health spending. On top of all the other cuts we worry about, the Taoiseach has targeted €113 million of cuts to medical cards in 2014. That will result in thousands losing medical cards.

Kate McShane is a two year old with Down's syndrome, requiring heart surgery and long-term GP and hospital care. She has been denied a full medical card. When I brought this matter to the Taoiseach's attention he invited me to send details of this case and others to him, which I did. I did not get a reply from the Taoiseach but got one from the HSE. Most of the people were denied medical cards and only one had the decision reversed.

An Ceann Comhairle: A question, please.

Deputy Gerry Adams: Kate McShane was denied her medical card. This is Kate. Amharc ar seo.

An Ceann Comhairle: I am sorry Deputy but that is not authorised in the Chamber.

Deputy Gerry Adams: She is less than two years old.

An Ceann Comhairle: The Deputy cannot display photographs in the Chamber.

Deputy Gerry Adams: She is a child but she is paying the penalty for the Taoiseach's austerity policies.

An Ceann Comhairle: Can the Deputy put a question, please?

Deputy Gerry Adams: Can the Taoiseach tell us how he expects the health service to survive with cuts of up to €1 billion in 2014, on top of all the other cuts taken out of health by him and those who preceded him in government?

The Taoiseach: There is a process to be followed here. The process is that the Government decides on the budget and puts it through the Oireachtas. The HSE responds to the Minister for Health in respect of providing a health service plan to implement the effective running of health services based on the figures given to the Department in the budget. The Minister for Health has three weeks to reflect upon and consider that plan and give his approval for it.

Deputy Gerry Adams: What about Kate?

The Taoiseach: As I have already pointed out to the Deputy, the Department of the Taoiseach, the Department of Public Expenditure and Reform, and the Department of Health are currently examining the plan. The Minister for Health has a statutory requirement to respond to the plan and he will do so. The Minister's job is either to approve the plan or approve it subject to amendments. That process is already under way.

If Deputy Adams wants to present the face of a young child in the House, I cannot stop him.

An Ceann Comhairle: It is contrary to Standing Orders.

The Taoiseach: If the Deputy wants to ensure that I get something myself, he should give it to me before I leave the Chamber. I will be happy to respond.

Deputy Gerry Adams: I have already done so. I sent it to you, Taoiseach.

The Taoiseach: A veritable river of material comes into the Department of the Taoiseach every week. I cannot, and do not, see every single item. Therefore, if the Deputy wants to give me something again, he should make sure that I get it myself personally.

Deputy Stephen S. Donnelly: This evening, Dáil Éireann will debate a motion asking the Government to lobby the ECB and the European Commission to destroy the promissory note bonds of €28 billion. The Taoiseach does not normally speak on Private Members' business, so I wanted to take this opportunity to gather his thoughts. In February, the €28 billion IOU from the Irish people to Anglo Irish Bank was converted into a €28 billion IOU from the Irish people to the Central Bank of Ireland. This reduced the borrowing costs, which is to be welcomed, but we should be absolutely clear that the Irish people still owe that €28 billion.

We raised this directly with the troika recently and asked what would happen if the Irish State simply refused to pay the Central Bank of Ireland this money. The troika said it was against the rules of monetary financing, which it is. That is reasonable because in normal circumstances central banks cannot print money and hand it to governments for free. As the Taoiseach well knows, however, these are not normal circumstances. That is because the ECB, at best, facilitated and, in my opinion, coerced both this Government and the previous one into paying tens of billions of euro in public money to the creditors of private banks. Essentially, this €28 billion is a debt incurred by the Irish people to ensure that private creditors of former Anglo Irish Bank and Irish Nationwide Building Society do not have to incur any losses as a result of their bad investment decisions.

The ECB had no problem changing the rules when it came to protecting the banks. In socialising private sector losses the ECB essentially tore up the rule book on Europe's market-based economy. When it comes to a workable solution to removing those losses from the shoulders of the people, the ECB hides behind that rule book.

An Ceann Comhairle: A question, please.

Deputy Stephen S. Donnelly: The Private Members' motion before the House this evening calls on the Government to lobby the ECB and European Commission for a one-off change, an exemption, to the rules of monetary financing to allow for the Central Bank of Ireland to tear up those bonds.

I have listened during the past three years to the Government's stated position. I still do not know whether it is paying the money because it thinks it is the least bad option available to it or because it believes these are debts properly incurred by the Irish State and due. Does the Taoiseach believe that the Irish people should pay the €28 billion which was loaned to ensure that creditors of Anglo Irish Bank and Irish Nationwide Building Society did not have to incur any losses on their investments?

The Taoiseach: We always live up to our obligations. Week after week for a long time Members raised in this House the issue of the promissory note and the requirement to pay €3.1 billion per annum for ten years to Anglo Irish Bank. The Government in its negotiations through the Department of Finance and the Central Bank with the European Central Bank arrived at a position whereby this has been moved out to 2038. We do not now hear any comment about the €3.1 billion that was required to be borrowed and paid each year in respect of Anglo Irish Bank. The court handed down its 68-page judgment in this regard today, which is in favour of the State.

Acceptance by the ECB of Ireland's position has improved our position and has allowed for further assistance in respect of the reduction of the interest rates and the extension of the loan term. I am sure the Deputy is aware of the independently verified figures from the Central Statistics Office today which indicate that 58,000 jobs have been created in the past 12 months and that the unemployment rate has decreased to below 13%, which is significant and is a sign of confidence in different sectors of the economy. It is hoped this can be improved upon in 2014.

The Government will be opposing the Private Members' motion this evening. We propose to continue to grow our economy and to provide opportunities and jobs for the people. The Deputy knows as well as I that at the end of the day what the Irish people need are opportunities for employment. The Government will continue to meet its obligations in this regard.

The decision of 29 June last year in respect of the ESM stands. It is a matter that will be negotiated through banking union, supervision, the capital requirements directive and as part of the wider agenda.

Deputy Stephen S. Donnelly: For clarity, we have not avoided borrowing €3 billion per annum for the next ten years. What we did was borrow €28 billion this year. It just so happens that we borrowed the €28 billion this year at a lower interest rate than that at which we borrowed the €3 billion in previous years. Hence, the lower cost of funding. Let us be under no illusion, we issued a bond to the Central Bank of Ireland. This means we borrowed the money this year.

There appears to be a conspiracy of silence around the promissory note bonds. I asked the Minister for Finance, Deputy Noonan, to identify the bondholders or to take steps to identify them and he refused to do that. I also asked him to present to the House an estimate in respect of the savings for the promissory note bond restructure. His response was that that was too complicated to do. I recently asked him for an amount per bank that was already guaranteed on the night of the bank guarantee under the €100,000 guarantee and was told that information is commercially sensitive. The Irish parliament is not allowed to know how much money was guaranteed on the night of the bank guarantee. With respect, the Taoiseach has completely avoided the question.

Regardless of whether it can be achieved, we are asking that the Government requests an exemption so that the bonds can be destroyed. Before this can be done, it is important Members of Dáil Éireann know whether the Taoiseach believes that the Irish people, regardless of whether they end up paying the money, should have to pay that money to cover the bad investments for Anglo Irish Bank and Irish Nationwide Building Society.

Deputy Finian McGrath: Hear, hear.

The Taoiseach: Lest the Deputy thinks the previous Government would have done things differently a number of years ago had it had the opportunity to do so, that is not the case. Given the circumstances with which we were faced, the Government, including the Ministers for Finance and Public Expenditure and Reform and the Central Bank, put a cogent case to the European Central Bank in respect of the decision made, which was announced in the House some time ago. I am sure the borrowing requirements would have been produced with the accounts when the promissory note was first put forward by the late Brian Lenihan.

Discussion on the Finance Bill is currently under way. The Minister for Finance will be in the House tonight to deal with the Private Members' motion and to respond to any detailed questions which members may have in that regard.

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 Patrick Nulty - the need to restore the Christmas bonus for carers, pensioners and those on long-term social welfare payments;

(2) Deputy Patrick O'Donovan - the need to have proper country of origin labelling;

(3) Deputy Seán Conlan - the lack of domestic violence refuges in Cavan-Monaghan; (4) Deputy Michelle Mulherin - the need to make adequate provision for nursing staff in special needs schools;

(5) Deputy Terence Flanagan - the need to end the derogation for the Irish language;

(6) Deputy Derek Keating - the need to address the issues concerning temporary release of prisoners;

(7) Deputy Finian McGrath - the issue of collusion and the deaths of people North and South of the Border;

(8) Deputy Robert Dowds - the need to curb sales of illegal tobacco products;

(9) Deputy Denis Naughten - the need to investigate the sale and reuse of Health Service Executive braces by a dentist employed in the Galway orthodontic department;

(10) Deputies Noel Harrington and John Deasy - the need to ensure that all marine vessels have a fully working EPIRB unit; (11) Deputy Michael Healy-Rae - the issue of people using the Internet anonymously;

(12) Deputy Jim Daly - the lack of new routes announced for Cork Airport despite the recent abolition of the airline travel tax;

(13) Deputy Mary Lou McDonald - the potential industrial action at Aer Lingus;

(14) Deputy Ciara Conway - the need to fill vacancies in the speech and language therapy services to the rehabilitation centre at St. Patrick's Hospital and Community Care in Waterford city;

(15) Deputy Clare Daly - the impending industrial action at the ESB over the pension fund; (16) Deputy Eamonn Maloney - the results of the reports into third level feeder schools;

(17) Deputy David Stanton - the need to open the dedicated stroke unit in Cork University Hospital;

(18) Deputy Seán Kyne - the need to ensure adequate fire service provision for the south Connemara area;

(19) Deputy Dan Neville - the establishment of a rehabilitation adult mental health service;

(20) Deputy Robert Troy - public procurement of child care training modules; and

(21) Deputy Mick Wallace - the need to make provision for increases in specialist maternity staff.

The matters raised by Deputies Noel Harrington and John Deasy; Eamon Maloney; Robert Troy and Mick Wallace have been selected for discussion.

Ceisteanna - Questions (Resumed)

Government-Church Dialogue

1. **Deputy Gerry Adams** asked the Taoiseach the contact he had with other EU leaders over the summer recess. [39079/13]

2. **Deputy Micheál Martin** asked the Taoiseach if he has had discussions with Chancellor Angela Merkel recently; and if he will make a statement on the matter. [39086/13]

3. **Deputy Joe Higgins** asked the Taoiseach if he will report on the meetings he had with other Heads of State since the adjournment of Dáil Éireann in July. [39139/13]

4. **Deputy Joe Higgins** asked the Taoiseach if he will report on meetings he had with other European leaders since the adjournment of Dáil Éireann in July. [39140/13]

5. **Deputy Micheál Martin** asked the Taoiseach if he has written to Chancellor Angela Merkel since her re-election; and if he will make a statement on the matter. [40517/13]

6. **Deputy Gerry Adams** asked the Taoiseach if he has been in contact with Chancellor Angela Merkel since her re-election as German Chancellor. [40733/13]

7. **Deputy Gerry Adams** asked the Taoiseach if he has any plans to meet with the German Chancellor, Angela Merkel. [40734/13]

8. **Deputy Richard Boyd Barrett** asked the Taoiseach if he will report on his most recent discussion with Chancellor Angela Merkel; and if he will make a statement on the matter. [40916/13]

9. **Deputy Richard Boyd Barrett** asked the Taoiseach if he will report on meetings he has had with European counterparts since the summer recess; and if he will make a statement on the matter. [40918/13]

10. **Deputy Richard Boyd Barrett** asked the Taoiseach if he raised the issue of Ireland's unemployment rate at the October meeting of the European Council; and if he will make a statement on the matter. [40922/13]

11. **Deputy Micheál Martin** asked the Taoiseach if he has spoken to Prime Minister Samaras recently; and if he will make a statement on the matter. [41823/13]

12. **Deputy Micheál Martin** asked the Taoiseach if he has spoken to Prime Minister Rajoy recently; and if he will make a statement on the matter. [41824/13]

13. **Deputy Micheál Martin** asked the Taoiseach if he has spoken to President Hollande recently; and if he will make a statement on the matter. [41825/13]

14. **Deputy Micheál Martin** asked the Taoiseach the issues he will place on the agenda at the next EU leaders' meeting; and if he will make a statement on the matter. [44409/13]

15. **Deputy Micheál Martin** asked the Taoiseach if he has spoken to Chancellor Angela Merkel since the general election in Germany; and if he will make a statement on the matter. [44411/13]

16. **Deputy Thomas P. Broughan** asked the Taoiseach the engagements he has had with Chancellor Merkel since the recent general election in Germany. [45728/13]

17. **Deputy Micheál Martin** asked the Taoiseach if he had any bilaterals at the EU Council meeting; and if he will make a statement on the matter. [46203/13]

18. **Deputy Richard Boyd Barrett** asked the Taoiseach the issues he raised with our European partners at the European Council meeting on 24-25 October; and if he will make a statement on the matter. [47668/13]

19. **Deputy Richard Boyd Barrett** asked the Taoiseach if he had discussions regarding Ireland's exit from the troika programme at the European Council meeting on 24-25 October; and if he will make a statement on the matter. [47669/13]

20. **Deputy Richard Boyd Barrett** asked the Taoiseach if he had discussions regarding Ireland's debt situation at the European Council meeting on 24-25 October; and if he will make a statement on the matter. [47670/13]

21. **Deputy Gerry Adams** asked the Taoiseach if he spoke with British Prime Minister David Cameron at the recent European Council meeting in Brussels. [47674/13]

22. **Deputy Gerry Adams** asked the Taoiseach the meetings he held with other European leaders on the margins of the recent European Council meeting; and if he will make a statement on the matter. [47680/13]

23. **Deputy Gerry Adams** asked the Taoiseach if he spoke to Chancellor Angela Merkel at the recent European Council meeting; and if he will make a statement on the matter. [47681/13]

24. **Deputy Gerry Adams** asked the Taoiseach the discussions he had at the recent European Council meeting on the issue of alleged bugging by the United States' National Security Agency of Chancellor Angela Merkel's telephone and of other surveillance carried out in France and Italy. [47682/13]

25. **Deputy Gerry Adams** asked the Taoiseach if he raised the issue of youth unemployment at the recent European Council meeting; and if he will make a statement on the matter. [47687/13]

26. **Deputy Gerry Adams** asked the Taoiseach the discussions he had at the recent European Council meeting on Ireland's exit from the EU-IMF bailout programme; and if he will make a statement on the matter. [47691/13]

27. **Deputy Gerry Adams** asked the Taoiseach the proposals he will seek to place on the agenda for December's European Council summit; and if he will make a statement on the matter. [47692/13]

28. **Deputy Gerry Adams** asked the Taoiseach the proposals in respect of the banking union he will raise at December's European Council summit; and if he will make a statement on the matter. [47693/13]

29. **Deputy Thomas P. Broughan** asked the Taoiseach if he will report on his engagements with other members of the European Council on the issue of the reported monitoring of telephone and electronic communications of citizens and political leaders across a number of countries by intelligence services from other countries. [47729/13]

30. **Deputy Micheál Martin** asked the Taoiseach the topics discussed at his meeting with the Italian Minister Enrico Letta; and if he will make a statement on the matter. [48812/13]

31. **Deputy Micheál Martin** asked the Taoiseach if he had any bilateral meetings while attending the Youth Unemployment Conference in Paris; and if he will make a statement on the matter. [50118/13]

32. **Deputy Micheál Martin** asked the Taoiseach if he will detail his contribution at the

Youth Conference in Paris; and if he will make a statement on the matter. [50120/13]

33. **Deputy Micheál Martin** asked the Taoiseach if he discussed the option of a safety net post the exit from the EU-IMF programme with Chancellor Merkel; and if he will make a statement on the matter. [50148/13]

34. **Deputy Micheál Martin** asked the Taoiseach if he discussed the option of a safety net post the exit from the EU-IMF bailout with Prime Minister Cameron; and if he will make a statement on the matter. [50149/13]

35. **Deputy Micheál Martin** asked the Taoiseach if he discussed the option of a safety net post the exit from the EU-IMF programme with President Hollande when he was in Paris recently; and if he will make a statement on the matter. [50150/13]

36. **Deputy Gerry Adams** asked the Taoiseach if he spoke to Chancellor Angela Merkel at the recent EU meeting in Paris regarding the decision not to seek a post bailout line of credit; and if he will make a statement on the matter. [50214/13]

37. **Deputy Gerry Adams** asked the Taoiseach if he will report on his telephone conversations with Chancellor Angela Merkel, Italian Prime Minister Enrico Letta and Finland's Jyrki Katainen on the decision not to seek a post bailout line of credit; and if he will make a statement on the matter. [50218/13]

38. **Deputy Micheál Martin** asked the Taoiseach if the EU growth figures were discussed at the recent EU leaders' meeting; and if he will make a statement on the matter. [50292/13]

The Taoiseach: I propose to take Questions Nos. 1 to 38, inclusive, together.

I participated at the European Council on 24 and 25 October, the outcome of which I reported in detail to the House on 6 November. I also travelled to Paris on Tuesday, 12 November for the second conference on youth employment in Europe at the invitation of President Hollande. I was accompanied in Paris by the Minister for Social Protection, Deputy Joan Burton. I had informal contacts with a number of colleagues at each of these meetings. Separately, I spoke with Chancellor Merkel on 25 September and sent a letter of congratulations to her on the election result.

The Paris event was organised by President Hollande to maintain political momentum behind address of the youth employment challenge. This included identifying concrete actions towards implementing the youth guarantee agreed by the Irish Presidency in February. It followed a similar event organised by Chancellor Merkel in Berlin in July. My own contribution focused on digital skills and the potential of the digital economy generally, including in light of the October European Council and the recent Dublin web summit. I believe the discussion reflected well the huge priority being accorded to this issue which is affecting member states across Europe.

Following on from my visit to Rome last November, Prime Minister Enrico Letta visited Dublin at my invitation on 7 November last. We agreed that the visit marked the start of a more strategic, structured Irish-Italian engagement on EU issues. We discussed the range of current EU issues, with a particular focus on banking union-EMU and youth unemployment.

Following the Government meeting of Thursday, 14 November, I announced in this House the Government's decision to exit the troika programme. Subsequently, I spoke with a number

of European Council colleagues, including Chancellor Merkel, Italian Prime Minister Letta and Finnish Prime Minister Katainen, to inform them of the decision taken by the Government regarding our exit from the troika programme. In these calls, I explained the decision we had taken and the key reasons behind it, namely, favourable market and sovereign conditions; strong cash reserves, historically low sovereign bond yields; public finances under control, with the Government committed to reducing the deficit to less than 3% in 2015 and putting the debt ratio on a downward path; strengthened governance at European level with the two pack, six pack and the stability treaty, the introduction of the ESM and the major efforts by the ECB to do whatever it takes to safeguard the currency; and improving domestic and international economic conditions and sentiment. I thanked them for their support to Ireland over the past three years and looked forward to further support in the future.

In relation to the October and December European Councils, I made a detailed statement to the House on 6 November in relation to the October European Council and do not propose to repeat it today.

With regard to December's European Council, President Van Rompuy has prepared an annotated draft agenda which builds on the work done in October. The agenda was considered by the General Affairs Council on Tuesday, 19 November and will be considered by it again in December prior to the Council. The meeting is expected to cover economic and monetary union, including banking union; economic and social policy, including SME financing and taxation; common security and defence policy; enlargement; migration; and energy. Of these, banking union is currently the outstanding political priority across the Union. We are committed to following through on the decisions we have already made on banking union, and December's Council will be particularly important in that regard. I will, of course, make a statement to the House in December ahead of the Council meeting, and subsequent to it.

Deputy Mary Lou McDonald: I understand the need for questions to be grouped, but there are 38 in this particular grouping. As such, I hope we will have an opportunity to make several contributions.

The Taoiseach: I will be happy to accommodate Deputies.

Deputy Mary Lou McDonald: Thank you, Taoiseach. Two weeks ago, the Minister for Finance, Deputy Michael Noonan, told the Joint Committee on Finance, Public Expenditure and Reform there would be no discussion at the forthcoming ECOFIN meeting of Ireland's exit from the bailout and that he had not yet finished his round of meetings on the margins of the Eurogroup. Less than 24 hours later, an emergency Cabinet meeting took place followed by statements to the Dáil. What happened between the end of the finance committee meeting at noon on Wednesday, 13 November and the panic of Thursday morning, 14 November? It seems clear that pressure came from somewhere and the Government rushed into a decision. Did the Taoiseach receive a telephone call on the Wednesday afternoon from Chancellor Merkel? Did he have any contact with her on the Wednesday or Thursday? Was the issue of a precautionary line of credit discussed with the Chancellor or any other of the EU leaders with whom he has recently spoken or met?

The Government has proclaimed that exiting the bailout and the decision not to seek a post-bailout credit line is this State's reassertion of its economic sovereignty. That is a nice line but we are all aware that, in reality, it is far from the truth. Is it not a fact that until the loans received from the troika are substantially paid down, we face twice yearly monitoring by the

Commission of our books? Is it not true that the Commission will conduct, in liaison with the European Central Bank, regular review missions to assess our economic, fiscal and financial situation? Media reports have stated clearly that this process could continue for decades. Will the Taoiseach comment on that? In addition, the fiscal treaty, for which he energetically pushed, requires that we continue to be monitored. As of next year, our budget proposals will be the subject of budgetary surveillance by the Commission, with the latter to issue an opinion on budget 2015. There is also the risk of further conditions being applied until we get our structural deficit to 0.5% and our debt-to-GDP ratio to 60%. Unless or until the Taoiseach sorts something out with the European Stability Mechanism in regard to retroactive bank recapitalisation, that ratio will not be achieved any time soon.

It is a fallacy to say we have regained our economic sovereignty because sovereign states do not get twice yearly visits from officials in Europe to ensure they are following orders on economic policy. Our economic sovereignty will not be regained until Irish Governments - with respect, it will not be the Taoiseach's Government - start formulating budgets in alliance with and in the interests of the Irish people and when the approval of the Irish people is the only approval the Government is seeking. The truth is that while the troika may be leaving, the troika mindset remains in this Government. Over the Taoiseach's two and a half years in office, we have seen him slavishly follow the policies of the last Fianna Fáil Government and clutch to the embrace of austerity.

An Ceann Comhairle: Will the Deputy put a question to the Taoiseach?

Deputy Mary Lou McDonald: The Government has damaged and hurt the most vulnerable in Irish society, sometimes at the bidding of its European masters.

Will the Taoiseach set out what happened in respect of the decision regarding the bailout exit? What was the choreography and what conversations took place? Was one of those conversations with Chancellor Merkel in respect of the announcement he made in the Dáil on Thursday, 14 November? Will he explain the difference between the position of the Minister for Finance at noon the previous day and his own position in the Dáil? In addition, will he comment on the further austerity measures and consolidation that will be necessary despite the troika leaving town?

The Taoiseach: For somebody who aspires to the leadership of her party and does not believe at all in Europe, Deputy McDonald makes a long speech about a lot of issues. She asked me what happened in respect of the decision on the bailout exit. The Government made a clear, precise and courageous decision, arising from the sacrifices made by the Irish people in recent years, about the formal closure of the bailout programme in which this country has been involved. That is what happened.

Before the Minister for Finance went to the ECOFIN meeting, where there were some comments about the position of Spain and what it might do, the Government, on behalf of the Irish people, looked at the options, of which there were three. First, we could leave with a precautionary credit line from the EU-IMF; second, we could leave with a precautionary credit line from the IMF; or, third, we could let the programme formally end without seeking any precautionary credit line. The Cabinet discussed these options and made a decision, not as a result of any emergency meeting, not as a result of any telephone calls from certain people and not as a result of pressure, but at the right time, making the right decision based on the information available to us and taking into account the circumstances in which the country finds itself.

Those circumstances were very much improved from what was inherited just two and a half years before. Specifically, the National Treasury Management Agency was able to go back into the international markets and able to do so very strongly, selling Irish bonds at less than 4% - down from 15% two and a half years before. Exports are running at an all-time high and a buffer zone of more than €20 billion has already been built up by the NTMA. Furthermore, the €500 billion backstop available to all other eurozone countries is likewise available to Ireland.

Those were the circumstances in which we made our decision. There were no pressurising telephone calls. A very clear decision was made by the Government, on the recommendation of the Minister for Finance, and the Tánaiste and I having discussed these matters in Brussels, Frankfurt, Washington and with other leaders on different political occasions.

The Deputy made several assertions about sovereignty. The fact of the matter is that on 16 December, the barrier that surrounded Ireland in terms of its bailout programme will no longer be there. Does that restore our full economic sovereignty? No more than any other eurozone country, we are subject to the two-pack and six-pack requirements and will comply with those regulations. The bailout programme meant 12 quarterly, deeply analytical and deeply invasive visits from troika personnel in order that the conditions with which Ireland was required to comply would be fulfilled. Those conditions were fulfilled. The Deputy observed that the troika will continue to pay twice yearly visits for a considerable period. Every country in the eurozone will be subject to a regular visit. Ireland, because we are emerging from a bailout programme, will have a second, as will other countries in the same position.

For the time ahead there is greater flexibility for the Government and, therefore, for our country in terms of what we do. We have set out a programme to have our deficit below 3% by 2015. We will continue that momentum.

4 o'clock

We will continue to take decisions based on being more competitive and, as I have said on many occasions, on opening the doors of opportunity for job opportunities to be created. While it does not put us in a place where we have a budgetary surplus, it does give us the opportunity to have a small primary surplus this year and to start to reduce the scale of our debt, which became so big over the years that the rating is not as strong as we would like. That is why, on exiting the bailout programme, discussions are already taking place between Department of Finance officials and German finance ministry officials about being associated with and being part of a structure dealing with the Germany AAA-rated development bank for access to credit for small and medium enterprises. That is a positive signal.

It is a case of the Government coming to a decision that it was the right time for Ireland, that it was the right decision to make and then going ahead and making it clearly. I am pleased that independent objective reports, comments made publicly by the Governor of the Central Bank, comments made publicly by the director of the National Treasury Management Agency and reflections by the ratings agencies, interested business people and investors strongly support the decision.

We hope to move on now and have Europe make strong and clear decisions in different countries. Our remit is to fix our public finances and get our people back to work. These are the two essential focuses of the Government and will remain so for the future.

It is not a case of other countries having to approve our budget before it is dealt with next

October. Clearly, under the bailout programme Ireland was required to give draft budgets to the countries which were lending money to Ireland. No more than any other eurozone country, we have signed on to the two-pack and six-pack regulations and conditions, as have all the other countries. However, because we are emerging from a programme there will be a second visit here once every six months. That applies to all other countries that have conditions or a bailout programme applied to them as well.

Deputy Micheál Martin: I have 15 questions out of the 38. I appreciate that they are all related. I do not have a difficulty with the fact that there are 38 questions being answered at once, that is fair enough but I hope the Taoiseach will bear with me as I ask-----

The Taoiseach: We discussed that. I do not mind doing it another way.

Deputy Micheál Martin: I am for it. I accept it.

The Taoiseach: I understand that.

Deputy Micheál Martin: I only say as much as a preamble and because there may be several questions covering the 15 in my name. That is all.

The Taoiseach: I repeat my offer to have Priority Questions for the leaders of the Opposition.

Deputy Micheál Martin: The Central Bank Governor, Professor Patrick Honohan, has stated clearly that further capital injections will be required for our banks. A report at the weekend said the Government may give up a substantial part of its return from Bank of Ireland to increase its capital base. Whether we get a lower return than expected remains to be determined because of the necessity to make capital provision for Bank of Ireland.

It is the Government's position that the country wants the European Stability Mechanism to take the lead in possible capital increases for the financial sector. Will the Taoiseach outline to the House what preparations have been made for this? The sense is that the resolve to use the ESM as a basis for recapitalising troubled banks in the first instance is getting weaker. At a press conference in June last year, the Minister for Finance, Deputy Noonan, and the Minister for Public Expenditure and Reform, Deputy Howlin, referred to how Europe was likely to aid us in retrospective recapitalisation of our banks. A figure of up to €60 billion was used at the press conference without either Minister disagreeing. That was the position in June last year. Of course, we have had the Tánaiste's seismic shift and so on. What has happened to the prospect of retrospective recapitalisation of the banks? Is retrospective recapitalisation dead or alive? Will the Taoiseach comment on the matter?

The Taoiseach answered some questions relating to the October Council. At that meeting there was a significant issue relating to countries or their intelligence networks eavesdropping or spying on other countries. The Taoiseach and the Tánaiste have stated that they do not believe that the US National Security Agency has eavesdropped on our Government. To a certain extent that misses the point. The revelations state that the bulk of American interceptions in Europe have been carried for them in GCHQ in Britain. The issue for us is not whether the United States has eavesdropped on our Government but whether the United Kingdom has.

We have been involved in highly sensitive negotiations and discussions with the UK Government for well over two decades. Has the Taoiseach asked the UK Government whether any

attempt was made to intercept our communications? Will the Taoiseach ask the British Government whether our Government has been the target of such surveillance? It is a straightforward question. Has the Taoiseach asked about it and will he ask about it?

The summits, including the last summit, dealt with the issue of the banking union, which is essential for Ireland and the eurozone. However, I put it to the Taoiseach that what is now on the table is a weak proposal and a significant dilution of what was originally envisaged. I am unsure about the Government's position on the current proposals. Will the Government continue to accept whatever emerges or does Ireland have a position that we are pushing for? Ireland is one of the few countries where we do not have on public record exactly what the Government is supporting at these meetings or in these talks. Will the Taoiseach outline the specific set of objectives that the country has for banking union?

I asked about the last budget and the exiting of the troika. A recent report in *The Sunday Business Post* quoted extensively from a joint memo of the Government and the troika concerning the different budget messages that would be sold to the Irish public and the European audience. This directly included the fact that different figures in the memo would be used depending on the audience. The figure was €2.5 billion for the Irish audience and €3.1 billion for the European audience. Will the Taoiseach release that memo to us in order that we can all see it and such that is not solely the preserve of a journalist in *The Sunday Business Post*, who, thankfully, probably got it from one or two Ministers? It would be useful if it could be circulated to the Dáil.

I asked in the Dáil last week during Questions to the Taoiseach if the Taoiseach would circulate a single piece of paper concerning the financial calculations that led to the decision not to take a precautionary credit line. The Taoiseach said he would raise with the Minister, Deputy Howlin, his clear promise on the public airwaves that he would release this document and information. Has the Taoiseach done that? Is he now prepared to release all background documentation that informed the Government's analysis about not taking the precautionary credit line?

The Irish Fiscal Advisory Council has said we should have taken the credit line. I recall meeting representatives of the council in a different context in September. They implored us to be responsible and constructive as an opposition and to support the Government's application for a precautionary credit line. I informed the people at that stage that we were supportive of taking a precautionary credit line for the best of reasons. Will the Taoiseach release the background papers? The Taoiseach did not do it for me in respect of the Seanad. He said he would give me background papers on the proposals to abolish the Seanad but he did not do so. Then, there was the famous Celtic spat with former French President Sarkozy but no documentation emerged following that either.

There has been consultation on a wide range of issues, particularly on the exit of the troika. Let us recall that on 6 September last, the Taoiseach and the Minister for Finance, Deputy Noonan, told the *Irish Independent* and *Reuters* that Ireland wanted a credit line of €10 billion. Two months later, the Taoiseach said the exact opposite but, as far as I can ascertain, not much happened in between. Publishing the documents on the basis of why the Government took the decision would be helpful to enable us to analyse it.

The Taoiseach covered the proceedings of the summits in his reply. There has been a sudden escalation in concerns about the eurozone economy. However, I do not get a sense that the concern was shared by European leaders at the recent Council meeting, especially in terms of

building up confidence and securing vital investments. Can the Taoiseach outline whether at the Council meeting there was a renewed sense of concern about where the eurozone is? The President of the European Central Bank, Mr. Draghi, did not reduce interest rates for nothing. Clearly he is concerned about what is happening at eurozone level. The French economy went into negative territory in the last quarter. Europe keeps talking about stability, growth and employment but it is not happening throughout the eurozone, where there has been falling growth, investment and confidence. I do not believe the Council meetings or the measures Europe has taken have been either large or urgent enough to deal with the situation.

Finally, I have tabled questions on the Taoiseach's meeting with Chancellor Merkel. As the Taoiseach has made significant play of contacting Chancellor Merkel about exiting from the troika programme and so on, for what precisely did he ask her? For what supports did the Taoiseach ask Chancellor Merkel? While the Taoiseach told Members the Chancellor supports what the Government was doing, he did not tell them this was because she also had rejected last September's proposal for a €10 billion contingency credit facility. The *Financial Times* is reporting that Ireland did not win Germany's support. I do not know whether it is the case that Germany rejected the position the Taoiseach outlined on 6 September. What was the Chancellor's stance or perspective on post-bailout funding and a precautionary credit line? The European media analysis essentially is that politics dictated the pace both here domestically and at a eurozone level in respect of the credit line. Moreover, it is that it suited a number of key countries, including Germany, that there would not be a precautionary credit line, that Germany sought certain conditions but that Ireland did not want particular conditions and wanted to go on about sovereignty and so on, even though the latter is a much-abused concept these days. Did Chancellor Merkel state to the Taoiseach that were Ireland to seek a precautionary credit line, she would require additional conditions? The Taoiseach should answer this question. That is enough for the present as although there is a range of other issues, there is quite enough there with which to be getting on.

An Ceann Comhairle: Before the Taoiseach responds, as a long-serving Deputy and a former Minister, it is not in order to accuse Ministers of leaking documents to the media. I wish to put that on the record. The Taoiseach should proceed.

The Taoiseach: Deputy Martin has asked quite a lot of questions in his contribution. He is correct that €60 billion is available under the direct recapitalisation from the European Stability Mechanism, ESM. It is well recognised that a €60 billion capacity for financial assistance is included in that mechanism. The single supervisory mechanism is a precondition for direct bank recapitalisation and that will not be established before the third quarter of 2014, after the balance sheet assessments are expected to conclude here in 2014. Subsequent to the establishment of that framework and allowing for time necessary for the completion of all those procedures, the ESM board of governors and the euro area finance ministers will add that new instrument to the list of available ESM financial assistance instruments. Consequently, one would expect the ESM would be in a position to offer direct bank recapitalisation financing. It will be some time before the single supervisory mechanism or direct bank recapitalisation is operational. It will be at least the second half of 2014 before that is expected to kick in.

I am aware of the speculation and comments made by people about direct recapitalisation for banks. As matters stand in this regard, that is, on the 29 June decision of the possibility of the ESM to deal with direct recapitalisation for banks, direct reference is still made to it. That situation stands and has been re-clarified in all the European Council meetings at which this issue was referred to or discussed, right through from June 2012, and that position still stands.

If one considers the timescale of what is involved in this regard, until all these other pieces and instruments are put in place, it will be at least the second half of 2014 before this matter can be available for decision and discussions.

I did not get a chance to talk with the Minister, Deputy Howlin, who I believe is in Vilnius today. I will remind him of his comment in respect of releasing information about the freedom of information for the Deputy. At the European Council, there was a series of comments about youth unemployment and the general state of the economy. A presentation was given by the European Commission with particular focus on the digital economy and the need to remove digital barriers and borders because whereas physical borders have been removed, this is not the case for digital borders and there is a need to do this. In addition, there was a strong presentation from the Commission about its expectation that up to 900,000 jobs will be made available across Europe by 2015 in the whole information and communications technology, ICT, digital area with clear implications for all countries, including Ireland. Mr. Draghi gave a clear and strong presentation at the Council meeting about how he envisaged matters moving ahead. He referred to keeping interest rates low, to the remit of the European Central Bank, ECB, in controlling inflation and to the requirement for countries to continue to reform and become more competitive. Such competitiveness brings with it the jobs that follow on foot of investment and I believe this point was particularly strong. The elements of banking union have been dealt with in part through Ireland's Presidency and still continue to be the focus of discussions, leading on to the decision of 29 June 2012. I believe Deputy Martin referred to a banking union on a number of occasions and referred to the different elements thereof that must be dealt with here.

As to whether Chancellor Merkel or anyone else referred to conditions, Ireland never made an application for precautionary credit lines to anyone. What was done was to focus on what were the circumstances and options the Irish Government must consider in exiting the programme. The Minister for Finance went to Brussels, Frankfurt and Washington and spoke to other people. Consequently, it was not a case of the French President, the Italians, the Germans or anyone else stating this is what Ireland should do. They all made it perfectly clear that this was a decision for the Irish Government on behalf of the Irish people. It also was made clear that whatever decision Ireland would make would be supported. There genuinely was no pressure from anyone to the effect that Ireland must apply for a precautionary credit line or that a set of other conditions would apply, as that was not the nature of the discussion at all. As to what I discussed with Chancellor Merkel, obviously the technical support already offered is being followed through in the context of discussions between the Department of Finance here and officials from the German Chancellery in regard to KfW, the German AAA rated development bank. I hope that out of those discussions can come a structure or platform by which Ireland and its small and medium-sized enterprises can benefit from the level of low-interest moneys that would be available, given the current scale of the country's debt position, which I am glad to state will begin to fall in time.

In general, as Deputy Martin is aware, one speaks to different leaders around the table about their country and one's own country. The European Council never made any recommendation to Ireland, no leader approached to state that a particular course of action was what Ireland was obliged to do. I must state that by and large, they were highly appreciative of the progress made by Ireland as a country and its people, as reflected in the improved financial outlook for the country. As for the general Council itself, its mood was that if Europe keeps making decisions to move itself forward to be more competitive, the Union of 500 million people will have the opportunity to grow and develop. In addition, there were some references to the opportunities

in the Single Market, the discussions about the European Union-US trade negotiations and so on.

There also was a discussion about the business of the allegations about telephones being listened to, encrypted telephones, mobile telephones and other communications facilities. A number of comments were made about how some information is necessary to have in regard to terrorist activities and the thwarting of occasions for bombings or general terrorist activities. The Tánaiste had raised this with the American diplomatic services. My understanding, from the information made public, was that Dublin was not a listening post for the Americans. On the question of whether I asked the British Prime Minister if they were tuned into this country, I did not ask him because operational issues and exchange of information between the Garda Síochána and the PSNI about anti-terrorist activities are matters for the Garda Commissioner and the Chief Constable of the PSNI.

Deputy Micheál Martin: It would not have to do with the British-Irish Council.

The Taoiseach: I am referring to their capacity to have information to deal with potential bomb threats, for example. That information strategy is the responsibility of the Garda Commissioner and the Chief Constable. From that point of view, most countries are anxious to move on. Chancellor Merkel made it perfectly clear that we want to focus on the future and that there should not be a cessation of the discussions on the trade possibilities between Europe and the United States. This is the general view. France and Germany have had discussions with the United States, as has Spain, about what they regard as important for their countries.

The Minister for Finance, Deputy Noonan, went to the ECOFIN meeting and he explained to his colleagues the circumstances and the reasons for Ireland's decision. That decision has been generally well accepted but perhaps not by everyone. It is important in politics and in government to be clear and decisive when making decisions. Precautionary credit lines last for 12 months with an opportunity for a six-month extension and a further six-month extension. I listened to the Governor of the Central Bank, whom everyone respects, with regard to the decision to exit the bailout. I hope that further moneys are not required for any of the Irish banks. I have listened to the comments. The asset review tests are being carried out at the moment. Next autumn, all of the European banks will undergo the stress test, including banks in Ireland. The Government is of the view that the decision we made will result in a much improved position. Taking into account all those circumstances, this is why the Government made the decision in good time. It gives a very clear signal. Unlike Deputy McDonald's suggestion, there were no phone calls in the middle of the night to say one has to do this or that. Instead here is a Government which, along with its people, has made good progress and is entitled to make its own decision, in its own way, for our people and to be respected for that.

Deputy Joe Higgins: This group of questions asks the Taoiseach to report on his discussions with his fellow leaders of the European Union member states. Has the Taoiseach or his fellow EU leaders any appreciation of the increasingly harsh reality of life for huge swathes of ordinary working people in Europe, unemployed people and poor people, as a result of the continuing crisis of European capitalism and the austerity policy response by governments all over Europe, the so-called cure that is worsening the disease? At the recent EU summit a few weeks ago, as leaders met behind swathes of security and police to protect them from the people of Europe whom they are supposed to represent, did anyone in that elite bubble of EU leaders look outside that bubble and raise the devastating report of the International Red Cross on the economic and social effects of the crisis of austerity? Does it shock the Taoiseach in any way to

hear the findings of this organisation, which are sober and conservative and which The Guardian newspaper sums up as Europe sinking into a protracted period of deepening poverty, mass unemployment, social exclusion, greater inequality and collective despair, as a result of austerity policies adopted in response to the debt and currency crisis and that while other continents successfully reduce poverty, Europe adds to it?

Does it shock the Taoiseach that, compared to 2009, millions more find themselves queuing for food, unable to buy medicine or access health care? Those without a job and many who still have work, are finding it difficult to sustain their families due to insufficient wages and sky-rocketing prices.

Does it shock the Taoiseach that the International Red Cross report concludes that five years ago it would have been unimaginable that so many millions of Europeans would be lining up for food in soup kitchens and receiving food parcels at home? Former middle-class citizens are living in trailers, tents, railway stations or in shelters for the homeless, and are hesitating to go to the International Red Cross. The report concludes that there are now more than 18 million people receiving EU-funded food aid, that 43 million people do not get enough to eat each day and 120 million people are at risk of poverty in the countries covered by EUROSTAT. Is this not truly shocking? Lest anyone believes the German workers are immune, the International Red Cross finds that in the past decade 5.5 million Germans have lost their middle class social status and have fallen into the ranks of low-income earners, while at the same time, half a million others made the grade as high-income earners. Is it not clear that the Taoiseach and his fellow European leaders have presided and continue to preside over a policy that is disastrous in its social and economic effects? Does the Taoiseach recognise this Europe? Does it ever feature in the meetings of the EU leaders? Does he understand that he is an integral part of the policy that is pushing millions to soup kitchens within Europe? This was the scene described in what we used to refer to as the Third World, but this is Europe. Is it not clear, therefore, that the financial market system, this dictatorship of the one per cent, the bondholders, the massive big banks, is a disaster for our people and that revolutionary changes in economic policy are needed to break this power of those who hold Europe in this vicious grip that is causing this horrific situation? Is it not clear that public ownership of this huge wealth of the financial institutions in democratic control, is necessary? I ask the Taoiseach if he is ashamed of the Europe he and his fellow leaders have created.

The Taoiseach: Political decisions have to be made to change that very situation. Does the Deputy think anyone involved in politics, of whatever party, is happy with the situation where 26 million people are out of work in the European Union? Does he think anyone in politics is happy that 6 million young people under the age of 25 are unemployed? The Deputy seems to think this can be suddenly changed by one of his financial instruments. It requires fiscal discipline, putting people's houses in order and cutting out the waste.

We are part of a global pattern in this respect. There are 1 billion people on this planet who are obese. There are 1 billion people on this planet who are starving. There are 4.5 billion people in the middle sector and, for the first time in human history, dietary complications have passed out medical complications. There is an attitude and a culture problem in that respect as much as anything else. That is why this country has come through difficult periods and has had to make difficult decisions in recent years. That is why other countries within the European Union look at us and say we are making real progress. That is why Ireland's Presidency was able to get across the line the budget for the European Union of €960 billion. That is why we were able to hold on, because of our negotiations, to 97% of the moneys allocated under the

Common Agricultural Policy. That is why the implication is we can see the future by making political decisions. In the past 12 months, 26,000 extra people in this country gained full-time permanent employment in the agrisector, and others in Europe see that. If we do not produce the food, somebody else in bigger countries with different scales, fewer standards and less competence will produce it and that will have complications, about which the Deputy has often spoken in the House, in terms of rain patterns, landslides and all the other implications of climate change.

Deputy Higgins knows he will not deal with the problem of 26 million people being unemployed unless he makes decisions to have economies that are growing where goods can be manufactured and sold and where food can be produced for people's livelihoods. We have the advantage, if we run our Union properly, of being one of the greatest trading blocs on the planet-----

Deputy Joe Higgins: Austerity is killing the people.

The Taoiseach: -----and the political decision, after many years, to enter into negotiations with the United States holds the potential to create several million jobs.

Deputy Joe Higgins: No.

The Taoiseach: Deputy Higgins does not believe that. He has his own philosophy to put the entire world at work in the next 12 months, but I regret to tell him that does not work either.

As a small country and as a reflection of some of the things that happen, I am glad to see an improving situation in this country where 58,000 jobs have been created in the past 12 months.

Deputy Joe Higgins: And 70,000 lost.

The Taoiseach: They are real people doing real jobs. They are not languishing in the rut of disillusionment or on the unemployed lists-----

Deputy Joe Higgins: They are in Australia, Canada and Britain.

The Taoiseach: -----and it is political decisions that change that. I met a young man in Waterford the other day who went to Australia, worked for 14 months doing two and three jobs when he could, came back with €100,000 and set up his own business, and he was very happy to do so. It was his choice to earn money where he could, do two or three jobs where he could get them and come back with that intention.

We have the fifth highest direct payments to children in the European Union. Other countries have problems of a different scale, including the Nordic and the southern Mediterranean countries. Spain has a massive problem in terms of young people being unemployed, as does Greece. We have been affected by this economic catastrophe also. Clearly, the situation will not rectify itself. It will only be dealt with by the people making political decisions in the interests of our country.

Coming from a western county facing the Atlantic, Deputy Higgins knows that time after time, in adversity after adversity, when the Irish people identify a problem, they roll up their sleeves and always achieve a result, and we will continue to do this for 2014.

Deputy Joe Higgins: Bled dry for bondholders.

The Taoiseach: I hope that many of the young people who feel they had to leave by choice will have the opportunity to come back in the next few years. We hope that might be the case but Europe, dealing with 500 million people, must make difficult decisions. Am I happy with 26 million out of work? No. Am I happy with 6 million young people unemployed? No. Am I going to do something about it?

Deputy Joe Higgins: Soup kitchens.

The Taoiseach: Yes - make political decisions that will change the opportunities and the career chances they have. That is what good politics is about. That is what the people judge us on. Did we do the job or did we not? Are we worthy of being given a continued mandate and trust? Governments come and Governments go but if Deputy Higgins ever has a chance, when he has the mandate he should use it in the interests of the country and the people.

Deputy Mary Lou McDonald: The reason direct payments to children are so high in relative terms in this State is that the provision of basic public services is so appallingly bad.

I mentioned earlier the issue of reclaiming our sovereignty, and the Taoiseach reflected that language back to me. I was simply reminding the Taoiseach that that was the headline claim he made when he announced the exit from the bailout programme. It is necessary to point out that far from a restoration of full sovereignty, what people are facing into next autumn is yet another austerity cutback budget to the tune of €2 billion.

The Taoiseach made some references in his responses to the issue of bank recapitalisation. He recalled again the statement of June last year. I believe at that time we had the reassurance that we were special, and that our banks were a special case. The Taoiseach has indicated today that he does not envisage the ESM being functional until the second half of 2014. Given that, can he tell us when he envisages Ireland having a decision? When might we expect to see our special status come to fruition and some level of retrospective recapitalisation of our financial institutions?

On the issue of youth unemployment and the youth guarantee, which we could discuss at some length if we had the time, I was disturbed to hear the Taoiseach state, quite deliberately, that the young people who have left by choice might have the opportunity to come back. In my certain knowledge, the majority of people have not left by choice.

Deputy Adams had tabled a question regarding the Taoiseach's dialogue with Prime Minister Cameron. Can the Taoiseach tell the House the engagement he has had with Prime Minister Cameron specifically on the issue of the Haass process and his consideration of flags, emblems, parades and the past?

The Taoiseach: The Deputy is wrong when she says the reason we have the fifth highest direct payments to children is that we have a poor quality of public services.

Deputy Mary Lou McDonald: Am I?

The Taoiseach: She is wrong because there has been a long tradition in this country of direct cash payments to families. That is the reason we have that process continuing over very many years. I do not agree with the Deputy when she runs down the very many fine people who work in the public services-----

Deputy Mary Lou McDonald: I have not run down anyone.

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The Taoiseach: -----and in our front-line services who give of their best and work long hours with a great degree of commitment and integrity.

Deputy Mary Lou McDonald: Do not try to dodge that question. That is desperate.

The Taoiseach: If the Deputy believes she should run them down, that is her business.

When I say the exit from the bailout programme is important in the sense of reclaiming our sovereignty, I mean that it gives the Government, on behalf of the people, greater flexibility in the things we do. We have signed up to the two pack and the six pack as part of the European process, as other countries have done. That requires them to do the same as we do, namely, run our affairs efficiently and effectively, but it also gives us the opportunity and the flexibility to do far more as a Government in the decisions we make. That is the element of sovereignty that is important.

The Deputy asked when Ireland will see a decision in respect of special status. I point out to him that one has to go through the process of the ESM and that the banking union and the instruments involved in that must also be addressed. That will take us to the third quarter of 2014. These special circumstances that apply in Ireland have been referred to publicly by a number of European leaders at different times. As I said, the decision of 29 June, referring specifically to the well-performing programme of Ireland, requires those special circumstances to be taken into account. That is what we have to do, prepare for and negotiate and discuss with our European colleagues. The Minister for Finance will lead those discussions.

Let me be clear on this. Some people leave the country by choice for experience, for work, for training, for adventure, to see the world or whatever. Others leave because they feel they have no hope here. They are the ones for whom I feel very sorry because they feel the country has let them down. I would like to think we could provide a better opportunity for those people, in particular.

I spoke to a young electrician in Limerick some time ago. He had been in Canada for four and a half years and came home. I asked him what he heard about Ireland while he was away. He said that if one listened to the international news, one would think one should never go back home because it was a wall of disillusionment. He said he was a trained electrician and had four job offers in the first week he came back here. We need to reflect on the things we do well-----

Deputy Joe Higgins: The Taoiseach should write a novel.

The Taoiseach: -----and the improving position.

Some people might not want to recognise that but there are young people abroad who are gaining experience and who will have the opportunity to come back. For those who left because they were disillusioned with our country and with politics in our country or they felt let down-----

Deputy Mary Lou McDonald: They had to leave because they had no work.

The Taoiseach: -----I hope today's CSO figures of 58,000 jobs created last year are an indication of us heading in the right direction. I read headlines in the newspapers suggesting that all of those putting in the water meters are from other countries. I think ten of the 400 came back from Sasana to be employed here but people put different interpretations on these things. I know about emigration and I have a lot of contacts with emigrants. I would like to think that

when the economy improves and there are brighter days ahead that some of those who have left will want to come back.

Deputy Micheál Martin: I welcome the fact the Taoiseach has such contact with so many people.

Deputy Frances Fitzgerald: He does.

Deputy Micheál Martin: I wish he had much more contact with many medical card holders who have lost their medical cards because he would then have a far greater grasp of that reality but that is a separate matter for a different forum. However, the failure of the Government to grasp the reality of people losing their discretionary medical cards on a continual basis is something I cannot comprehend.

The Taoiseach said it is expected that the ESM will be operation in the third quarter of 2014 because at that stage, the single supervisory mechanism will be in place. All of the commentary so far has been to the effect that the ESM will be the recapitalisation instrument of last resort and that sovereigns will be ahead, and banks themselves initially. That is before we get to talk about retrospective recapitalisation.

I asked the Taoiseach earlier whether the issue of retrospective recapitalisation was dead or alive. What has he been hearing in terms of his negotiations with other EU Heads of State? Has he negotiated or discussed this issue recently? Ireland is owed one by the European Union. The Taoiseach has said that on the record. President Schulz, the President of the European Parliament, came here and said that Ireland took one for Europe. We were not allowed to burn bondholders or to allow any bank to fail on the basis that it would spread contagion across the eurozone. That was the position of the last Government and it is that of this one because the last time the banks were being recapitalised and the Minister for Finance brought the proposals before this House, his Government had agreed to burn the Anglo Irish Bank bondholders on that occasion. However, we learned from *The Price of Power*, the book by Pat Leahy, that the Minister got a telephone call from President Trichet at the time who basically said that a bomb would go off not in Brussels but in Dublin if he proceeded with burning bondholders so adamant was he against that position.

That is the reason Ireland is due a return from Europe in respect of the debt it has undertaken as a result of the banks, the collapse of our banks and banks across Europe following that. Putting politics to one side, there is a genuine sense that the key players in Germany and across Europe are moving steadily away from the prospect of separating the sovereign from the banks, in particular the ESM definitively being in a position to recapitalise banks, and that is not even in the context of retrospection. Will the Taoiseach comment that he is more than confident - that he is certain - the ESM will be there to recapitalise banks into the future and that retrospective recapitalisation for Ireland is still genuinely on the cards?

An Ceann Comhairle: I call Deputy Mathews to be followed by Deputy Higgins. We have 43 seconds left.

Deputy Peter Mathews: Some 43 seconds is a bit of a tall order.

An Ceann Comhairle: I am only dealing with Deputies who have questions. I have called the Deputy, so he should ask a quick supplementary question.

Deputy Peter Mathews: I know the Taoiseach and the Government are doing their best but I ask the Taoiseach solemnly and sincerely to stop and look at where it is leading because it is not the right path.

An Ceann Comhairle: Thank you, Deputy.

Deputy Peter Mathews: A Cheann Comhairle, please-----

An Ceann Comhairle: You are finished. Deputy Higgins has to come in.

Deputy Peter Mathews: I ask the Taoiseach to please read Joseph Stiglitz's book, *The Price of Inequality*, because he needs to get a new view of what has happened in America, which he holds up as a paragon of business, finance and economics, which it is not at present. It is an unfair and inequitable society.

Deputy Joe Higgins: At the recent summit or in any of the Taoiseach's informal talks with his fellow EU leaders, did the plight of Edward Snowden feature? Was it discussed at the meetings or was there any discussion on offering him security and a safe haven within any country of the European Union? Does the Taoiseach accept that he struck a big blow for human rights by exposing the type of massive intrusion by the big states of America and Britain into people's lives?

Does the Taoiseach accept that, while British intelligence would probably not be too interested in the latest results of the junior match between Kiltimagh and Cong via monitoring his telephone, there are huge issues at stake here, in particular that the man who has brought this out at great risk to himself should be vindicated?

The Taoiseach: Deputy Martin asked a couple of questions about the ESM. I am certain about a few things. I am certain of the decision of the European Council of 29 June which stated that the ESM would have the possibility of direct recapitalisation. I am also certain that cannot apply until the various elements of banking union are in place. They will not be in place until at least the second half of 2014 - before any such application can be dealt with.

There is some talk about elements of this from the European point of view. There was the same speculation about the reduction in the interest rate, the extension of the loan maturation and the whole business of the promissory notes. It was agreed in June that potential retrospective and retroactive application of the instrument of the ESM will be decided on a case-by-case basis and by mutual agreement and possible cases will be discussed and assessed on their own merits once the ESM enters into force. Nothing that has happened has changed that.

I made the point on a number of occasions that it is very important that when the European Council makes decisions that it stands by them, so I am certain of that. Each time we have had a European Council meeting this has been referred to in the same language of that possibility of recapitalisation. As the Deputy knows, Ireland was the first to have to deal with this, without any tools or instrument available to it. If he had been around at home-----

Deputy Peter Mathews: Mr. Schäuble said differently on our budget day.

The Taoiseach: -----he might have had a big influence on the way this might have gone. He is a man who displays quite a deal of sanity.

Deputy Peter Mathews: Mr. Schäuble said differently on our budget day.

An Ceann Comhairle: Deputy Mathews, please.

The Taoiseach: Deputy Mathews referred to the Chair's comment about 43 seconds. I remind him of what happened when the All Blacks had 43 seconds left.

Deputy Peter Mathews: Is the Taoiseach serious?

The Taoiseach: They showed, much to the detriment of our own people here, that if one does not panic, knows one's own limitations and believes in oneself, one can get a result.

Deputy Peter Mathews: That is bizarre.

Deputy Mattie McGrath: Is the Taoiseach going to read the book?

Deputy Peter Mathews: I did not know the Taoiseach could be so absurd.

The Taoiseach: I take the Deputy's comment about Professor Stiglitz, who is a renowned economist and other economists. We have them by the hundred. We have them by the thousand.

Deputy Peter Mathews: The Taoiseach should read the book.

The Taoiseach: They are all prepared to give of their theories, but very few of them ever have to make decisions. Government is about making decisions.

Deputy Peter Mathews: I will buy the Taoiseach a copy.

Deputy Patrick O'Donovan: Santy will bring it.

Deputy Mattie McGrath: As Gaeilge nó as Béarla?

The Taoiseach: I am sure I can get it online.

Deputy Peter Mathews: It will be helpful.

The Taoiseach: Very few of them, Deputy Mathews-----

Deputy Peter Mathews: I am not being facetious.

The Taoiseach: They are great people-----

Deputy Peter Mathews: I am being solemnly sincere.

The Taoiseach: -----to give advice and advance theories.

Deputy Peter Mathews: They are not - they are evidence-based.

The Taoiseach: They do not have to go to public meetings where their name is on a chair at the top and they have to answer questions in front of 1,000 people.

Deputy Peter Mathews: They use evidence.

The Taoiseach: The decisions made on these benches have an impact on our people.

Deputy Paul Kehoe: You walked away, Peter.

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The Taoiseach: I would be the first to take good advice from a renowned economist like Professor Stiglitz-----

Deputy Peter Mathews: It is not my advice; it is evidence.

The Taoiseach: -----or the Deputy himself.

Deputy Peter Mathews: The Taoiseach should look at the evidence.

The Taoiseach: I receive a barrage of it occasionally. I know the Deputy has long experience in banking circles.

Deputy Peter Mathews: I ask the Taoiseach to look at the evidence.

Deputy Paul Kehoe: You walked away, Peter.

The Taoiseach: Deputy Higgins spoke about a match involving Kiltimagh. It could have involved Annascaul, Finuge, An Ghaeltacht or West Kerry.

Deputy Micheál Martin: It could have been Castlebar Mitchels.

The Taoiseach: To my knowledge, there was not a discussion about Edward Snowden at the European Council. I may have been engaged in talking to some leaders at the time.

Deputy Mattie McGrath: Was it snowing out?

The Taoiseach: I cannot recall that there was any discussion about the gentleman concerned at the last European Council meeting.

Deputy Joe Higgins: Will the EU offer him sanctuary?

Deputy Peter Mathews: I will have that book for the Taoiseach first thing tomorrow.

Deputy Paul Kehoe: The Deputy can get it for the Taoiseach for Christmas.

Deputy Peter Mathews: No, I will get it for him tomorrow. Christmas would be too late.

Deputy Paul Kehoe: The Deputy walked away.

Deputy Peter Mathews: No, I was thrown out.

Written Answers follow Adjournment.

Order of Business

The Taoiseach: It is proposed to take No. 10, motion re leave to introduce Supplementary Estimates (Votes 18, 31 and 35); No. 11, motion re referral of Supplementary Estimates (Votes 18, 31 and 35) to select committee or sub-committee; No. 21, Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013 - Order for Report, Report and Final Stages; and No. 22, Forestry

Bill 2013 - Second Stage (resumed).

It is proposed, notwithstanding anything in Standing Orders, that in the event a division is in progress at the time fixed for taking Private Members' business, which shall be No. 128, motion re bond repayments, the Dáil shall sit later than 9 p.m. and Private Members' business shall, if not previously concluded, adjourn after 90 minutes; No. 10 shall be decided without debate and, subject to the agreement of No. 10, No. 11, referral to select committee or sub-committee, shall be decided without debate and any divisions demanded thereon shall be taken forthwith; and the following business shall be taken tomorrow after Oral Questions: Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013 - Report and Final Stages (resumed), if not previously concluded, and Gas Regulation Bill 2013 - amendments from the Seanad.

An Ceann Comhairle: There are three proposals to be put to the House. Is the proposal for dealing with Private Members' business agreed to? Agreed. Is the proposal for dealing with Nos. 10 and 11, motions re leave to introduce and referral of Supplementary Estimates, without debate agreed to? Agreed. Is the proposal for dealing with the Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013 and the Gas Regulation Bill 2013 tomorrow agreed to? Agreed. I call Deputy Martin on the Order of Business.

Deputy Micheál Martin: As the Taoiseach knows, the medical card situation is creating grave anxiety across the country. Approximately 40,000 medical cards were taken out of the system last year. Some 10,000 of them were discretionary medical cards. We know that the passing of the Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013 will lead to 35,000 medical cards being taken from people over the age of 70. We know from the budget that up to 100,000 additional medical cards could be taken if the Government follows through on its estimate. At the same time, hospital waiting lists are going through the roof. The children's hospital, inpatient and day case waiting lists increased by 18% generally between September 2012 and September 2013. We have had huge cuts in access to therapies for children. There have been cuts to older people's services. These are just some elements of the serious issues people are facing as a result of decisions made in the health budget. We know that the health service plan has been sent to the Minister.

An Ceann Comhairle: The Deputy is going on a bit.

Deputy Micheál Martin: Will the Taoiseach provide Government time for this House to debate the health service plan? Deputies should have reasonable time to make an input into the health service plan. There is acute anxiety among the public in relation to health matters generally. When can we expect the Bill providing for the dismantling of the HSE to be brought to the House?

The Taoiseach: Some 10,000 new cards have been issued this year, of which 20,000 were discretionary cards. I have already explained that there is a process with regard to the health service plan. The HSE has presented the Minister with its recommendations based on the budgetary situation. The Minister has 21 days to reflect on that. The plan will be published. I have no objection to it being debated here.

Deputy Micheál Martin: What about the Bill?

The Taoiseach: It is expected in this session.

Deputy Mary Lou McDonald: I understand the issue of symphysiotomy was to be raised

at this morning's Cabinet meeting. Can the Taoiseach tell us when he will publish the second part of Professor Oonagh Walsh's report? I believe he has had it since the end of May. Is he in a position to name the judge who is to be appointed to engage in a mediation process with the victims? Can he give us details of her terms of reference? Can he give us some idea of how long that process might take?

Yesterday marked the first of 16 days of action regarding violence against women. As the Taoiseach knows, this is an annual campaign. The programme for Government includes a commitment to "introduce consolidated and reformed domestic violence legislation". I have raised this matter with the Minister for Justice and Equality on several occasions. He has repeatedly told me he has more urgent matters on his agenda in respect of the troika programme. As we exit the bailout programme, can the Taoiseach tell me when we might expect to see this long-awaited legislation? As he knows, the issue of violence against women affects at least one in five of our women. That is a conservative estimate.

The Taoiseach: The symphysiotomy question is being dealt with by the Government. The Cabinet decided this morning to appoint Judge Yvonne Murphy, who is a respected judge, to engage with the insurance companies about putting together a fund from which women whose lives have been affected by symphysiotomy will be dealt with. I understand that the Minister for Health and the Minister of State, Deputy Kathleen Lynch, were due to make a statement about this matter at a press conference at 4.30 p.m. All the details will be given there. The Walsh report will be published after Judge Murphy reports and the Government decides on the options. I do not expect that will take too long. There is a known number of people involved in this. I should also mention that the lifting of the Statute of Limitations bar, which had been requested, will not happen. The Government has decided, on the basis of very clear advice, that it should not happen. Judge Murphy will deal with the various groups, the women involved and the insurance companies in respect of setting up a fund. I am quite sure the full details have already been given by the Minister of State, Deputy Kathleen Lynch, and the Minister, Deputy Reilly.

Deputy Mary Lou McDonald: I also asked about the domestic violence legislation.

The Taoiseach: It is receiving priority. Significant proposals are being discussed in the Department at the moment.

Deputy Frank Feighan: When will the criminal justice (cyber crimes) Bill come before the House? This legislation will ratify a Council of Europe convention.

The Taoiseach: There is no date for the publication of that Bill.

Deputy John McGuinness: I would like to raise two matters with the Taoiseach, the first of which relates to the Diseases of Animals Act 1966 and sections 10 and 12 of a further Act that was passed in 1993.

5 o'clock

Under that legislation, will the Taoiseach deal with the comments of Judge Reynolds on the special investigations unit and the person who supervises that unit? When she appeared in court during the week she requested that the Department of Agriculture, Food and Marine should take on board her comments and investigate the activities of that unit given the type of evidence given in that court case. An internal investigation-----

An Ceann Comhairle: That is not really a matter for the Order of Business.

Deputy John McGuinness: I am asking if the Taoiseach will make time available to debate this because an internal investigation is not good enough. I am aware that there are files with a superintendent and a detective regarding this case.

An Ceann Comhairle: I thank the Deputy.

Deputy John McGuinness: Criminal issues may be involved.

An Ceann Comhairle: I thank the Deputy.

Deputy John McGuinness: The people who are being dealt with by that unit have been bullied and harassed. A handicapped child was bullied and harassed by the unit.

An Ceann Comhairle: The Deputy might not have heard me, but it is not a matter for the Order of Business.

Deputy John McGuinness: Under the two Acts mentioned will the Taoiseach outline to me where those powers are-----

An Ceann Comhairle: There are other ways of raising this matter, but not on the Order of Business.

Deputy John McGuinness: Will he deal with the investigation that has been requested?

The Seanad has passed the Protected Disclosures Bill 2013. Will the Taoiseach ensure that Bill comes before this House as quickly as possible? As I asked him previously, will he ensure the spirit of this legislation is applied in the case of the Garda whistleblowers and the FÁS whistleblower who is being treated very badly by that organisation?

An Ceann Comhairle: Hold on, Deputy.

Deputy John McGuinness: It is necessary for the Government to step in and give some direction-----

An Ceann Comhairle: There are other Deputies seeking to raise matters here.

Deputy John McGuinness: -----so that the spirit of the legislation can at least be acknowledged and that those people can go about their duties in a reasonable fashion while investigations are being carried out.

An Ceann Comhairle: If the Deputy continues to ignore the Chair in this manner-----

Deputy John McGuinness: That case brought in the north east has dragged on for quite some time.

An Ceann Comhairle: -----he will not be called again, I can tell him.

Deputy John McGuinness: I do not bother you too much, a Cheann Comhairle.

An Ceann Comhairle: I take grave exception. The Deputy totally disregards the Chair. He knows well it is not in order.

Deputy John McGuinness: It is a matter for the Order of Business.

An Ceann Comhairle: It is not on the Order of Business.

The Taoiseach: On the Deputy's question on legislation, the first thing to note is that the Protected Disclosures Bill has gone through the Seanad and is now awaiting Second Stage here. Clearly it is a matter for the Whips to divide the time on this. I do not expect that should be unduly delayed for any reason.

I do not have the details of the comments of a member of the Judiciary from the court case the Deputy mentioned. I am sure the Minister concerned will follow through on what that means.

An Ceann Comhairle: It is not a matter for the Order of Business.

Deputy Timmy Dooley: In light of the revelation that the Department of Transport, Tourism and Sport was aware that problems existed with emergency beacons on sea-going vessels, will the Taoiseach arrange for an independent investigation into this matter? In doing so, he might consider having it carried out at the same time as the passage of the merchant shipping (registration of ships) Bill.

An Ceann Comhairle: The matter is being dealt with as a Topical Issue.

Deputy Timmy Dooley: Perhaps he might tell us when that legislation will be coming forward.

When is it intended to introduce the roads (amendment) Bill, which deals with the merger of the Railway Procurement Agency and the NRA?

The Taoiseach: The merchant shipping (registration of ships) Bill is due in this session as is the roads (amendment) Bill.

Deputy Timmy Dooley: What about the independent investigation?

The Taoiseach: I suggest the Deputy take up the investigation of comments about facilities at sea directly with the Minister or raise it if he gets consent from the Ceann Comhairle.

An Ceann Comhairle: The matter is being raised after the Order of Business as a Topical issue.

Deputy Barry Cowen: Last week the Taoiseach said that progress on the water services Bill would be discussed at Cabinet today. Can he now commit to the Dáil that all the legislation outstanding will be dealt with in this session? I refer to the legislation on the transfer of network assets and to give effect to the billing system.

The Taoiseach: The Bill was discussed this morning and approval was given to the Minister for the Environment, Community and Local Government to publish the water services Bill and to have it dealt with here before the close of business for this session. A second Bill will be required and will be dealt with in the spring. In respect of the troika requirement for the water services Bill, that was decided by Cabinet this morning and it will be taken and enacted before Christmas.

Deputy Brian Walsh: The Government - in particular the Minister for Health - is to be

commended on the tough position adopted in respect of the tobacco industry. When can we expect to see the public health (standardised packaging of tobacco) Bill to be introduced? This important Bill is aimed at discouraging young people and particularly girls from engaging in the habit of smoking.

The Taoiseach: The heads of that Bill were cleared on 19 November. Many different groups are involved in this issue. Some 5,200 people will die in this country directly as a result of smoking. The Bill will go to the Oireachtas committee for hearings and Deputy Buttimer is in charge of that. I am sure he will take input from across the board.

Deputy Mattie McGrath: I inquire again about the EirGrid Bill, which is urgent. I thank the Taoiseach and the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, for allowing an extension of time for submissions. Somebody contacted EirGrid, as did the Oireachtas Joint Committee on Transport and Communications.

My second question is on medical cards. The Taoiseach tried to explain it earlier and it is very confusing. A person over 70-----

An Ceann Comhairle: No, we are not going there.

Deputy Mattie McGrath: -----who was slightly over the threshold was told he was to apply on the under-70 scheme.

An Ceann Comhairle: The Deputy may ask about promised legislation.

Deputy Mattie McGrath: I ask the Taoiseach to give time tomorrow to debate the issue under the Health (Alteration of Criteria for Eligibility) (No. 2) Bill, which is to be dealt with there today and tomorrow. A person over 70 has been told-----

An Ceann Comhairle: Report Stage will be taken this evening.

Deputy Mattie McGrath: I am asking if he can give time.

An Ceann Comhairle: He does not need to give time; it is to be dealt with this evening.

Deputy Mattie McGrath: This man who is over 70 has been told that he must apply as an under 70-----

An Ceann Comhairle: It will be dealt with this evening.

Deputy Micheál Martin: He can only appeal on the basis of income threshold under separate criteria.

An Ceann Comhairle: I thank the Deputy.

Deputy Mattie McGrath: What I have here is extraordinary.

The Taoiseach: Report Stage of that Bill will be taken today and the Deputy will have an opportunity to refer to that as the Ceann Comhairle has pointed out to him.

The EirGrid Bill is due for publication early next year.

Deputy Mattie McGrath: Does the Taoiseach have any idea when?

The Taoiseach: In respect of current difficulties, the consultation period has been extended by the Minister for Communications, Energy and Natural Resources to 12 January.

Deputy John Deasy: The Valuation (Amendment) Bill was introduced to the Seanad earlier this year but has not progressed.

The Taoiseach: That important Bill is awaiting Committee Sage in the Seanad. The Whips there will make arrangements for when it is to be taken.

Deputy John Deasy: It has been waiting for a long time.

The Taoiseach: It is entirely a matter for the Seanad.

Deputy Barry Cowen: There are 9,000 appeals in Dublin at present.

Deputy Peter Fitzpatrick: When may we expect publication of the customs Bill to modernise legislation relating to customs and consolidate it into a single Act?

The Taoiseach: I do not have good news on that. It will be late next year.

Deputy Martin Heydon: I wish to ask about two Bills. When will we see the Betting (Amendment) Bill, expanding income to the Exchequer from remote operators, which is long overdue? The second Bill is related although from a different Department. In light of the 2012 Indecon report on proposed changes to the Horse Racing Ireland Bill when will both Bills be taken in the House?

The Taoiseach: The Betting (Amendment) Bill is on Second Stage. It is moving through the process. We were supposed to have the heads of the Horse Racing Ireland Bill this session but it will not happen until the end of the year, therefore, it will be spring before the Bill is dealt with.

Deputy Dessie Ellis: There is a huge problem with landlords putting out tenants who are in receipt of rental supplement. This is resulting in many people being made homeless. It is mainly because the landlords are looking for higher rents. A housing Bill to transfer responsibility for dealing with the rent supplement to local authorities is due. Could this be speeded up given the crisis?

The Taoiseach: I discussed this matter yesterday with a number of interested political groups, Cabinet sub-committees and so on. It will be early next year. The heads of the Bill have not been formulated yet but they will shortly and the Bill will be published early next year.

Deputy Seamus Kirk: Will it be necessary to introduce legislation to deal with the co-financing arrangement for Pillar 2 of the Common Agricultural Policy? There is much speculation as to what might happen in that regard. Various schemes depend on the co-financing arrangement being introduced expeditiously. When can we expect clarity on this issue?

The Taoiseach: This is an important issue with implications for provincial Ireland. I expect to have a meeting with the Minister for Agriculture, Food and the Marine very shortly.

Deputy Robert Troy: On several occasions I have raised the question of amending the Adoption Act 2010 to facilitate five Irish families who remain in legal limbo in their adoption process. I understand the Government is exploring the possibility of amending this Act with a view to looking compassionately on their cases. Will the Taoiseach update the House on this

and can we expect this legislation to be brought before the Houses of the Oireachtas prior to the Christmas recess?

The Taoiseach: The Deputy has raised this several times. The Minister for Children and Youth Affairs informs me that there is a great deal of serious work going on to see if there are possible legal solutions. It is not an easy situation to resolve. The Minister is very committed to seeing whether there is a legal solution to the problem for the small number of families involved for whom it is a very sensitive matter.

Deputy Ray Butler: When does the Government expect to publish a criminal justice Bill to strengthen the rights of victims of crime and their families and to give effect to a proposed EU directive, in light of what we have seen in the past couple of days?

The Taoiseach: I do not have a date for publication of that Bill but I will report progress on it to Deputy Butler.

Health Insurance (Amendment) Bill 2013: Second Stage

An Ceann Comhairle: A division was challenged on Thursday, 21 November 2013 on the question that the Health Insurance (Amendment) Bill 2013 be read a Second Time. In accordance with an order of the Dáil of that day, that division must be taken now.

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

<i>The Dáil divided: Tá, 75; Níl, 43.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Butler, Ray.</i>	<i>Boyd Barrett, Richard.</i>
<i>Buttimer, Jerry.</i>	<i>Broughan, Thomas P.</i>
<i>Byrne, Catherine.</i>	<i>Browne, John.</i>
<i>Byrne, Eric.</i>	<i>Calleary, Dara.</i>
<i>Cannon, Ciarán.</i>	<i>Collins, Joan.</i>
<i>Carey, Joe.</i>	<i>Cowen, Barry.</i>
<i>Coffey, Paudie.</i>	<i>Crowe, Seán.</i>
<i>Conaghan, Michael.</i>	<i>Doherty, Pearse.</i>
<i>Conlan, Seán.</i>	<i>Donnelly, Stephen S.</i>
<i>Connaughton, Paul J.</i>	<i>Dooley, Timmy.</i>
<i>Conway, Ciara.</i>	<i>Ellis, Dessie.</i>
<i>Coveney, Simon.</i>	<i>Ferris, Martin.</i>
<i>Creed, Michael.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Daly, Jim.</i>	<i>Fleming, Sean.</i>
<i>Deasy, John.</i>	<i>Grealish, Noel.</i>
<i>Deering, Pat.</i>	<i>Halligan, John.</i>
<i>Doherty, Regina.</i>	<i>Healy, Seamus.</i>
<i>Donohoe, Paschal.</i>	<i>Higgins, Joe.</i>

<i>Dowds, Robert.</i>	<i>Kelleher, Billy.</i>
<i>Doyle, Andrew.</i>	<i>Kirk, Seamus.</i>
<i>English, Damien.</i>	<i>McConalogue, Charlie.</i>
<i>Farrell, Alan.</i>	<i>McDonald, Mary Lou.</i>
<i>Feighan, Frank.</i>	<i>McGrath, Mattie.</i>
<i>Ferris, Anne.</i>	<i>McGrath, Michael.</i>
<i>Fitzgerald, Frances.</i>	<i>McGuinness, John.</i>
<i>Fitzpatrick, Peter.</i>	<i>McLellan, Sandra.</i>
<i>Flanagan, Terence.</i>	<i>Martin, Micheál.</i>
<i>Hannigan, Dominic.</i>	<i>Mathews, Peter.</i>
<i>Harrington, Noel.</i>	<i>Murphy, Catherine.</i>
<i>Harris, Simon.</i>	<i>Naughten, Denis.</i>
<i>Hayes, Tom.</i>	<i>Nulty, Patrick.</i>
<i>Heydon, Martin.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Humphreys, Heather.</i>	<i>Ó Fearghail, Seán.</i>
<i>Keating, Derek.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Kehoe, Paul.</i>	<i>O'Brien, Jonathan.</i>
<i>Kelly, Alan.</i>	<i>O'Dea, Willie.</i>
<i>Kenny, Seán.</i>	<i>Ross, Shane.</i>
<i>Kyne, Seán.</i>	<i>Shortall, Róisín.</i>
<i>Lynch, Ciarán.</i>	<i>Smith, Brendan.</i>
<i>Lynch, Kathleen.</i>	<i>Stanley, Brian.</i>
<i>Lyons, John.</i>	<i>Tóibín, Peadar.</i>
<i>McCarthy, Michael.</i>	<i>Troy, Robert.</i>
<i>McEntee, Helen.</i>	<i>Wallace, Mick.</i>
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Maloney, Eamonn.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Noonan, Michael.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	

<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>Varadkar, Leo.</i>	
<i>Wall, Jack.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

Tellers: Tá, Deputies Paul Kehoe and Emmet Stagg; Níl, Deputies Seán Ó Fearghaíl and Timmy Dooley.

Question declared carried.

Health Insurance (Amendment) Bill 2013: Referral to Select Committee

Minister for Health (Deputy James Reilly): I move:

That the Bill be referred to the Select Sub-Committee on Health pursuant to Standing Orders 82A(3)(a) and (6)(a) and 126(1) of the Standing Orders relative to Public Business.

Question put and agreed to.

Local Government (Town Centres) Bill 2013: Second Stage (Resumed)

An Ceann Comhairle: A division was challenged last Friday on the question that the Local Government (Town Centres) Bill 2013 be read a Second Time. In accordance with an order of the Dáil of 21 November 2013, that division must be taken now.

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

<i>The Dáil divided: Tá, 27; Níl, 87.</i>	
<i>Tá</i>	<i>Níl</i>

<i>Boyd Barrett, Richard.</i>	<i>Butler, Ray.</i>
<i>Browne, John.</i>	<i>Buttimer, Jerry.</i>
<i>Calleary, Dara.</i>	<i>Byrne, Catherine.</i>
<i>Collins, Joan.</i>	<i>Byrne, Eric.</i>
<i>Cowen, Barry.</i>	<i>Cannon, Ciarán.</i>
<i>Donnelly, Stephen S.</i>	<i>Carey, Joe.</i>
<i>Dooley, Timmy.</i>	<i>Coffey, Paudie.</i>
<i>Flanagan, Luke 'Ming'.</i>	<i>Conaghan, Michael.</i>
<i>Fleming, Sean.</i>	<i>Conlan, Seán.</i>
<i>Grealish, Noel.</i>	<i>Connaughton, Paul J.</i>
<i>Halligan, John.</i>	<i>Conway, Ciara.</i>
<i>Healy, Seamus.</i>	<i>Coveney, Simon.</i>
<i>Higgins, Joe.</i>	<i>Creed, Michael.</i>
<i>Kelleher, Billy.</i>	<i>Crowe, Seán.</i>
<i>Kirk, Seamus.</i>	<i>Daly, Jim.</i>
<i>McConalogue, Charlie.</i>	<i>Deasy, John.</i>
<i>McGrath, Mattie.</i>	<i>Deering, Pat.</i>
<i>McGrath, Michael.</i>	<i>Doherty, Pearse.</i>
<i>McGuinness, John.</i>	<i>Doherty, Regina.</i>
<i>Martin, Micheál.</i>	<i>Donohoe, Paschal.</i>
<i>Murphy, Catherine.</i>	<i>Dowds, Robert.</i>
<i>Ó Feargháil, Seán.</i>	<i>Doyle, Andrew.</i>
<i>O'Dea, Willie.</i>	<i>Ellis, Dessie.</i>
<i>Ross, Shane.</i>	<i>English, Damien.</i>
<i>Smith, Brendan.</i>	<i>Farrell, Alan.</i>
<i>Troy, Robert.</i>	<i>Feighan, Frank.</i>
<i>Wallace, Mick.</i>	<i>Ferris, Anne.</i>
	<i>Ferris, Martin.</i>
	<i>Fitzgerald, Frances.</i>
	<i>Fitzpatrick, Peter.</i>
	<i>Flanagan, Terence.</i>
	<i>Hannigan, Dominic.</i>
	<i>Harrington, Noel.</i>
	<i>Harris, Simon.</i>
	<i>Hayes, Tom.</i>
	<i>Heydon, Martin.</i>
	<i>Humphreys, Heather.</i>
	<i>Keating, Derek.</i>
	<i>Kehoe, Paul.</i>
	<i>Kelly, Alan.</i>
	<i>Kenny, Enda.</i>
	<i>Kenny, Seán.</i>
	<i>Kyne, Seán.</i>

	<i>Lynch, Ciarán.</i>
	<i>Lynch, Kathleen.</i>
	<i>Lyons, John.</i>
	<i>McCarthy, Michael.</i>
	<i>McDonald, Mary Lou.</i>
	<i>McEntee, Helen.</i>
	<i>McGinley, Dinny.</i>
	<i>McHugh, Joe.</i>
	<i>McLellan, Sandra.</i>
	<i>McLoughlin, Tony.</i>
	<i>McNamara, Michael.</i>
	<i>Maloney, Eamonn.</i>
	<i>Mathews, Peter.</i>
	<i>Mitchell, Olivia.</i>
	<i>Mitchell O'Connor, Mary.</i>
	<i>Mulherin, Michelle.</i>
	<i>Murphy, Dara.</i>
	<i>Murphy, Eoghan.</i>
	<i>Nash, Gerald.</i>
	<i>Neville, Dan.</i>
	<i>Nolan, Derek.</i>
	<i>Noonan, Michael.</i>
	<i>Ó Caoláin, Caoimhghín.</i>
	<i>Ó Ríordáin, Aodhán.</i>
	<i>Ó Snodaigh, Aengus.</i>
	<i>O'Brien, Jonathan.</i>
	<i>O'Donnell, Kieran.</i>
	<i>O'Donovan, Patrick.</i>
	<i>O'Dowd, Fergus.</i>
	<i>O'Mahony, John.</i>
	<i>O'Reilly, Joe.</i>
	<i>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Reilly, James.</i>
	<i>Ryan, Brendan.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanley, Brian.</i>
	<i>Stanton, David.</i>
	<i>Tóibín, Peadar.</i>
	<i>Tuffy, Joanna.</i>
	<i>Varadkar, Leo.</i>
	<i>Wall, Jack.</i>
	<i>Walsh, Brian.</i>

Tellers: Tá, Deputies Seán Ó Feargháil and Barry Cowen; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared lost.

Supplementary Estimates 2013: Motion

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

That leave be given by the Dáil to introduce the following Supplementary Estimates for the service of the year ending on the 31st day of December, 2013:—

Vote 18 — Shared Services (*Supplementary Estimate*).

Vote 31 — Transport, Tourism and Sport (*Supplementary Estimate*).

Vote 35 — Army Pensions (*Supplementary Estimate*).

Question put and agreed to.

Supplementary Estimates 2013: Referral to Select Committee

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

That, subject to leave being given to introduce the following Supplementary Estimates for the service of the year ending on 31st December 2013, the Supplementary Estimates be referred to the following select committees or sub-committees, as appropriate, pursuant to Standing Orders 82A(3)(c) and (6)(a) and 159(3), and paragraph (8) of the Orders of Reference of Select Committees, which shall report back to the Dáil by no later than 12 December:—

Vote 18 — Shared Services (*Supplementary Estimate*) — Select Sub-Committee on Public Expenditure and Reform.

Vote 31 — Transport, Tourism and Sport (*Supplementary Estimate*) — Select Sub-Committee on Transport, Tourism and Sport.

Vote 35 — Army Pensions (*Supplementary Estimate*) — Select Committee on Justice, Defence and Equality.

Question put and agreed to.

Dáil Éireann
Topical Issues

Marine Safety

Deputy Noel Harrington: I thank the office of the Ceann Comhairle for selecting this topic and the Minister for Transport, Tourism and Sport for his attendance. It is a measure of the seriousness of this issue that Deputy Deasy and I have both seen it in order to raise it as a Topical Issue matter. An EPIRB is an emergency position-indicating radio beacon. It is a very important safety device on maritime vessels. In times of distress, particularly when a boat sinks, the EPIRB will activate and indicate the position of the vessel and its registered owner. It is very important that we have learned over recent days that an Australian manufacturer has indicated that there are 150,000 faulty beacons available internationally, of which 700 are in this country. The significance of those EPIRBs being faulty is very distressing for coastal communities, particularly those involved in the fishing industry. This is a very difficult day and I am sure Deputy Deasy will reflect on that. Even when these devices go off accidentally, it is very distressing for communities and more often than not, it is because of faulty installation or maintenance or the lack of maintenance, but it is very disconcerting to find that there is a fault with the manufacture of EPIRBs.

We need to give some assurance to the marine industry, particularly the fishing industry, that the Department is fully on top of its brief. I note that under Marine Notice No. 13 of 2012, it is mandatory for the registered owners to declare their ownership of these EPIRBs so there is a register within the Department of all EPIRBs and their owners. The Department issued Marine Notice No. 38 of 2013 asking owners and operators of EPIRBs to check them to see they pass tests, but it was a very vague notice and it is very important the Department takes a more proactive approach in dealing with this problem. I look forward to the Minister's response. The Department has a register of EPIRB owners and knows the issue. There are issues around installation and maintenance but the industries and communities around our coast need assurance from the Department through the Marine Survey Office or whatever relevant authority to ensure these devices are in safe working order.

Deputy John Deasy: We are mindful that while we are dealing with the issue of defective EPIRBs or faulty marine beacons, a search is continuing for a fisherman missing off the Wexford coast. I attended the funeral of Shane, Paul and Kenny Bolger in June 2013. They were three brothers who died when their boat capsized in Tramore Bay. It is a day I will not easily forget. Their boat was equipped with an EPIRB. I spoke to a number of fishermen at the time and the suggestion back then was that the bow of the boat did not submerge and for that reason, the emergency signal did not go off. There might be some doubt about that. There are growing concerns that similar devices made by one particular manufacturer, GME, could be defective. The company has admitted that a microprocessor malfunction has been identified as the cause of a number of these EPIRBs not working properly.

There is an internal inquiry within the Department about concerns raised about EPIRBs three years ago and the actions that were taken or should have been taken at that time. I understand the Department raised concerns this year with the manufacturer and also contacted the company in 2010. Some people with whom I have spoken have questioned why the Department waited for the company to issue an alert before issuing its own. The relevant international certifying authority is Bureau Veritas, which determines whether such products comply with the

EU marine equipment directive.

To be honest, I am more interested in ensuring that everyone who is registered as having an emergency position indicating radio beacon, EPIRB, understands that there is a potential problem with the reliability of that safety beacon. I am not just referring to GME EPIRBs, but all EPIRBs. The company has issued an alert and the Department has issued a safety alert, but this matter deserves more than just an advisory. Even though EPIRBs are supposed to be tested every month, it is not done in every case. If there are doubts about EPIRB reliability, the Department should contact each registered individual and alert him or her to the potential danger while the inquiry takes its course.

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I thank the Deputies for raising this important issue. As they will be aware, an EPIRB is used to alert search and rescue services in the event of an emergency. It does this by transmitting a coded message via satellite and earth stations to the Coast Guard rescue co-ordination centres. All of a vessel's radio equipment, including EPIRBs, must comply with international standards, which are set out in EU Council Directive 96/98 EC, known as the marine equipment directive or MED. The testing and placing of EPIRBs is done in accordance with this directive. The MED provides for common standards for safety equipment across the EU and allows for internationally recognised independent competent bodies to assess the compliance of equipment with testing standards. The MED also operates within the wider context of EU product certification, which places an obligation on manufacturers to place only safe products on the market. Given this, the role of member states is limited.

Manufacturers generally provide a warranty to cover the operation of the equipment under which it will be repaired or replaced in the event of faulty operation, subject to the equipment not having been tampered with. Vessel operators return faulty equipment through the local distributor to the manufacturer as part of the normal market operation. National maritime administrations - my Department in Ireland's case - are not involved directly in this process.

As part of the vessel surveying and certification process, the Department or a surveyor or organisation appointed on its behalf checks to see that an EPIRB is in place and is operating where the vessel is required by law to be fitted an EPIRB. Aside from the survey, it remains an operator's responsibility to ensure that the EPIRB remains fully functional, including undertaking periodic self-checks, usually monthly, to ensure the equipment continues to function properly. The regular testing of the smoke alarm in a home would be a comparable example of the ongoing self-testing required with EPIRBs, except that where an EPIRB battery is dead, it should not be changed by the operator. It should only be changed by a designated technician.

As part of its routine vessel survey arrangements, a radio surveyor from my Department became aware of a defective EPIRB when carrying out a survey on a passenger ship in June 2013. Subsequently, officers in my Department became aware of two further defective EPIRB units. On foot of this, my Department opened contact with Sartech Limited in the UK, the distributor for Ireland and the UK of the relevant EPIRB. My Department advised Sartech of the defective units that had come to light and had them sent to GME, the manufacturer's head office in Australia, for testing. My Department subsequently followed up with GME Australia during October 2013. My Department became aware of another unit failure, which was also sent to Australia for testing.

GME Australia advised that its initial testing had shown defective microprocessors and it

was going to commission an independent analysis of its circuit design. My Department considered that a safety alert should be issued by the manufacturer. GME subsequently agreed and issued its safety alert on 4 November 2013. My Department issued a marine notice on 11 November to draw attention to this alert. Ireland was the first country in the world to do so. My Department also requested the Paris Memorandum of Understanding, MoU, the international organisation governing port state control throughout Europe, to promulgate the safety alert to the other member states and also informed the European Commission. This represented a precautionary and expeditious approach by the Marine Survey Office, MSO, as we were the only country to initiate action regarding these particular EPIRBs.

EPIRBs must be certified as meeting the relevant EU standard by an approved independent competent body. In the case of the GME EPIRBs, Bureau Veritas is the relevant organisation. It issued the appropriate certification confirming compliance with the directive.

Following recent media reports, I asked my Department to examine concerns that it was aware in 2010 of similar defects in EPIRBs.

Acting Chairman (Deputy Peter Mathews): Excuse me, but the remainder of the Minister's response can be included in the record so that we can proceed.

Deputy Leo Varadkar: With the Acting Chairman's indulgence, I would be able to cover the key points in 35 seconds.

Acting Chairman (Deputy Peter Mathews): That is a large proportion, but I will make a rare exception for the Minister.

Deputy Leo Varadkar: According to my Department's report, in July 2010 the Department had sent a number of queries to the manufacturer's agent on foot of concerns about EPIRB defects arising from possible tampering or improper battery replacement. In the ensuing examination, no evidence emerged that suggested a serious defect within the equipment type such as that associated with the microprocessor finding as determined recently. There is no crossover between the issue raised in 2010 and the issue that emerged in 2013.

The mandatory carrying of EPIRBs is specified for certain categories of vessels, including fishing vessels and other international and domestic operating ships. As part of the vessel surveying process, checks are undertaken to see that the EPIRB is in place and operating. Aside from the survey, it remains the operator's responsibility to ensure that the EPIRB remains fully functional, including undertaking periodic self-checks. My Department will continue to examine EPIRBs on vessels as part of its normal surveying and will continue to issue marine notices to remind vessel owners to undertake the necessary periodic self-checks in line with manufacturers' recommendations. A marine notice addressing this matter was issued by my Department on 29 July.

Additional information not given on the floor of the House

I am aware that concerns have been raised recently regarding EPIRBs in the context of the tragic loss of the *MFV Dean Leanne* earlier this year. I can make no comment at all as the Marine Casualty Investigation Board, MCIB, is currently carrying out its investigation and I await its report.

I am acutely aware of the number of tragedies occurring around our coastline and the lives

that have been devastated by the loss of loved ones. We have the highest ever allocation - €67.9 million - for the Coast Guard in 2014, which will cover critical helicopter search and rescue services. I am also developing a new maritime safety strategy, as I am keen to build greater awareness about safety and the measures we can take together to help reduce risks. The central goal of the new safety strategy will be to reduce deaths and injuries, since each life lost at sea is one too many. I plan to launch my consultation paper shortly.

Last July, my colleague, the Minister for Agriculture, Food and the Marine, Deputy Cooney, and I launched a new safety initiative for fishing vessels. A key element in the initiative involves making personal locator beacons, PLBs, a requirement for each crew member. Shortly, my Department will also launch an updated code of practice for safety fishing vessels of less than 15 m in length. The code is also being amended to make it a mandatory requirement that all fishing vessels of less than 12 m will be required to carry an automatic float free EPIRB. The code will also provide for enhanced safety training, which will be provided by Bord Iascaigh Mhara, BIM. Additionally, BIM will provide funding to fishermen to fit this new equipment.

Deputy Noel Harrington: I thank the Minister for his response. Will he address two points arising from his statement? Given last year's marine notice making it mandatory for EPIRB owners to register, the Department should contact owners directly on foot of any future concern. I note the Department's proactive response to date, but it would be helpful if each owner was contacted in the event of future concerns.

Microprocessors were returned to the manufacturer for assessment. An independent organisation such as the French company Bureau Veritas should also be involved in the microprocessors' assessment so as that EPIRB users can have an assurance of independence.

Deputy John Deasy: My understanding is that the company has advised the Department that it sold more than 150,000 EPIRBs between 2004 and 2012, with a failure rate of 0.11%. The reliability of these devices needs to be independently assessed. The Minister mentioned smoke alarms. If a particular brand of smoke alarm in public housing was found to be defective in any way, we would not just issue an alert. The likelihood is that we would have the brand recalled. Admittedly, this situation is a bit more complicated, but we need to determine quickly whether these safety beacons can be trusted. If we determine that there is an unreasonable risk, they need to be recalled.

We need to check to determine whether Bureau Veritas, the compliance agency, is satisfied with the company's explanation. We also need to ask about the testing methodology used by Bureau Veritas.

I agree with my colleague, Deputy Harrington, that the first step is to ensure that everyone who has an EPIRB understands that there is a potential risk. People need to be contacted by the Department individually while this situation is investigated.

Deputy Leo Varadkar: The Deputies made two suggestions. First, people with EPIRBs from the batches in question or made by this manufacturer should be contacted individually to ensure that they are aware. I am happy to take that suggestion on board and to carry it out. Through the normal marine notice process and the attendant media coverage, the majority of all vessel owners should be aware of the recent marine notice concerning these EPIRBs. However, as a precautionary measure and following on the Deputies' suggestion, my Department will inform everyone on the EPIRB register of the relevant notices to ensure that people are fully

informed.

I will need to take advice on the question of independent testing by someone other than the manufacturer. I am unsure as to who the independent tester would be or even if it is possible to carry out independent tests on a device that has been already opened and examined. It is important to state that EPIRBs can fail for a number of reasons. Sometimes they do not hit the water, which means they are not activated, while on other occasions they may be faulty. In addition, the battery may not be replaced properly or may have been tampered with. If that happens obviously it is serious. People put themselves at enormous risk if they cut corners by trying to repair devices or change batteries when they are not qualified to do so.

In its revised Estimates volume, my Department has given its highest ever allocation for the coastguard service, totalling €67.9 million. That will cover the critical helicopter search and rescue services. I am also developing a new maritime safety strategy as I am keen to build greater awareness about safety and the measures we can take together to help reduce risks.

The central goal of the new safety strategy will be to reduce deaths and injuries, as each life lost at sea is one too many. I am concerned that a country such as Ireland, which has a much smaller fishing fleet than Iceland, loses many more people at sea than Iceland. That does not happen with our passenger or cargo vessels, so we have a big problem there which needs to be addressed.

Acting Chairman (Deputy Peter Mathews): I introduced that topic incorrectly, stating that it was the EPERB, whereas I should have said EPIRB. I apologise for misleading the House.

Deputy Leo Varadkar: Not to be confused with the International Rugby Board.

Acting Chairman (Deputy Peter Mathews): That is the Minister's other hat.

Third Level Feeder Schools

Deputy Eamonn Maloney: Information on third level feeder schools has been published in almost every national newspaper today and it makes for interesting reading. The data highlight the advantages and disadvantages in terms of what is happening in second level education and the students who are continuing into third level education.

It should be acknowledged that more schools are sending their pupils to third level education, so real progress is being made in educational opportunities, despite the deep recession. Such opportunities are spread across society and families that historically could not have sent their children to third-level education, now have a greater chance of doing so. These matters deserve to be acknowledged.

There are other aspects involved in the transition from second to third level education. One can see from the league tables that students attending fee-paying schools are more likely to attend college. Private schools, of which there are more than 50 in the State, have a 100% record of moving their students on to third level education, but that is not the whole story. The report goes on to confirm that schools with higher numbers of disadvantaged students continue to send fewer pupils to college. Whatever progress has been made, we still have a situation whereby the State provides a subsidy of approximately €100 million to a small number of private schools

- some 50 plus. The Government has continued to do so in the three budgets it has passed in this House.

Fairness in education is a principle worth campaigning and fighting for. Education should not be denied to people because of where they are born or because of their family circumstances. Third level education should not be a preserve of privileged people who have the money to afford it.

Students attending private schools are guaranteed that they will go to a third level college. That guarantee is not in the gift of disadvantaged families, however. Some of them get through but a greater number are left outside the third level sector. We will have to address this.

Last week, we had a debate - which is still taking place - about top-ups totalling €3 million in the health sector. All guidelines for health CEOs and managers should be adhered to. However, we cannot oppose top-ups while at the same time providing a top-up of €100 million to private schools. It is a contradiction.

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): I am aware that reports have been published on feeder schools for third level. Similar tables have been published by newspapers annually for more than a decade. My Department does not endorse these tables nor does it normally comment on them or encourage them in any way.

I am not in favour of the publication of these league tables based solely on rates of third level admissions in Ireland. Such tables provide an unbalanced, narrow focus and limited indication of a school's overall performance. For example, they do not take into account progression to universities in the UK or in other countries outside Ireland. Nor do they take into account progression to post leaving certificate courses.

There are also instances of inconsistencies between newspapers over what percentages of students from individual schools go on to higher education. This can be confusing for parents. The tables also fail to show how schools add value to the education of their students, often in difficult circumstances. A school in a disadvantaged area may have struggled and succeeded in getting a reasonable percentage of its students into third level, but could be placed on the list below a school that draws its students from much more advantaged backgrounds. In other words, the kind of league tables published today can inadvertently pit schools serving entirely different communities against each other in crude comparisons of academic performance alone.

The information in the tables concentrates on one aspect of school performance only and does not take into account the profile of students in the school. Experience from other countries shows that a single-minded pursuit of league table rankings by schools can greatly narrow the educational experience of students in our schools. It can reduce the pursuit of excellence and the provision of a well-rounded education that will stand to our students for further study and for life.

An overemphasis on those aspects of provision that are easily measurable can come at the expense of essential aspects of students' learning, such as their social and personal development. When choosing a school for their children, it is important for parents to consider not just the academic performance of the school but also the quality of its pastoral care, the culture of the school and, critically, how the school can meet the needs of their child.

The Minister has sought to ensure that more robust, relevant and readily accessible informa-

tion is made available that provides a balanced picture of educational provision in individual post-primary schools. Inspections are now carried out on a regular basis on different aspects of provision in our post-primary schools and are published on the Departments' website.

In contrast to school league tables, I believe that school inspection reports when read in their entirety can provide balanced and well-informed information on schools. The inspection process involves an examination of all the varied activities of a school, from the quality of management and the quality of teaching and learning to the availability of extra-curricular activities and the implementation of policies in areas such as bullying, and health and safety. The inspection process also includes consultation with the school's board, parents and staff members and, at second level, with the school's students.

I am, of course, aware that transition to third level is of considerable importance. It is interesting to note that Ireland has the highest rate of transition to third level in the EU.

6 o'clock

Today's reports are further evidence that the currency of success at senior cycle is now measured by the number of points achieved for entry into higher education. There is a significant backwash effect on teaching and learning in the senior cycle and, the junior cycle, from this narrow focus and measurement process. It is crucial that these and other factors do not lead to an education experience in senior cycle where there is more focus on rote learning and memorisation rather than on teaching students the higher order thinking skills necessary for success in life and in higher education.

The Minister has identified the reform of the transition from second level to higher education as a key priority. A high level group of education partners has made progress in agreeing commitments which will help to address concerns around the points entry system into higher education.

Deputy Eamonn Maloney: The Minister of State made some valid points in his reply, with which I largely agree, including that there are shortcomings in the league table system as currently set out. Similar comment has been made about it in previous years.

Despite the shortcomings of the system, what is indisputable is that those who attend private second level fee paying schools are virtually guaranteed a place in university to the disadvantage of those who do not have the financial resources to attend these schools. I believe in fairness in education. I do not, and have never, had any dispute with the existence of private schools. However, private schools in Northern Ireland, Scotland, Wales and England are not subsidised by the State. Why should Irish taxpayers have to pay for an elite collection of schools when taxpayers in our neighbouring jurisdictions do not? Essentially, this €100 million per annum in funding is a top-up to allow privileges to these schools, to which most families cannot afford to send their children.

The Minister of State and I have spoken about the democratic revolution, on which I will not comment further. While I believe in reform I believe more in fairness. There is no fairness in this system.

Deputy Ciarán Cannon: As I mentioned earlier, the league tables published present a very inaccurate and unhelpful view of schools in that they provide information on only one aspect of school performance. I would encourage parents to look at school inspection reports, which

are available on the Department's website and provide a far fuller, accurate and holistic view of what is happening in the individual school environment.

The Minister is currently prioritising reform of the entry system to higher education in an effort to reduce the negative backwash of the current system on teaching and learning in schools. These measures, combined with the alternative sources of information about schools available to parents, will negate the need or relevance of the type of league tables published to date. The central point made by the Deputy has been addressed by the Minister, Deputy Quinn, in the past two budgets by way of a considerable increase in the pupil-teacher ratio for private schools.

Child Care Services Funding

Deputy Robert Troy: I thank the office of the Ceann Comhairle for selecting this issue for discussion. I welcome that the Minister has secured €900,000 for allocation in 2013 to the delivery of training modules in the early child care sector. While it is a modest sum given there are 4,300 service providers throughout Ireland it is to be welcomed.

During the summer I published a discussion paper entitled Investing in Tomorrow, one of the key objectives of which is support for and professionalising of the early child care workforce by way of a professional early childhood training fund based on a needs-led targeted approach. I do not believe that the model being advanced by the Department will ensure a needs-led targeted approach is taken. The allocation being provided relates to level 5 and 6 training provision. However, it has been demonstrated by various reports and in a "Prime Time" *exposé* that there are gaps and deficiencies not only at level 5 and 6 but across the spectrum, including at managerial level. Can the Minister confirm this evening that the restricted criteria set out in respect of the 2013 allocation will not be repeated in respect of the 2014 allocation?

I also have grave concerns in regard to the manner in which this allocation was made. Can the Minister clarify if in relation to the €900,000 training fund public procurement procedures were followed, in particular the number of training agencies approached to tender for this work? The target in respect of the number of people who can avail of this training scheme is 630. Was any formal value for money analysis undertaken to determine if this is indeed value for money? Also, as it is a requirement in terms of eligibility for this funding that a provider deliver level 5 and 6 training what is the reason for the selection of one of the agencies, which is not accredited to deliver level 6 training?

A communication has been brought to my attention by a senior official in the Minister's Department in which it is acknowledged that an allocation has been given to two agencies. The word "given" would indicate to me that due process and procurement were not followed. This limits the options of learners and practitioners to only two agencies. It appears from that communication that no criteria has been set out in regard to how this money is to be spent and that this money will not be spent evenly across the country. It appears also that this €900,000 of taxpayers' money is being spent in a highly irregular manner, which lacks transparency and is unfair and uncompetitive. I would welcome the Minister's clarification on how the two agencies concerned were selected to provide the training.

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): Over the past 15 years, since the introduction of the Equal Opportunities Childcare Programme and its successor, the National Childcare Investment Programme, my Department and its forerunners have been

supporting the development of the child care sector. This support comprised capital funding for the provision of additional child care places, funding for staffing and funding to improve quality in child care services. The support also included the provision of annual funding to a number of voluntary child care organisations, including Early Childhood Ireland, formerly the National Children's Nurseries Association and Irish Preschool Play Association; Barnardos; Irish Steiner Waldorf Early Childhood Association; Forbairt Naionraí Teoranta; Border Counties Childcare Network; St Nicholas Montessori Association and Childminding Ireland. These are voluntary organisations which provide, *inter alia*, training and quality supports to their members. The arrangements for funding these voluntary child care organisations have been in place for the past 15 years and have been effective in supporting development of the sector.

Similar well established arrangements are in place across many areas of the public service whereby funding is provided through grant arrangements. In the case of my own Department, a very sizeable range of organisations receive grants to support activities with children and young people or those providing services to children and young people. As well as national organisations, many local organisations receive grants in the youth, child care and community sectors. These funding arrangements are separate to the public procurement process which applies to commercial services provided on a for-profit basis.

The commitment to improve the quality of early childhood care and education has been a key priority for me since becoming Minister. In that context, my Department and I have been progressing work on a comprehensive preschool quality agenda which will seek to support and ensure higher standards in preschool services. The Deputy asked why FETAC levels 5 and 6 have been assigned as the required standards. As he knows, there has been a great deal of discussion regarding qualifications and standards in preschool services in the aftermath of the "Prime Time" programme which investigated practices in various facilities. If we want to improve standards, we have to demand certain levels of training - which is precisely what we have done. I have indicated my intention, for example, to increase the minimum requirement from FETAC level 5 to level 6 for preschool leaders delivering the preschool year. It is also my intention to require all preschool assistants and all other staff caring for children in a preschool service to hold a minimum qualification at level 5. These new requirements will apply from September 2014 for new services and from September 2015 for existing services. Staff in the sector are on modest pay. Subsidising the provision of accredited training provides an important contribution to their achievement of the new requirements in the shortest possible time. That is precisely the purpose of the funding.

In light of the timeframe for the introduction of minimum qualifications, my Department has sought to work with the child care sector to accelerate the process for training and upskilling its staff. In this context, Early Childhood Ireland, which is the largest of the voluntary child care organisations funded by my Department, and the Border Counties Childhood Network have been asked, as part of their 2013 work plans, to offer additional training to the existing workforce in relevant level 5 and level 6 training modules. My Department has asked Early Childhood Ireland to include specific elective modules that are considered particularly relevant within its training provision. These include modules entitled Children with Additional Needs and Equality and Diversity in Childcare at level 5, and Early Childhood Literacy and Numeracy and Equality and Diversity in Childcare at level 6.

I understand 13 training courses are currently being delivered and it is anticipated that up to 600 child care staff will access courses leading to the higher qualification. Additional grant funding, the amount of which is yet to be determined, will be made available to Early Child-

hood Ireland in 2013 to provide for this. ECI is a major national membership organisation which operates on a charitable basis. It represents 3,400 child care providers, has a proven record in delivering quality training to its members and is a registered FETAC-QQI centre with full quality assurance status. Process, policies and procedures are in place to ensure fair and consistent assessment of learners. This process is continually reviewed through self-evaluation, as monitored by FETAC-QQI. Unfortunately, the Acting Chairman has indicated that I am out of time.

Deputy Robert Troy: I welcome the allocation of moneys for training; that is not an issue. I asked whether that funding would be restricted next year to the provision of training at FETAC levels 5 and 6. The standard of staff training in some facilities is already very high. I visited one in Kinnegad recently, for example, where every member of staff has at least a level 5 qualification and most are qualified to level 6. In such instances, staff might have a different requirement in regard to training. My concern is that under the model introduced by the Minister, those staff would be precluded from accessing it.

Will the Minister clarify that there is no public procurement requirement in respect of the €900,000 of taxpayers' money set aside to deliver this training? I have no issue with Early Childhood Ireland, a representative and voluntary body that is doing good work. However, there are other training providers, including the education and training boards. Why were they not considered as part of this programme? On the other hand, the Border Counties Childhood Network is not even accredited to deliver training at FETAC level 6. In fact, I am informed that the Department was not even aware that the BCCN was not accredited to level 6 until that body contacted the Department to inform it of same. There is an issue there. Will the Minister indicate whether public procurement procedures were followed in allocating moneys under this programme to two independently managed organisations?

Deputy Frances Fitzgerald: The answer to the Deputy's second question is that these funding arrangements are separate to the public procurement process that applies to commercial services provided on a for profit basis. Regarding the range of training that will be offered, it is important to note that we are starting from a very low base in terms of financial support to the sector in respect of training. There is a significant amount of training required for staff and providers. As I have often said, we focused a little too much in the past on bricks and mortar and not enough on quality training. I have been allocated these additional moneys, for which Deputy Troy and others have been calling, to provide subsidised training for a sector whose members are generally low paid.

During 2014 and 2015, I will be implementing a new national training programme for the existing child care workforce for which I have secured an additional €3 million. This programme will offer training opportunities for child care staff to upskill. I will consider a range of options in terms of the types of training offered. Qualifications at FETAC levels 5 and 6 are a priority at this time because I am bringing legislation through the House to ensure workers reach that standard. I certainly do not accept the Deputy's claim that we are not responding to the need that is there. We are clearly responding to the need to upgrade staff to levels 5 and 6, which, as I said, will be the obligatory standard. Staff in the child care sector have shown great enthusiasm for participating in the training. It is expected next year and in 2015 that training will be delivered by a range of accredited training providers. I will be putting arrangements in place in the coming months to develop the programme. I do, however, take the Deputy's point that managerial training is also required.

Another important element of the preschool quality agenda that I am pursuing is the publication of the online Health Service Executive reports, which is strengthening the national inspection system. We now have more than 1,600 inspection reports online which allow parents to examine the quality of the services to which they are entrusting their children. That is an important part of improving standards, quality and training.

Deputy Robert Troy: One of the bodies charged with delivering training is not accredited for FETAC level 6.

Deputy Frances Fitzgerald: It can deliver level 5 training. The approach we are taking follows a well established practice of supporting voluntary charitable organisations to deliver training.

Deputy Robert Troy: What about training for level 6? The Minister did not address that point.

Maternity Services

Deputy Mick Wallace: I understand the Health Service Executive was due to deliver a report to Government last night setting out its proposals for achieving the required saving of more than €660 million next year. I also understand that the Department of Public Expenditure and Reform and the Department of the Taoiseach will be involved in assessing those proposals. The plan comes in the wake of a recent report by the OECD, entitled *Health at a Glance 2013: OECD Indicators*, which notes that Ireland has a low ratio of doctors to population and one of the lowest levels of gynaecologists and obstetricians per 100,000 women in the OECD area.

Ireland has a legacy of under-staffing in maternity care, with a 2008 study of staffing levels in the greater Dublin area identifying a shortfall of 221 midwives, 20 neonatal nurses and 35 theatre staff. Hence, there was a shortage of maternity staff, even during the good economic times, but the situation has significantly worsened since the beginning of the economic crisis. Dr. Peter Boylan, clinical director of the National Maternity Hospital, has stated that Ireland is approximately 30% short of internationally recommended maternity staff levels.

Following numerous inquiries into the tragic death of Savita Halappanavar last year, including a HIQA report which noted the three vacancies at University Hospital, Galway that remained unfilled owing to the moratorium on hiring staff, it is obvious that funding cuts and recruitment embargoes in the name of austerity are having detrimental effects on people's lives. Other reports, including the report into the death of Tania McCabe, already highlighted issues in maternity staffing levels as far back as 2007. However, despite inquiries, reports and recommendations, nothing has been done. Instead, the Government's policies seem to be making the situation worse.

I note the Minister for Health has said that it is not about overall numbers but the type of staff in place. I remind the Minister that if a football team has nine players and has to deal with what comes its way, there is no point in saying they can deal as well as otherwise without the required number or if they are short. The Minister also made the point that patient safety is the responsibility of the chief executive of any hospital or hospital group. Let us suppose I put it to a restaurant manager that we are going to save some money and I am going to take away a chef and a commis chef, but I want the manager to ensure that none of the customers is waiting on

their food and that they all go away happy. In fairness to the manager, it would be difficult for him to deliver if he does not have the resources to do so. It is well to say that the responsibility is with the manager to make it happen but if we cut resources and tell the manager that he can make this happen with less, then it must be challenging for that manager. Given the HIQA report in October, will the Minister of State outline whether the Department will increase the numbers of staff and consultants in maternity hospitals? Is that part of the Government's plan?

Minister of State at the Department of Health (Deputy Alex White): The director general of the HSE forwarded the 2014 service plan to the Department of Health late yesterday evening. In accordance with the Health Act 2004, as amended, the Minister for Health has a period of 21 days from the date of receipt of the plan to either approve the plan or to seek amendments to it in consultation with the Minister for Children and Youth Affairs.

The question of amending the plan might arise if, for example, the Minister was of the view that the plan did not contain the required information, did not have sufficient regard to previous directions issued or did not accord with the policies and objectives of the Minister for Health, the Minister for Children and Youth Affairs or the Government. The Minister for Health must make a decision in respect of the plan by Monday, 16 December next. When approved, the plan must be laid before both Houses of the Oireachtas by the Minister for Health and published as soon as possible thereafter by the HSE. Until such time as the Minister for Health, Deputy Reilly, has had an opportunity to give detailed consideration to the plan, as he is required to do by statute, it would not be appropriate for me to publicly discuss either the broad contents of the plan or to detail any of its specific provisions. However, the HSE was made fully aware when drafting the 2014 plan that the over-riding national service plan priority is, first and foremost, patient safety and treating patients in as timely a manner as possible.

I assure the Deputy that the matter of any necessary patient-centred improvements in maternity care arising from the Health Service Executive and HIQA reports into the Savita Halappanavar tragedy will be prioritised in this regard. We are determined that as a consequence of the sad loss of this young woman our entire health system will learn profound lessons which will ensure that safer more patient-centred maternity care is provided. Naturally, the Minister has accepted the HIQA's recommendation that, as a priority, maternity services should be reviewed and that a national maternity services strategy should be developed and implemented.

I wish to inform the House that maternity services policy will be part of an overarching policy framework to be put in place for hospital groups. The maternity strategy will be developed by the Department in collaboration with the HSE and its national clinical programmes in obstetrics and gynaecology. The development of the strategy will build on the work already undertaken as part of the comprehensive review of maternity and gynaecology services in the greater Dublin area, resulting in the KPMG report, which was itself informed by an international analysis of maternity and gynaecology service configurations. The strategy will address issues, including the issue of appropriate maternity services staffing, as raised by the Deputy, and will recommend best practice models of care for maternity services in future.

Deputy Mick Wallace: I can only hope that the issue will be addressed in a positive manner. We are all wondering what sort of scheme the Government can come up with and how it can save so much money yet still provide adequate care. Perhaps there are some surprises for us. It will be interesting when we see it.

I note that the HSE national director of quality and patient safety, Dr. Philip Crowley, has

said that it is well recognised that “if you have adequate staffing levels in terms of midwives and consultants we can provide a more consultant-led service” but that we do not have the numbers to do so currently. The OECD report, to which we referred, rather optimistically states “countries can make further gains in patient safety, thereby reducing costs and health burdens associated with adverse events”. However, health spending continues to fall in Ireland and the reduction here was the second most dramatic of all countries in Europe since the economic crisis started. Only Greece has reduced its spending on health more than Ireland. I will not prejudge what the Government does but I hope maternity care is considered in a favourable manner by the Government.

Deputy Alex White: The Deputy make the point well. He has raised this issue before. What I said in my reply stands. A maternity strategy will be developed. As I indicated in my concluding remarks, the strategy will address issues, including the issue of appropriate maternity services staffing, and recommend best practice models of care for maternity services in future. That is the position.

The service plan was only furnished to the Minister late yesterday evening. He has three weeks to deal with it. However, I take seriously the observations the Deputy has raised. I am sure the Minister will respond to him as soon as possible following his consideration of the service plan.

Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013: Order for Report Stage

Minister of State at the Department of Health (Deputy Alex White): I move: “That Report Stage be taken now.”

Acting Chairman (Deputy Peter Mathews): Is that agreed?

Deputy Caoimhghín Ó Caoláin: Reluctantly.

Question put and agreed to.

Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013: Report Stage

Acting Chairman (Deputy Peter Mathews): Amendment No. 1 in the names of Deputies Ó Caoláin and Kelleher proposes to delete section 1. Section 1 sets out the principle embodied in the Bill, that is, the introduction of a lower income threshold for medical cards for persons aged 70 years and over. The amendment is, therefore, in conflict with the principle of the Bill, as read a Second Time, and is ruled out of order in accordance with Standing Order 131.

Deputy Caoimhghín Ó Caoláin: Is it possible to comment at all?

Acting Chairman (Deputy Peter Mathews): I am not presented with the opportunity to receive comments and therefore I am afraid I must rule “No”.

Deputy Caoimhghín Ó Caoláin: That is regrettable.

Acting Chairman (Deputy Peter Mathews): It is with regret that I must state that decision.

Amendment No. 1 not moved.

Minister of State at the Department of Health (Deputy Alex White): I move amendment No. 2:

In page 4, to delete lines 6 to 37, and in page 5, to delete line 1 and substitute the following:

“(b) by the substitution of the following for subsection (3):

“(3) The gross income limits for the purposes of this section and section 45(5A) are the following:

(a) in respect of the period commencing on 1 January 2009 and ending on 4 April 2013—

(i) if a person—

(I) is not married,

(II) is not living together with another person as husband and wife, and

(III) does not have a civil partner,

his or her gross income limit is €700 per week, not including the income from the portion of the person’s savings or similar investments whose capital value does not exceed €36,000, and

(ii) if persons—

(I) are married,

(II) live together as husband and wife, or

(III) are civil partners as respects each other,

their combined gross income limit is €1,400 per week, not including the income from the portion of their savings or similar investments whose capital value does not exceed €72,000,

(b) in respect of the period commencing on 5 April 2013 and ending on 31 December 2013—

(i) if a person—

(I) is not married,

(II) is not living together with another person as husband and wife, and

(III) does not have a civil partner,

his or her gross income limit is €600 per week, not including the income from the portion of the person’s savings or similar investments whose capital value does not exceed €36,000, and

(ii) if persons—

(I) are married,

(II) live together as husband and wife, or

(III) are civil partners as respects each other,

their combined gross income limit is €1,200 per week, not including the income from the portion of their savings or similar investments whose capital value does not exceed €72,000, and

(c) with effect from 1 January 2014—

(i) if a person—

(I) is not married,

(II) is not living together with another person as husband and wife, and

(III) does not have a civil partner,

his or her gross income limit is €500 per week, not including the income from the portion of the person's savings or similar investments whose capital value does not exceed €36,000, and

(ii) if persons—

(I) are married,

(II) live together as husband and wife, or

(III) are civil partners as respects each other,

their combined gross income limit is €900 per week, not including the income from the portion of their savings or similar investments whose capital value does not exceed €72,000.”.”.

Deputy Caoimhghín Ó Caoláin: I wish to raise a point of order in respect of the sections of the Bill. Are the sections taken in the course of Report Stage, section by section?

Acting Chairman (Deputy Peter Mathews): We will go through the amendments as presented here in the Order Paper and that is what I am doing.

Deputy Caoimhghín Ó Caoláin: Is it the case that Members do not individually take each of the sections, as they do on Committee Stage? In other words, do they decide whether the section is agreed?

Acting Chairman (Deputy Peter Mathews): As this is new territory for the Chair, I seek guidance from the officials present. I am advised officially that Members only take and decide on the amendments and that is what I will do.

Deputy Caoimhghín Ó Caoláin: I apologise to the Minister of State.

Acting Chairman (Deputy Peter Mathews): No, we all learned something. The Minister

of State may proceed.

Deputy Alex White: No apologies arise.

I propose this technical amendment No. 2 to improve the construction of the existing text to address a possible ambiguity in the description of a single person as it appears in the Bill and under section 45A(3). In order to make the technical amendment to correct a conjunction in section 45A(3) in a clear and understandable manner, it is proposed to substitute the entirety of subsection 3(a) to (c) in the Bill. Under over-70s medical card legislation, a single person is a person who, first, is not married, second, is not living with another person as man and wife and, third, does not have a civil partner. Under the existing section 45A(3), as amended, and in the current Bill, a single person is identified to qualify for the single person's relevant income limit as a person who:

- (I) is not married, and is not living together with another person as husband and wife, or
- (II) does not have a civil partner

A possible ambiguity was identified in the description of a single person with regard to the use of the word “or” between subclauses (I) and (II) of the single person subparagraph, where it appears. To address any possible lack of clarity, the Attorney General has recommended that the “or” should be changed to an “and”. This is purely a technical amendment. To avoid the conjunction “and” being repeated twice in subparagraph (i), the subparagraph is being divided into three separate clauses in order that the conjunction “and” is used only once. Consequently, the revised text will now read:

- (i) if a person—
 - (I) is not married,
 - (II) is not living together with another person as husband and wife, and
 - (III) does not have a civil partner

To help in understanding the new text, it is useful to read it as meaning that a single person is a person who is neither married nor living with someone as man and wife nor having a civil partner. Therefore, subparagraphs (a)(i), (b)(i) and (c)(i) of section 45A(3) of the Health Act 1970 are so amended. As a similar formulation of words is used to describe a couple a number of times in subsection 45A(3), it is necessary to mirror the same changes to “a couple” in subparagraphs (a)(ii), (b)(ii) and (c)(ii) of section 45A(3). The Attorney General has confirmed that the proposed amendment is purely technical in nature and since these are purely drafting amendments, I recommend their acceptance to the House.

Deputy Billy Kelleher: I thank the Minister of State for his eloquent explanation as to the reason this is only a technical amendment. However, it is amending the substance of the Bill itself, which is to change the income guidelines and the eligibility criteria. While the amendment itself is technical, the section under discussion is the one which effectively legislates for a U-turn of huge proportions. It is a U-turn in the context of elderly people who will lose their entitlement to a medical card. I have made this point publicly and in the committee rooms on Committee Stage. My party has raised this point here in the Chamber numerous times and the Minister of State still has not given me a satisfactory answer. If it was bad for people's health a number of years ago to have income guidelines placed on them of €1,400 per week, why is it

not bad for them now at €900 per week? I really must understand this. Previously, the parties in government had stated that in the case of any people over 70 who lost their medical cards, it could have a detrimental impact on their ability to access health care. However, the Minister of State now tells me it is not as bad as the Government parties then thought and, in fact, €900 per week for a couple is quite adequate and sufficient and this will only affect a small cohort. However, this measure will affect one in ten of those concerned, that is, 35,000 people. Consequently, from the time of the enactment of this Bill, 35,000 people will find they no longer will be eligible for medical cards because of the reduction in the eligibility criteria.

Moreover, not having a medical card will have a profound impact on their ability to access medical care and I will tell the Minister of State the reason this is the case. He may tell me this measure is not that bad, because such people will have a GP-visit card and while this is the case, when they are obliged to go to hospital and do not have private health insurance - because they cannot afford that any longer as a result of the Government's policies - they will be obliged to pay for hospital care. This is because the Government has increased hospital charges to €80 up to a maximum of ten days, which comes to €800 in a year. On top of that, the Government also has decided to increase prescription charges. The reason I highlight all these matters is that consistency is a word that is much maligned in this Chamber. However, there is no consistency in respect of what the Government has proposed, even in the context of the programme for Government.

Deputy Pat Rabbitte: Brian Lenihan senior's great phrase was "the futility of consistency". I beg the Deputy's pardon.

Deputy Billy Kelleher: No, it is fine and the Minister, Deputy Rabbitte, is always welcome to contribute to a debate. While he contributes to many debates, on the health area being debated this evening, it really is about the consistency of Government policy. This amendment drives a coach and four through that because even in the programme for Government, the signatories did not state it was their intended policy to remove or to reduce the eligibility criteria for the over-70s. For this reason, I believe this amendment is simply unacceptable given what is stated in Government policy and what actually is happening on the floor of Dáil Éireann.

This is coupled with another issue that happened only one month ago, when the Minister for Finance told the House he was capping tax relief on private health insurance to €1,000 per adult and €500 per child. He stated that such insurance policies were gold-plated but by any credible stretch of the imagination, any preliminary perusal of the figures the Minister set out, involving €127 million in a full year, would belie that assertion. It simply will have an impact on the average two-plus-two private health insurance policy. It will cause an increase; the VHI has stated that most of their policies will increase in price because of it, as have most of the other health insurers.

Deputy Alex White: That is a different Bill.

Deputy Billy Kelleher: It is, but the people who will be affected by this Bill will encounter another difficulty because, having lost their medical cards, they then will incur further costs to cover their health care and by so doing, will lose their private health insurance. That demographic is the one that has the highest proportion of private health insurance extant and for this reason, I believe this legislation is flawed in many ways.

The primary point I make, however, is the point made at the time by the Labour Party and

Fine Gael, as did many others, which is that changing eligibility criteria - or introducing them at all - would have a profound, negative impact on people's health and lives. When my party in government introduced a limit of €1,400, we were told that people would die. The limit now is being reduced to €900 for a couple and by any stretch of imagination, this constitutes a massive reduction within a few years. Consequently, there is no point in pretending this is anything other than what it is, namely, a transfer of medical card cover from those who are over 70 to those who are aged five and under. This is because the Government's budget for primary care has not increased. Had the Minister of State come into the Chamber and stated that, while this measure was being brought in, the Government also had increased the overall primary care budget to make available funding for those aged five and under, one then could logically argue there had been no impact from one to the other. However, as matters stand and there is no other way of dressing it up, this is a direct transfer between those who will lose cards on foot of this measure because of the change in income eligibility to those who are five and under.

The Minister of State keeps asking me what is Fianna Fáil's view on this issue. It always has been that one does not take from the most vulnerable and the most sick and then transfer those funds elsewhere. The Government should at least be honest and open in that regard, which is that it has made a policy decision regarding cover for the under-fives but that it is being funded by the retrenchment of entitlement to those who are 70 and over and more broadly, in respect of discretionary medical cards.

If the Minister of State can convince me otherwise, perhaps we can have a more informed debate some other day on that issue. We will oppose this amendment not because it is a technical amendment, but because it is an amendment to the section of the Bill which reduces the eligibility criteria for a couple from the previous ceiling down to €900. If it was bad at a cap of €72,000, then surely it is worse at what will now be a cap of €36,000 for an individual or €54,000 for a couple. For those reasons we will oppose the amendment. The amendment may be a technical one in the mind of the Minister of State, but it is fundamental in my mind.

Deputy Caoimhghín Ó Caoláin: I did not have the opportunity to either address the first amendment in my name and that of Deputy Kelleher, or indeed, the specific section to which that amendment referred. The Minister of State's amendment is an opportunity for us to make it crystal clear to him and to his colleagues in the Department of Health that the so-called Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013 is an absolutely scandalous piece of legislation that will have very serious consequences for many people aged 70 years and older. There is a mistaken notion that people at 70 and over are no longer in working life but many of them are. Fortunately, due to advances in lifestyles, medication and health care supports, people are living longer and they are leading active and employed lives into later years.

People aged over 70 are being doubly discriminated against, and not only by virtue of the ever-decreasing thresholds for qualification that the Government has introduced since taking office in 2011. It very particularly targeted couples in this instance by changing the equilibrium of qualification between the single person and a couple, but it is also penalising them because the calculation is based on the gross rather than the net income. This does not take into account the fact that there will be those aged 70 and over who still have mortgage repayments, who still incur costs for travelling to work. Once they have crossed the threshold from 69 to 70, they lose the entitlement to have those matters taken into account in determining their net income. It is a very serious matter.

I wonder what level of pre-calculation was employed in determining the numbers who

would, as a consequence of this legislation, lose the full medical card. The figure of 35,000 is cited. I wonder what exercise has been carried out in determining the impact of those who are marginally over the €500 and because this is gross income, the real figure in comparable terms with those under 70 means the threshold for them is even less in real terms in comparison to those of younger years.

The €500 gross threshold for qualification for those aged 70 and over is punitive and it will lead to significant difficulties for people at that point in their lives. In the case of couples, the Minister of State has not even seen his way to maintain the equilibrium between a single person and two people together, that is, double the single qualification figure. Instead, it has been reduced by €300 for a couple in the budget 2014 statement of intent.

The legislation will hurt many people. It is no compensation to them that they will have a GP-only card. There is no compensation for them under the drugs refund scheme. They will be penalised up to €144 per month in terms of their medication needs, if indeed that is the level of expenditure in the provision of their medication needs. There is much more besides. All of the other areas such as hospital access and various other services come with the possession of a full medical card.

Technical though the Minister of State may argue this amendment is, this is at the core of the legislation and he is providing us with another opportunity to make it crystal clear that this is an outrageous proposition and one that will have untold consequences for many citizens who are incredulous that he has targeted older people not only in regard to the medical card, but he has also penalised them across a range of other areas, including the telephone allowance, and other examples in the package of measures introduced in budget 2014. I am never surprised at some of the measures that Fine Gael would bring forward but I am doubly incredulous that the Labour Party is an integral part of bringing forward and defending what is the indefensible.

As I said on Committee Stage, I was happy to record welcoming the introduction of the GP-only card for all children aged five years and under, as part of the programme of the roll-out of free GP care for all citizens, universal access to GP care. It is not free but it is free at the point of delivery. However, all the good intent this should have signalled has been completely erased by the targeting of €149 million so-called savings from the medical card fund and yet only €37 million is set aside for the roll-out of free GP care for children. It is a case of giving with one hand in such a small way and with no certainty as to the intent over the next 12 months and beyond to continue that roll-out and yet taking such a wallop back. It is inexcusable. As Deputy Kelleher has indicated his intent, I most certainly will be opposing not only this amendment, but the passage of this piece of very objectionable legislation.

Deputy Alex White: Whereas I could understand - although for reasons that will be clear - I would not agree with the Deputies in their opposition to the Bill and to the sections of it. I am at a complete loss to understand why they would oppose this amendment because it is manifestly a technical amendment which simply makes clearer the definition of a single person. It has no material effect - I invite the Deputies to read it. This amendment was not moved on Committee Stage although it arose from Committee Stage proceedings. It is simply a technical amendment. I am not suggesting that section 2 of the Bill is merely technical. I never stood up to suggest, and nor would I, that what is in the Bill - the change in eligibility - is simply technical. With respect to my colleagues opposite, I cannot for the life of me see how I could be contradicted that this amendment simply sets out in clearer terms a definition of a single person.

The Deputies have not asked me to deal with that matter further so I will not do so but I will comment briefly on the issues that have been raised by them. Deputy Kelleher called for consistency but he only calls for consistency on this side of the House. He never calls for or observes consistency on his side of the House because if he was doing that there would be a long list of problems he would have to contend with and a long list of decisions the Government of which he was a member made which would render a nonsense his criticism of this Government. For example, we know what the intention of the Fianna Fáil-led Government was in terms of medical cards for those over 70. We know its proposals did not even propose replacement with access to general practitioners without fees for those over 70. It was a blanket move from which it had to pull back and even when it set the eligibility rates, those who were excluded in that decision of the previous Government were not awarded GP cards. I repeat that no one who loses access to the full medical card in these measures, or in last year's measures, will be left without free access to their GP. They will all have an automatic replacement of the full medical card with a GP card.

I agree with colleagues. I have not tried to make light of these proposals. I have never taken a cavalier attitude to the extent that these are minimal changes, that they are meaningless or that they do not affect people. They do affect people, and it is regrettable that these adjustments have to be made but they only affect 10% of the holders of over 70s medical cards. There is a replacement with a GP card, as I mentioned. On Second Stage a Deputy on the opposite side of the House who is not present said that the sole income of approximately 80% of those over 70 was the old age pension. If that is the case, it should be pointed out that the new limit of €500 is over double the State pension. I do not make light of the fact that some people will lose access to the full medical card, which will be replaced by the GP card, but 93% of all over 70s in the State will still be covered for free access to their GP, and something of the order of 85% will maintain and continue to have a full medical card. Following the implementation of this budget measure only 7% of over 70s, those with the highest incomes - the better off over 70s, and I know "better off" is a relative term - will not qualify for either a medical card or a GP card.

Deputy Ó Caoláin raised on Committee Stage the issue of gross income versus net income but as I pointed out on the previous occasion, a person over 70 can still opt to be assessed under the net income system. A person over 70 is not confined to applying under the gross income system but may opt to be assessed under the net income system. They still have that available to them. However, it has been the experience, and it is clear, that huge numbers of over 70s qualify and the gross income assessment seems to suit the circumstances of the vast majority of people who are over 70.

We dealt with the issue of double the cost and the €500 and €900 on Committee Stage where I said that it is the case that living costs for two people living together are not always double the cost of one person living alone, and I gave examples on Committee Stage of other areas of public policy that do the same.

I respectfully disagree with Deputy Ó Caoláin when he says that in respect of the 10% of persons who will lose their full medical card, it is no compensation for them to have a GP-visit card. I cannot accept that. It will come as a considerable relief to many of those people, even if they would prefer to maintain the full cover, and they have access to the drugs payment scheme, which gives considerable comfort also.

Deputy Billy Kelleher: The Minister believes this is just a technical amendment. We stated at the outset that we accept it is a technical amendment but it is a technical amendment to the

fundamental part of the Bill. That is the reason we are opposing it, and we have no other way of opposing it. I have said already that this is legislating for a U-turn of massive proportions and I need to find a mechanism with which to oppose the section that reduces eligibility for people over 70. Technical or not, it is a fundamental part of this Bill.

I cannot accept the Minister's explanation that it affects only one in ten people over 70. One in ten is a substantial number of people. UB40 had a song in the 1980s, "One in Ten", which was an iconic song for many young people who were unemployed at that time. One in ten persons over 70 are back to a situation where they will now lose their medical card and as I said previously, to be consistent on that side of the House-----

Deputy Alex White: It is not ten and ten as it was in the Deputy's proposal.

Deputy Billy Kelleher: -----what the Minister said prior to 2011 and in the programme for Government in 2011 is at complete variance with this Bill. That is why I have to oppose the technical amendment the Minister has placed before me because it is amending the fundamental Part of this Bill, which is to deny another 35,000 people medical cards.

Deputy Caoimhghín Ó Caoláin: I remind the Minister that the Title of this Bill is the Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013. This is not the first time the Minister has done this in this year of 2013. Does he have any idea as to how older citizens feel about this measure? This is the second time in this 12 month period the Minister has targeted the medical card entitlement of over 70s members of our communities. They were rocked by what the Minister did earlier this year and they are incredulous that he has repeated the dose, and even made it worse in terms of those who are a couple, by whatever definition in today's terms.

I know from people I have spoken with that there is huge concern about this measure. People at that particular point in their lives feel absolutely helpless. They are being continuously targeted and as I said to the Minister on Committee Stage, I would not take any comfort from the mobilisation we witnessed when Fianna Fáil first sought to introduce thresholds to what was previously a universal entitlement for over 70s, and the massive response from the older population and many others who understood and supported them. The fact that that has not been replicated in anything like the same numbers should be no comfort to this Government because that anger is palpable, real and undoubtedly will manifest itself as they decide best.

It is unacceptable that the Minister would think we are only opposing a technicality regarding the definition of single people in the Bill. The Minister should think for a moment how he would react to what is being presented to us if he sat on this side of the Chamber. The Minister's amendment is a reaffirmation of all that is wrong with this Bill at its core.

Deputy Alex White: To repeat, I completely understand the Deputies' problems with this Bill but I cannot understand their problems with my amendment, which is entirely technical because it has to do with how a single person is defined.

Deputy Caoimhghín Ó Caoláin: It makes no mention of the €500 and the €900.

Amendment put:

<i>The Dáil divided: Tá, 67; Níl, 30.</i>	
<i>Tá</i>	<i>Níl</i>

<i>Bruton, Richard.</i>	<i>Boyd Barrett, Richard.</i>
<i>Burton, Joan.</i>	<i>Broughan, Thomas P.</i>
<i>Butler, Ray.</i>	<i>Browne, John.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Cowen, Barry.</i>
<i>Byrne, Eric.</i>	<i>Doherty, Pearse.</i>
<i>Cannon, Ciarán.</i>	<i>Donnelly, Stephen S.</i>
<i>Carey, Joe.</i>	<i>Dooley, Timmy.</i>
<i>Coffey, Paudie.</i>	<i>Ellis, Dessie.</i>
<i>Conlan, Seán.</i>	<i>Ferris, Martin.</i>
<i>Connaughton, Paul J.</i>	<i>Fleming, Sean.</i>
<i>Coveney, Simon.</i>	<i>Healy, Seamus.</i>
<i>Creed, Michael.</i>	<i>Higgins, Joe.</i>
<i>Daly, Jim.</i>	<i>Kelleher, Billy.</i>
<i>Deasy, John.</i>	<i>Kirk, Seamus.</i>
<i>Deering, Pat.</i>	<i>McConalogue, Charlie.</i>
<i>Doherty, Regina.</i>	<i>McDonald, Mary Lou.</i>
<i>Donohoe, Paschal.</i>	<i>McGrath, Mattie.</i>
<i>Doyle, Andrew.</i>	<i>McGrath, Michael.</i>
<i>English, Damien.</i>	<i>McGuinness, John.</i>
<i>Farrell, Alan.</i>	<i>Mathews, Peter.</i>
<i>Ferris, Anne.</i>	<i>Murphy, Catherine.</i>
<i>Fitzpatrick, Peter.</i>	<i>Naughten, Denis.</i>
<i>Hannigan, Dominic.</i>	<i>Nulty, Patrick.</i>
<i>Harrington, Noel.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Harris, Simon.</i>	<i>Ó Fearghail, Seán.</i>
<i>Hayes, Tom.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Heydon, Martin.</i>	<i>O'Brien, Jonathan.</i>
<i>Keating, Derek.</i>	<i>Shortall, Róisín.</i>
<i>Kehoe, Paul.</i>	<i>Smith, Brendan.</i>
<i>Kenny, Seán.</i>	
<i>Kyne, Seán.</i>	
<i>Lynch, Ciarán.</i>	
<i>Lynch, Kathleen.</i>	
<i>Lyons, John.</i>	
<i>McCarthy, Michael.</i>	
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	

<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ryan, Brendan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>Varadkar, Leo.</i>	
<i>Wall, Jack.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

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

Amendment declared carried.

An Ceann Comhairle: Amendments Nos. 3 and 4 have been ruled out of order.

Amendments Nos. 3 and 4 not moved.

An Ceann Comhairle: When is it proposed to take Fifth Stage?

Deputy Alex White: Now.

An Ceann Comhairle: Is that agreed?

Deputy Billy Kelleher: It is not agreed. Can we comment on it?

An Ceann Comhairle: No. I will just put the question.

26 November 2013

Deputy Billy Kelleher: Would you like to hear our reasons?

An Ceann Comhairle: There is really no need.

Deputy Billy Kelleher: We are opposing the Bill simply because-----

An Ceann Comhairle: Deputies are not being asked whether they oppose the Bill. They are being asked if they agree to move on to Fifth Stage.

Deputy Billy Kelleher: We are opposing Fifth Stage.

An Ceann Comhairle: The Deputy should wait until the House is asked to consider the question, "That the Bill do now pass".

Deputy Michael Creed: Deputy Kelleher has overshot the runway.

Deputy Billy Kelleher: We are opposing Fifth Stage because we want to-----

An Ceann Comhairle: If the Deputy agrees to move on to Fifth Stage, he will then be able to speak on the Bill and express his opposition to it. Is that okay? I am only trying to be helpful.

Deputy John McGuinness: As always.

Bill, as amended, received for final consideration.

Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013: Fifth Stage

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

Deputy Billy Kelleher: The reason we are opposing this Bill is quite simple. In effect, the Government is legislating for a U-turn of massive proportions. This Bill is simply about reducing the income eligibility criteria that apply to over 70s. It is about taking medical cards from another 35,000 people. A key question must be asked in this context. If it was bad a number of years ago for a couple over the age of 70 to be ineligible if they had an income of €1,400, why are we now being told that it is good to set the threshold that applies to a couple at €900?

Deputy Michael Creed: The Deputy's party tried to take it off the whole lot of them.

Deputy Barry Cowen: The Deputy voted against €1,400 a few years ago.

Deputy Billy Kelleher: It is simply incredible that Government Deputies can come in here and vote this Bill through. The words that should ring in their ears are "shame on you".

Deputy Michael Creed: Does the Deputy remember what happened the former Minister of State, John Moloney, in the church?

Deputy Caoimhghín Ó Caoláin: I wish to remind Deputies of the reaction of the current Minister, Deputy Reilly, when he was an Opposition spokesperson, to Fianna Fáil's proposal to apply a threshold to the previously universal entitlement of the over 70s to a medical card.

Deputy Timmy Dooley: I remind the Deputy that it was Fianna Fáil which had initially

provided for such an entitlement.

Deputy Caoimhghín Ó Caoláin: Deputy Reilly, in his capacity as Fine Gael's spokesperson on health, rightly described what Fianna Fáil was doing as a "vicious attack". He suggested in the strongest terms that the proposal to introduce thresholds represented a "savage assault on the elderly". Since they took office, the Minister for Health and his Ministers of State have legislated for two reductions in the qualification threshold for a full over 70s medical card. Both of those reductions have been introduced this year. The Bill before the House is the Health (Alteration of Criteria for Eligibility) (No. 2) Bill 2013. This is the second time this has been done to over 70s in this calendar year. Single people over the age of 70 who live alone will have their qualification threshold for a full medical card reduced to €500. The threshold that applies to couples and people living together in various relationships will be reduced by €300 from €1,200 to €900. The consequences of this decision of the Minister and of the Government, made as part of budget 2014, will be very serious indeed. Members of all opinion on all sides of the House cannot be unaware of the impact of this measure on people in their communities and constituencies. It will have serious consequences. It is causing untold upset and worry. Even at this 11th hour, this Bill should be withdrawn.

Deputy James Reilly: I assume the Deputy will inform the Chamber that they will have free GP care.

Deputy Mattie McGrath: When?

Deputy Barry Cowen: Not if they are sick.

Deputy Caoimhghín Ó Caoláin: There should be no mistake about what free GP care will entail for them. They will have to meet the cost of their medications, up to the limit of €144 per month. What about all the other services that the full medical card covers? I remind the Minister that not everyone over the age of 70 is in comfortable retirement.

Deputy Arthur Spring: We are talking about €900.

Deputy Caoimhghín Ó Caoláin: As a result of various advances, many people are working to a later age. I am sure many people in this Chamber aspire to continue to work beyond the age of 70. Many people who have depended on medical cards will take a significant hit as a result of this measure, which will have a serious impact on their daily life conditions. It is fundamentally wrong. I agree with what the Minister, Deputy Reilly, has already said on the floor of this House. That is why it is all the more reprehensible that, having already targeted the most vulnerable among our senior citizens, he is now doing so for a second time in this calendar year. It is fundamentally wrong. This House should not approve this Bill. I absolutely oppose its passage.

Deputy Mattie McGrath: Like many others, I have tried to raise this issue with the Taoiseach on Leaders' Questions and in other forums in recent months. The Minister, Deputy Reilly, and his colleagues know that what is happening is a complete shambles. I contacted the office twice today. I am holding a copy of the HSE's medical card criteria. I spoke to two senior officials today. A man from County Limerick whom I happen to know contacted my office. He is over the age of 70 and has significant medical problems. His application for an over 70s medical card has been refused because his income exceeds the threshold by €25. He has been informed that if he wants his medical circumstances to be taken into account, he must submit an under 70s application form. How can he do that when he is over the age of 70? This is a fact.

He has been told to submit a fraudulent application, but he will not do so. He cannot change his date of birth. This is where it has gone. If he wants to qualify for the over-70 scheme, it is assessed under the income of €298 per couple. He has to supply misinformation. This is farcical. I heard that poor gentleman speak on the radio about his terminally ill wife. Do we have any humanity left in us? Do the Members opposite have any humanity left in them? They were well able to shout with the over-70s; we remember the lorry outside here some years ago. They had to take away the ladder because so many of them were trying to get up on it. They pulled the ladder from under them. Government Members when they got into power pulled up the ladder from the people and are trying to stand on them.

It is disgraceful and despicable. They know it is wrong. The Minister, who is sitting here tonight smiling, and the Minister of State just cannot explain this away. Those working in my office are on to people on a regular basis trying to get some sense of the system but we cannot get it. The system is that clearly they were told to withdraw 40,000 or more by hook or by crook. It is not appropriate to tell a man who is over 70 to apply through the under-70 scheme. I know it is possible to bend and twist, but if the Government is going to change people's date of birth what will it do next? It was to hell or to Connacht with Cromwell; it is to hell or anywhere else with the Government. It is outrageous and that is why I am opposed to the Bill.

Deputy Róisín Shortall: This legislation underlines the complete incoherence of the Government's health policy. In theory the Government is supposed to be extending access to primary care. However, in reality it is reducing access. This measure and the other budget measures are taking €149 million from the medical card scheme. That represents tens of thousands of medical cards that will be withdrawn from people who need them in the coming year, which is a scandal.

This legislation means that those over 70, who everybody in government deemed were entitled to medical cards, are now losing that entitlement. The new income limit that applies to the over-70s is a gross income limit. It is not net and there are no disregards. It does not matter what are a person's medical expenses. It does not matter what are their other living expenses; only the gross figure is taken into consideration. In some cases that amounts to lower income than for people under 70, where disregards are allowed. The point is that it is based on a gross figure. Taking that into consideration plenty of people who absolutely need a medical card will now lose it.

The medical card for the over-70s is essential not just because it gives them access to the GP care and medication they need, more importantly the medical card gives them access to all those other community-based primary-care services that are so critical to people in their older years when they depend on things such as physiotherapy, speech and language therapy if they are recovering from a stroke, home-help services and public health nursing services. The 35,000 people over 70 who will lose their medical cards will be denied access to those services. That means there will be no access even if they could afford to pay for it because those kinds of essential primary-care services are available only through the public system.

This is a disgrace and all those on the other side of the House who are party to this and support this legislation should hang their heads in shame.

Minister of State at the Department of Health (Deputy Alex White): Deputy Kelleher talks about consistency but he applies it only to this side of the House and never to his own side. He, of course, is a member of a party that abandoned any commitment to primary care

ten years ago.

Deputy Timmy Dooley: We are not talking about primary care.

Deputy Alex White: It published a reasonably good strategy document and then washed its hands of it and handed over the matter to its erstwhile friends in the Progressive Democrats and allowed them to manage its health policy all the time until it suddenly woke up to it when it ended up in opposition and had to actually address some of these issues. We all know that when the Fianna Fáil-led Government made an attack, which is the word that is so often used, on the over-70s, it was going to remove all cover for all over-70s-----

Deputy Timmy Dooley: But did not.

Deputy Alex White: -----without any replacement of any kind of access to GP care without fees.

Deputy Timmy Dooley: At least we had the capacity to see the error of our ways; the Government has not.

Deputy Alex White: We know the answer to that question and the Deputy knows it himself. It is no use for Deputy Kelleher and Deputy Dooley to seek to apply standards to this side of the House which they are not prepared to apply to their own side of the House.

Deputy Timmy Dooley: The Government has none. That is why Deputy Shortall left. At least she had some standards.

An Ceann Comhairle: Deputy, please.

Deputy Alex White: A sense of some proportion might help.

Deputy Mattie McGrath: Was the Minister of State on the truck outside?

Deputy Alex White: Some 85%-----

Deputy Timmy Dooley: He was driving it.

Deputy Alex White: Deputy Mattie McGrath does not seem to understand the over-70s and I will come to him in a minute.

(Interruptions).

Deputy Alex White: Some 85% of all persons over 70 will retain full medical cards if this measure is passed by this House. Some 93% of all persons over 70 will have free access to their GP.

Deputy Barry Cowen: If they are healthy.

Deputy Alex White: No, it is without any condition. Some sense of proportion on this measure is called for. The 10% of people involved here, some 35,000 persons, who lose access to the full medical card, will have it replaced by a GP-visit card.

I do not believe anybody on this side of the House or in this Chamber relishes making any adjustments to eligibility. I have made that clear as has the Minister for Health in his address to the House on this legislation. Deputy Kelleher and his colleagues around him know more than

anyone in this House why these adjustments in eligibility need to be made. He knows better than anybody the economic situation the country has faced as a consequence of the reckless mismanagement of the economy by him and his party colleagues.

Deputy Billy Kelleher: The Government is asking the over-70s to subsidise the under-fives.

Deputy Alex White: There is no point in coming into this House and telling us we should be consistent when, of course-----

Deputy Billy Kelleher: The old and the sick will be subsidising the under-fives.

Deputy Alex White: -----the circumstances the Government faces mean that regrettably we need to make some adjustments in eligibility.

Deputy Billy Kelleher: The Minister of State knew that in 2011.

Deputy Alex White: We have maintained cover for 93% of the over-70s. We have ensured, obviously, that people still have access to the drugs payment scheme.

Deputy Timmy Dooley: It is just the oldest and sickest who will be hurt the most.

Deputy Alex White: We have ensured that it is only the better off - I accept that is a relative phrase - persons over 70 will be affected by this. We have done it in the fairest possible way. That is what we have done in all the measures we have introduced in this House.

Deputy Mattie McGrath seemed to make a joke that someone who was over 70 was invited to apply for the under-70 scheme.

Deputy Mattie McGrath: He was told to. It is no joke. The Minister of State is the joke.

Deputy Alex White: He should not try to mislead the House or to mislead his constituent or anybody else. A person over 70 is still free to apply in the normal scheme - the net scheme. There is no exclusion on a person over 70 from applying through the net approach that is available to persons there. He should not try to suggest that somebody who was over 70 was being told to apply for an under-70 scheme. There is no age limit on the net scheme for which people can apply.

Deputy Mattie McGrath: The Minister of State is trying to keep them confused if he can.

Deputy Alex White: The Deputy probably knows that but it was just part of his rhetoric. None of the changes we have sought to introduce is particularly relished on this side of the House. We have done it in the fairest possible way. We have done it in a way that minimises the impact on the most vulnerable in our society and in particular on older persons. For that reason the interventions of the Members opposite at this late stage cannot be taken particularly seriously.

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

<i>The Dáil divided: Tá, 63; Níl, 31.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bruton, Richard.</i>	<i>Boyd Barrett, Richard.</i>

<i>Burton, Joan.</i>	<i>Broughan, Thomas P.</i>
<i>Butler, Ray.</i>	<i>Browne, John.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Cowen, Barry.</i>
<i>Byrne, Eric.</i>	<i>Doherty, Pearse.</i>
<i>Cannon, Ciarán.</i>	<i>Donnelly, Stephen S.</i>
<i>Carey, Joe.</i>	<i>Dooley, Timmy.</i>
<i>Coffey, Paudie.</i>	<i>Ellis, Dessie.</i>
<i>Conlan, Seán.</i>	<i>Ferris, Martin.</i>
<i>Connaughton, Paul J.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Coveney, Simon.</i>	<i>Fleming, Sean.</i>
<i>Creed, Michael.</i>	<i>Halligan, John.</i>
<i>Daly, Jim.</i>	<i>Healy, Seamus.</i>
<i>Deasy, John.</i>	<i>Higgins, Joe.</i>
<i>Deering, Pat.</i>	<i>Kelleher, Billy.</i>
<i>Doherty, Regina.</i>	<i>Kirk, Seamus.</i>
<i>Donohoe, Paschal.</i>	<i>McConalogue, Charlie.</i>
<i>Doyle, Andrew.</i>	<i>McDonald, Mary Lou.</i>
<i>English, Damien.</i>	<i>McGrath, Mattie.</i>
<i>Farrell, Alan.</i>	<i>McGrath, Michael.</i>
<i>Ferris, Anne.</i>	<i>McGuinness, John.</i>
<i>Fitzgerald, Frances.</i>	<i>Mathews, Peter.</i>
<i>Fitzpatrick, Peter.</i>	<i>Murphy, Catherine.</i>
<i>Hannigan, Dominic.</i>	<i>Nulty, Patrick.</i>
<i>Harrington, Noel.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Harris, Simon.</i>	<i>Ó Fearghail, Seán.</i>
<i>Hayes, Tom.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Heydon, Martin.</i>	<i>O'Brien, Jonathan.</i>
<i>Keating, Derek.</i>	<i>Shortall, Róisín.</i>
<i>Kenny, Seán.</i>	<i>Smith, Brendan.</i>
<i>Kyne, Seán.</i>	
<i>Lynch, Ciarán.</i>	
<i>Lynch, Kathleen.</i>	
<i>Lyons, John.</i>	
<i>McCarthy, Michael.</i>	
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Mitchell, Olivia.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	

<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Phelan, Ann.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ryan, Brendan.</i>	
<i>Spring, Arthur.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>Varadkar, Leo.</i>	
<i>Wall, Jack.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

Tellers: Tá, Deputies Joe Carey and John Lyons; Níl, Deputies Aengus Ó Snodaigh and Seán Ó Fearghail.

Question declared carried.

Bond Repayments: Motion [Private Members]

Deputy Joan Collins: I move:

“That Dáil Éireann:

calls on the Government:

— to immediately lobby the European Central Bank for a one-off exemption from the rules of monetary financing, to allow the Central Bank of Ireland to destroy the €25 billion in sovereign bonds issued in February of this year, in lieu of the remaining promissory notes, plus the €3.06 billion bond also being held by the Central Bank of Ireland in payment for the 2012 promissory note; and

— to cease any and all interest payments currently being made on those bonds.”

I wish to share time with Deputies Richard Boyd Barrett, Seamus Healy, Catherine Murphy,

John Halligan, Thomas P. Broughan and Patrick Nulty.

Acting Chairman (Deputy Peter Mathews): Is that agreed? Agreed.

Deputy Joan Collins: As Deputies will be aware, there was an extremely important judgment this morning in the High Court. This judgment was made in regard to the case in which I, as an elected Member of Dáil Éireann, challenged the constitutionality of the promissory note arrangement made by the late former Minister for Finance in December 2010. The basis of the challenge was that some €30 billion in public funds was appropriated without a vote in Dáil Éireann. I believe the judgment of the three judges today was a monumental decision and has huge implications as to the rights and power, or lack thereof, of the elected Members of Dáil Éireann.

In light of that, I urge all Deputies to consider carefully this judgment. If the full 68 pages are too much, I refer the Deputies to paragraph 143 of the judgment and refer them back to paragraph 10. I want to read into the record those two paragraphs. Paragraph 143 states:

The Court accepts as the definition of appropriation for the purposes of Article 11 [of the Constitution] that proposed by Alexander Hamilton in respect of the parallel provisions of the US Constitution, namely that the appropriation must be for “an object, to an extent, and out of a fund, which the laws have prescribed.” Applying that test to the present case, it can be said that the objects of the appropriation under the 2008 Act are clear and satisfy the requirements of Article 17.2 [of the Constitution]. Section 6(12) of the 2008 Act further provides that the payment comes from the Central Fund in the manner envisaged by Article 11. The extent of the payments are also clear. While, of course, the Oireachtas did not know precisely the sums which were at stake when enacting the 2008 Act, it laid down principles and policies in s. 2 and s. 6 of the 2008 Act which circumscribe the extent of the Minister’s discretion to provide financial support.

Paragraph 10(1) states:

The Minister has, in the public interest, the functions provided for under this Act because, after consulting the Governor and the regulatory authority, the Minister is of the opinion that-

- (a) there is a serious threat to the stability of credit institutions in the State generally, or would be such a threat if those functions were not performed,
- (b) the performance of those functions is necessary, in the public interest, for maintaining the stability of the financial system in the State, and
- (c) the performance of those functions is necessary to remedy a serious disturbance in the economy of the State.

This is to say that the money appropriated, some €30 billion, was for a purpose and it came from the appropriate fund. This means that in quite a wide range of circumstances, without any upward limit, a power to spend public moneys has transferred from the Dáil to the Minister for Finance. In my opinion, this has to be reversed. This gives the Minister for Finance - in the past, in the present and into the future - the power to appropriate public funds without limit and without any reference to, or a vote in, the Dáil, provided it is for the purpose of bailing out banks.

I want to come back to the issue of the promissory note. An important question in this debate is why there was a promissory note. If the Government, or in this case the Central Bank, wanted to put money into Anglo and Irish Nationwide, why did they not do so? The answer to this question is very important to this debate. The Central Bank could not extend emergency liquidity assistance to Anglo or Nationwide because the problem was not one of liquidity but of insolvency, and this would have contravened ECB regulations. The Government, the Central Bank and, very importantly, the ECB knew they were dealing with insolvent, non-rescuable banks, which is why the financial manoeuvre of the promissory note was resorted to. The Government gave two busted banks an IOU which they could put on their books as an asset, making them technically solvent. The Central Bank was, therefore, free to extend the emergency liquidity assistance to them to the tune of €20 billion.

The other question which is very pertinent to this discussion is why the ECB, the Central Bank and the then Government engaged in this manoeuvre. Was it a mistaken, ill-judged attempt to rescue two failed banks? No. This was done to satisfy the demands of the ECB that the bondholders of Anglo and Nationwide be paid, and paid in full. The reason for that was to protect the European banking system. The ECB was in it up to its neck and it should be under enormous pressure. It has very serious questions to answer regarding its role in these events but it is not doing so because this Government has failed - it has failed spectacularly to ask those questions.

What this motion proposes is what this Government should have been doing over the past two years if it was to fulfil the promises made in the 2011 general election. It involves exposing the role of the European Central Bank in transferring a huge and disproportionate part of the cost of saving the EU banking system on to the backs of the Irish people. The Government should be putting forward clear and, in the circumstances, reasonable demands for the removal of the burden.

The transfer of the promissory note into bonds held by the Central Bank is neither here nor there. Every year for the next 40 years, €2 billion will be taken out of our economy and destroyed. That €2 billion cannot be used to solve problems in our health service, provide jobs, build homes, develop our education system or provide SNAs in our schools. It will not be used to provide an extra bed in a hospital.

I moved this motion on behalf of the Technical Group with the support of other Deputies in the Dáil and commend the “Ballyhea Says No” campaign for its relentless campaign on this issue over the past two years. I salute it, its actions in Ballyhea every Sunday and its actions in going to Europe to ask questions that this Government should have been asking over the past years, namely, to write down this debt that is not our debt.

Deputy Richard Boyd Barrett: I apologise for not being able to stay for the entire debate but we are dealing with the Finance (No. 2) Bill 2013 in the Oireachtas Sub-Committee on Finance and I have to be there to deal with it. That is a Bill where many of the disastrous consequences of taking on board an odious debt that does not belong to the ordinary people of this country are felt. They have been felt in this year’s budget, last year’s budget and the budgets before then. Ordinary citizens will be hit yet again with the consequences of a decision by both the last Government, and now tragically this Government, to continue to ask us, the ordinary people, to pay off debts that are not our debts to protect the financial and banking elites of Europe and the world.

This motion was inspired by the people of Ballyhea and Charleville and other people around the country. They are ordinary people who were not politically active or aligned or who are not ideological, as the Minister of State, Deputy O'Dowd, might often accuse me of being. They are just ordinary people who are sickened at the thought that our country has been beggared and that vast numbers of our citizens have been beggared as a result of a decision to use our resources and essentially sacrifice our economy to pay off the gambling debts of bankers and bondholders. Those people have marched week after week and again and again - their numbers growing across the country - because they cannot believe that the Government will not even ask that this debt be written down. Some of us believe the Government should tell those concerned to go to hell and not pay it.

A total of €9.1 billion will be paid in interest next year. That is the same as the education budget. That is what we are paying on this odious debt. Imagine what €9.1 billion would do for investment in health, education, infrastructure and jobs. Imagine how far it would go in preventing the outflow of tens of thousands of our young people, in getting people left to rot on the dole back to work and in alleviating the needless and cruel suffering imposed on the elderly, chronically sick, young people and families who have just lost loved ones. All of these groups are victims of what the Government is doing in this year's budget not to mention the litany of other vulnerable groups that have been victims of previous budgets.

It does not end there despite all the fantasy about exiting the bailout. As a result of this odious debt that is not our debt, we will be in a vice grip controlled by the troika and financial markets for at least a decade, if not 20 years, as we are forced to pay down that debt in a scheme that has been set out, that is absolutely rigid and that demands that we pay billions in interest and capital payments on a debt that is not our debt. Every cent that is going out is money that should be going into our economy, citizens, infrastructure and jobs. It all leads back to the debt.

The people of Ballyhea and Charleville are simply asking for the Government to just ask questions about this. It is bad enough that before the election, when in opposition, its members used all the rhetoric of "not a red cent" and so on. The Minister for Finance, Deputy Noonan, said it was "morally indefensible" that the debts of these financial institutions should be loaded on the back of ordinary citizens - all that tough talk that people believed when it voted for the Government. If it will not get tough could it not at least ask Angela Merkel? The ECB says it does not do monetary financing but it did not mind monetarily financing the bubble. It monetarily financed the bubble. It used the periphery economies as a casino to gamble and find cheap profits when the bubble was up but when it comes to actually giving some protection or bailout to ordinary people, it says it does not do monetary financing. That is rubbish.

It is one law for some and one law for others because debt write-down is being done for some people as I have said again and again. Let us talk about the richest person in this country - Mr. Denis O'Brien, sorry to mention names. A total of €110 million has been written off in respect of a company in which he takes a controlling interest which then gets the contract to install water meters. Another company in which he has a stake, Independent News & Media, gets over €100 million written off. People who are saddled with mortgage debt cannot get a write-down and we cannot get a write-down on the public debt because the ECB does not do monetary financing but it seems we can monetarily finance the richest people in the country. It is sickening.

All the people of Ballyhea are asking for - I would ask for a lot more - is for the Government to ask that we do not have to pay off the debt incurred because of one bank, Anglo Irish Bank,

which is a zombie, dead, casino bank. We have no interest in protecting or bailing it out and it would go a long way towards alleviating the burden that has been imposed on the people of this country.

Deputy Seamus Healy: Debt is the single biggest issue facing the citizens of this country. I publicly congratulate the “Ballyhea Says No” group which has raised this issue and kept it before the public over a long period of time, marching every week. I also congratulate the other groups around the country linked with “Ballyhea Says No” who are doing the same thing, including “Clonmel Says No”, which marches every Saturday.

The motion effectively calls on the Government to seek a write-off of the promissory note from the European authorities. I support the motion because the Government has not even sought that but I am under no illusions that asking alone will bring about a positive response. Already, the Tánaiste’s game changer has been blown away by the German authorities. Not alone will there be no agreement by other eurozone countries to shoulder any of the legacy bank-related debt of the Irish State, they have made it clear that they will not shoulder any Irish bank debt in future. There will be no serious talks about mutualising the eurozone bank debt until we stop honouring the promissory note now and in the future. It is only then that real talks will start.

The EU has placed a huge millstone around the necks of the Irish people. That millstone is called debt, debt and more debt. The bank debt of €64 billion is not the debt of the Irish people and we are not responsible for it.

8 o’clock

The EU has placed a huge millstone around the necks of the Irish people. That millstone is called debt, debt and more debt. The bank debt of €64 billion is not the debt of the Irish people and we are not responsible for it. It is the debt of speculating European banks and finance houses. These institutions must be made to shoulder it. Ireland must get a write-down, as the debt is a crushing burden on us, our children and our grandchildren. It has created considerable austerity. We need only consider the large unemployment and emigration figures, cuts to services, tax increases, social welfare, pay and pension cuts, increased levels of poverty, particularly among children, and high levels of mortgage distress. This is what the EU has done to Ireland, our children and our grandchildren. It must be made to declare bank-related debt a burden on all countries in proportion to their GDPs. In other words, the debt must be mutualised.

In the matter of bank debt, the EU has been singularly unfair to Ireland. The Commission’s data agency, EUROSTAT, has produced shocking figures. Ireland has taken a large hit for the rest of Europe. In terms of the cost of the banking crisis to individual member states, Ireland is at the head of the queue. The crisis has cost us in excess of €41 billion. It is worse when one views it as a percentage of GDP. We are at the head of that posse as well. The bank crisis cost us 25% of our GDP. The nearest member state in this regard is Latvia with 3%. While Ireland has 0.9% of the EU’s population and our economy represents 1.2% of the EU’s GDP, Ireland has paid 42% of the total cost of the European banking crisis. It gets worse when one considers it on a *per capita* basis. European statistics show that the banking crisis has cost every individual in this country €8,981. The average across the EU is €192.

Matters are actually worse, as these figures do not take into account the €22 billion from the National Pensions Reserve Fund, NPRF, that was used to address the banking crisis or the

€30 billion that NAMA paid for bank loans. Our money is streaming out of the country, as are our people, including many who have been expensively educated and are highly qualified.

The claim that we will recover our sovereignty when we exit the formal bailout is a sick joke. If we cannot force the mutualisation of bank debt, we will pay approximately €4.5 billion per year under the fiscal treaty. All of the indications are that there will be no significant growth in the near future. This situation occurred previously in Irish history when British landlords bled the country dry and Michael Davitt launched a Plan Of Campaign to start the ultimately successful land war. James Connolly, who we remembered in this centenary year of the Lock-out, wrote of the need for the reconquest of Ireland. We need a new plan of campaign and a new reconquest of Ireland. Sadly, the three main political parties are in league with the EU, acting through the troika, and have sold out our economic and political sovereignty. However, I am confident that the current generation will not be found wanting when it comes to re-establishing this country's well being, independence and sovereignty.

Deputy Catherine Murphy: I welcome the group from Ballyhea in the Gallery. I also welcome the many people who sent e-mails in support of this motion. Collectively, I estimate that approximately 100,000 e-mails have been received by Deputies during the past week. This is not just a small number of people who are expressing concerns.

I congratulate our colleague, Deputy Joan Collins, on having the courage to take a High Court challenge. The judgment exposes how undemocratic the decision was. We should be fearful.

This motion was intended to be inclusive of the Government so that we, as politicians, might collectively ask for a write-down of a debt that is not ours. The Government's ambition was stated to our colleague, Deputy Donnelly, today when the Taoiseach told him that it would not accept this motion. By not answering the question, the Taoiseach actually answered it, in that he will not seek a write-down on behalf of the people of the State.

While I welcome the fact that the Minister of State, Deputy O'Dowd, is present, I get the impression that Private Members' motions have become a matter of drawing the short straw. This is an important issue. We are approaching the point of no return at which these bonds will be sold. There seems to be a lack of interest, as only two Government Deputies, including the Minister of State, are in the Chamber.

The London debt agreement was signed in February 1953. It was essential to the recovery of Germany in particular, but of Europe generally, following the Second World War. In an extraordinary act of solidarity in much more difficult circumstances than those that exist today, Germany saw a 50% write-off of its national debt, which had risen to more than 300% of GDP by 1938. The agreement included an extended payment schedule of decades for the balance. The last payment was made in 2010.

No one thinks of Germany as a defaulter, which is the threat that is dangled in front of us when there is any question of a mutualisation of this banking debt. We are constantly told of the German memory and fear of hyper-inflation, which was a major problem after the First World War. Hyper-inflation did not recur after the Second World War because Europe acted in solidarity, with the assistance of the US.

Now is the time for Germany to recognise that solidarity is necessary again. Jürgen Habermas, the German sociologist and philosopher often described as one of Germany's most in-

fluent thinkers, has argued that solidarity in today's terms means debt mutualisation and that crisis management decisions have become long-term, unquestionable policy diktats. He observed that the euro must be saved at all costs except that which is necessary to save the euro. The excessive intergovernmentalism at European Council level has frozen the Union from being able to respond effectively. Habermas says that Germany, the Netherlands, Austria and Finland should accept short to medium-term negative effects of wealth redistribution, as it is in their longer term interests.

Regarding the aftermath of the London debt agreement, Professor Tony Fahey of UCD stated: "There were many reasons why the economic aftermath of the Second World War became so positive within such a short period." He referred to how France recovered through inflation and how Britain's recovery was slower because it wanted to protect sterling as a reserve currency. However, the country that was exceptional in all of it was Germany.

We can learn lessons from history. One is that solidarity helped to build the EU into a union of equal members. Once the crisis hit, this was shattered by the intergovernmental approach of a small number of stronger states. It continues to be the approach taken. We may not be in the aftermath of a major world war, but let us be clear, there are many casualties of this crisis. Unemployment in Ireland has increased from 4% to 14%, with a persistently high level of long-term unemployment.

Deputy Michael Creed: The level is decreasing.

Deputy Catherine Murphy: The suicide rate has reached shocking proportions. Mass emigration has returned, bringing with it social consequences. Vulnerable people, including the elderly and those with disabilities, have been directly impacted by cuts in services.

This is not our debt. It was not our debt in 2008. It was not our debt in 2011 when, during the general election, so much was said about Frankfurt's way or Labour's way. It is not our debt and there is an obligation on this Government to seek to mutualise it and write it off. It is an unfair and disgraceful burden that has been placed on the citizens of this State.

Deputy John Halligan: When the history of Ireland in the 21st century is written, one of the most despicable and almost implausible moments will undoubtedly be the €31 billion gifted by the ECB to two zombie banks through its branch office in Dublin, the Central Bank of Ireland.

I have enormous pity for the teacher who will have to explain to future generations of schoolchildren how and why an Irish Government stood over the decision to pay back the debts of private corporates and individuals. Why did that Government refuse to seek an alternative to borrowing? Why did it then burn this colossal sum of money, while paying back the interest on all those borrowed billions and the capital?

More than 100,000 e-mails have come in posing the simple question of why the Government did not seek to cancel the debt. Perhaps that teacher will be lucky enough to have a permanent job, or perhaps he or she will be on a JobBridge scheme, preparing young charges for emigration, such is the legacy of the promissory notes.

Despite the Government's best intentions to convey the impression that the sovereign debt deal has made the remaining €25 billion of promissory notes go away, everybody knows this is inaccurate and far from the truth. The sovereign debt schedule that replaced the promissory notes does not affect the nominal, monetary value of that mammoth sum. It may make life a

little easier for the Government, but future generations will be saddled with debt to the EU, the ECB and the same international bondholders whose greed bankrupted this country in the first place.

While savings from the so-called promissory note deal earlier this year could have been used to reduce fiscal consolidation or as an investment stimulus, the Government opted to continue to suck money out of the economy to the tune of €28 billion in the past five years. Over the same period, 300,000 have emigrated and we are now saddled with more than 400,000 on unemployment benefit.

The European Central Bank has said, on the record, that no documents were ever submitted to EU institutions by Ireland to request improved terms on the Anglo Irish Bank promissory notes. The Minister for Finance, Deputy Michael Noonan, has said that a write-down of the Anglo Irish Bank debt was never an option. Surely, however, the opportunity to test this was when Greece was given its debt write-down. Surely Ministers of the Government owed it to the people who elected them at least to ask, but they did not even do that.

The Government has failed the people by negotiating a better deal on the bailout at the expense of ordinary people. Despite lofty pre-election promises, the Government failed to negotiate an interest rate reduction and term extension on the European component of the bailout once it took office. It also failed to negotiate with the ECB a burden-sharing arrangement for senior bondholders at the Irish Bank Resolution Corporation. This is unbelievable.

Last year, at a meeting of the World Economic Forum in Switzerland, the Taoiseach described Ireland's "mad borrowing frenzy", with many taking this as an implication that the Irish people themselves caused the crisis. The Taoiseach later told the Irish people that they were not responsible for this crisis. Why then are they being forced to pick up the tab? It is simply because they elected a Government that does not have the courage to stand up to the financial institutions.

Right now, the banks are mauling this Government. Ordinary people are being told to get lost by the banks, while banks say they will do what they like. Despite whatever legislation is introduced, the banks will continue to maul the public. The Government allowed banks, bondholders, investors and speculators to destroy the economy and destroy people's lives, even driving some to suicide. When the banks saw they could get away with that, they knew they could get away with anything and they continue to do so.

The cost of all this has been cuts to medical cards, special needs assistants and hospital facilities. Garda stations have been closed and a devastating ban on recruitment in parts of the public sector has been maintained. Irreparable damage has been done to the body politic in Ireland. No one believes anybody anymore, particularly when they found out what Fianna Fáil did to put us into this crisis. They listened to what the Government said about getting us out of this crisis, including burning bondholders and dealing with banks, but instead it placated them. This Government will pay a hefty price for that. In advance of this debate, 100,000 people sent e-mails asking the Government why it did not seek a debt write-down.

Deputy Patrick Nulty: I am happy to contribute to this debate. I thank the Ballyhea campaign, not just as a Teachta Dála but also as a fellow citizen. I also thank everyone who contacted us in the run-up to this debate. They have done a far better service to this country than the elected Members of Fianna Fáil, Fine Gael and the Labour Parliamentary Party who are acting

contrary to the interests of this country by continuing to maintain the charade of the Anglo Irish Bank promissory notes. The so-called deal means that every red cent of that debt will be paid back by this State.

It is quite shocking that there is no one from Fianna Fail in the Chamber for this debate.

Deputy John Halligan: Yes. The Deputy is right.

Deputy Patrick Nulty: That party concocted this whole scheme. I wish I could say I expected better from Fianna Fáil but the party of Charlie Haughey, Bertie Ahern, Ray Burke and Liam Lawlor has never, and will never, serve the best interests of this country. I am from west Dublin where I saw what happened with rezoning and speculation, so I would never expect anything better from that party. The people expected better, however, when they elected a new Government in 2011. They acted in good faith but they got more of the same - crushing austerity and failed neoliberal policies that have not worked, will not work, and which are driving our young people away. Those who are not driven into poverty through dole cuts are heading for Dublin Airport.

I recall the words of my fellow Deputy for Dublin West, the Minister for Transport, Tourism and Sport, Deputy Leo Varadkar, who said that not one red cent extra would go into Anglo Irish Bank. What a lie that was. This Government has continued the same failed banking policies the previous Government undertook. Fine Gael members were cheerleaders for Fianna Fáil when the bank guarantee was introduced in 2008. What are the consequences of this failure to deal with the debt? Fine Gael and Labour have brought in their own dirty dozen cuts, including child benefit and the fuel allowance. In addition, the respite care grant has been abolished, while water charges are to be introduced. Incidentally, the Tánaiste, Deputy Gilmore, built his political career on opposition to water charges, yet he has turned heel and will bring them in. Property tax has been introduced, while jobseeker's allowance has been cut for the under 25s. The over 70s and people with disabilities are losing their medical cards. The mortgage interest supplement was scrapped along with Traveller education supports. Student grants and maternity benefit have been cut, while the mobility allowance was scrapped.

I hope the Minister of State and his Government are proud of themselves. As a Deputy and a citizen I reject their policies which are disastrous for this country, including the communities I represent. I stand full square behind this motion.

Deputy Jim Daly: The Deputy was happy to be with Labour to be elected to the House.

Deputy Patrick Nulty: The Deputy's party colleagues put around leaflets saying they were the only Government candidates, and they were right. Unlike others in the Labour Party, I will never kow-tow to the Deputy's party, Fine Gael, which has decimated this country and targeted the weakest.

Deputy Jim Daly: The Deputy was elected to the House on a false promise.

Deputy Patrick Nulty: Fine Gael has always stood for cutting the dole, cutting education supports and cutting Traveller supports. It is a disgrace.

Deputy Thomas P. Broughan: Last February, we were told that the promissory note deal would save Ireland €10 billion over the next decade or so but this so-called €10 billion saving in Irish borrowings was a comparison saving against a theoretical and totally impossible

promissory notes payment schedule. The Irish Government was faced with finding €9.3 billion to pay the Cowen-Lenihan deferred schedule of 2012-14, which was an impossible and totally ludicrous commitment. Even though the promissory note arrangement was a scheme devised by and repaid to ourselves, the task of finding the huge tranche of real cash required to satisfy the ECB was something no Government could have delivered. Conversely, we now have to spend €1 billion per annum in real additional payments on our growing national debt as a result of the promissory notes deal and the pain of austerity continues for all citizens. Recent figures, quoted previously by the Acting Chairman, Deputy Mathews, suggest that Ireland has paid an astonishing 42% of the total EU bank recapitalisation programme.

Like my colleague, I warmly congratulate the Ballyhea movement on its continued pursuance of the disastrous changes made by the Fianna Fáil-Green Party Government, strongly supported by Fine Gael in September 2008. The transfer of massive private sector bank liabilities onto the backs of the Irish people was the core element of the promissory notes deal. Clearly, the Government did accept Frankfurt's way after two years of shameful grovelling by the Taoiseach, Deputy Kenny, the Tánaiste, Deputy Gilmore, and their Ministers.

Since delivery of the first Fianna Fáil austerity budget in October 2008, devastating levels of austerity have been inflicted on our people. Almost €1 billion has been cut from the education budget, €4 billion has been cut from the health budget and almost €4 billion has been taken from the social protection budget. We have also witnessed the decimation of the capital programme budget from €9 billion in 2008 to its current level of €3 billion. The financial situation in Ireland remains bleak in light of our desperately high levels of indebtedness, with a debt to GDP ratio of 125% and low inflation. This huge burden will remain with us through to the 2016 general election and into the early 2020s, which is a shocking legacy for our people on the 100th anniversary of the struggle for independence.

The debates on the promissory notes during February and the bailout exit last week involved blatant and unashamed attempts to rewrite history by the Taoiseach and the Fine Gael Party. It was the Taoiseach, Deputy Kenny, and Fine Gael who when in opposition delivered the 2008 blanket bank guarantee hand-in-hand with Fianna Fáil, the Green Party, Sinn Féin and others. The then Fine Gael spokesperson, the Minister, Deputy Richard Bruton, and later, the Minister, Deputy Michael Noonan, following the sacking from that post of Deputy Bruton, supported the Fianna Fáil-Green Party Government at every turn. It is notable that Fianna Fáil continued in its support of Fine Gael through the most recent renewal of the blanket guarantee and the bailout exit strategy.

When on the backbenches with the Minister, Deputy Rabbitte, and I during the debate on that fateful night in 2008, the Minister, Deputy Noonan, asked if the crisis was one of liquidity or insolvency. The then Minister for Finance lied to us about this matter. Although the Minister, Deputy Noonan, felt it was a solvency issue, he voted in favour of the guarantee. That is the reality of what happened in this House and the reason we have no confidence going forward in the ability of a Government in which Fine Gael is a leading partner to resolve the shocking situation facing our people in fiscal terms.

Acting Chairman (Deputy Peter Mathews): I draw the Deputy's attention to a remark he made during the course of his speech, which I think he would probably like to withdraw, namely, that the Minister lied to the House. That is not the protocol of this House and I ask that the Deputy withdraw the remark.

Deputy Thomas P. Broughan: The proposed banking inquiry, which may be conducted by the Joint Committee on Finance, Public Expenditure and Reform under the chairmanship of Deputy Ciarán Lynch, will seek to establish the facts. On that basis, I will alter my remark and say that the then Minister misled current Ministers, Deputy Noonan and Deputy Rabbitte, and myself. There is no question about that.

Acting Chairman (Deputy Peter Mathews): In your opinion.

Deputy Thomas P. Broughan: Yes, in my opinion.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd): I move amendment No. 1:

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

“recognises that:

— decisions taken by the previous Government have unfortunately resulted in the inclusion of the promissory notes as a part of Government debt since they were issued in 2010;

— this Government successfully reached a conclusion to its discussions with the Central Bank in February, that delivered on our commitment to put in place a fairer and more sustainable arrangement on the Irish Bank Resolution Corporation promissory notes for the Irish taxpayer and this was noted by the European Central Bank, ECB;

— the agreement represents the best outcome available to the State in relation to the promissory notes and the Government will fulfil its legal obligations and redeem the sovereign bonds issued to the ECB in relation to this transaction as they fall due;

— the current approach with our European partners has led to a number of other positive developments during the lifetime of this Government to date that will serve to alleviate our debt burden, including the reduction of the interest rates on our EU programme borrowings and the extension of the maturities of our European financial stability facility and European financial stabilisation mechanism loans; and

— this is the best course of action in order to restore our international reputation and successfully exit the EU-IMF programme and regain sustainable market access;

acknowledges that:

— the implications of not making such payments, or raising the possibility of refusing to make these payments, are such that the State’s ability to regain sustainable market access could be put at risk with major implications for the funding of vital public services such as the social welfare, health, and education systems; and

— the Government should not act unilaterally in relation to the repayment of sovereign debt and should have regard to the views of our partners who are providing the requisite funding for Irish financial institutions;

and affirms that the approach being pursued by the Government is, given the situation the Government has been presented with, the optimum approach which will produce the best medium to long-term outcome for the State and the Irish taxpayer.”

I wish to share time with Deputies Dara Murphy, Jim Daly and Paul J. Connaughton.

Acting Chairman (Deputy Peter Mathews): Is that agreed? Agreed.

Deputy Fergus O'Dowd: The Minister for Finance, Deputy Noonan, is unable to be here as he is attending the Select Sub-Committee on Finance.

Ireland is on the right track. Since taking office, the Government has stabilised the banks, restored confidence in the economy, reduced unemployment and introduced fiscal reforms to improve the management of the public finances. It has made difficult decisions that it believed were necessary and has met all of the targets set by the troika programme. Ireland has worked hard to get where it is today and these efforts have paid off. We now have full independent access to financial markets. The absolute necessity for Ireland to have this access should not be forgotten. It provides us with finance to provide the essential public services we expect, social welfare payments and our health and education systems.

In light of the nature of the motion proposed it is important to put on record the actual legal position regarding the relationship between the State and the ECB. It should be noted that in carrying out the functions of the Central Bank of Ireland the Governor is subject to Article 7 of the ESCB Statute which provides that:

.....Neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Union institutions, bodies, offices or agencies, from any government of a Member State or from any other body. The Union institutions, bodies, offices or agencies and the governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision-making bodies of the European Central Bank or of the national central banks in the performance of their tasks.

Deputy Luke 'Ming' Flanagan: Unless that country is Germany.

Deputy Fergus O'Dowd: If this motion is passed, seeking to lobby the ECB for an exemption from monetary financing to allow the Central Bank to destroy €25 billion in sovereign bonds validly issued by the State and for the Government to unilaterally cease payments on the interest associated with that sovereign debt would be detrimental to the recovery of Ireland and its ability to obtain funding from international financial markets. This approach would jeopardise all the work that has been done so far by the State and the Irish people to restore not only our economy, but our reputation abroad. Reputation, reliability and meeting commitments are essential elements in accessing financial markets. We have regained the trust of our European partners and have demonstrated that Ireland is a country that can be trusted. Any motion such as this, if passed, would certainly break that trust and raise serious questions about meeting our legal obligations. We cannot undermine the remarkable achievements that have been made to date.

The promissory notes were designed and issued by the previous Government as a funding instrument to provide capital to Anglo Irish Bank and Irish Nationwide, to be repaid over time at an annual cost of €3.06 billion. The cost of this commitment imposed a massive burden on the State and the Irish taxpayer. Despite this, the Government has always maintained that it will respect the sovereign commitments entered into by the State regardless of by what Government these commitments were made. This strategy is finally paying dividends. Why pass a motion which would destroy the reputation we have worked so hard to build?

Government bonds yields are now much lower than the rate of interest that applied to the promissory notes when issued, thanks to the hard work done by Ireland in restoring its standing abroad. This Government and its officials worked tirelessly to reach agreement with our European partners on a restructuring of the promissory notes which provided a fairer and more affordable solution which significantly reduced the debt servicing costs of the State and the NTMA's market borrowing requirements over the coming years.

It was never a realistic possibility that the Government demand a rejection of the promissory notes in total. The reality is that the notes were a sovereign commitment and have formed part of general Government debt since issued in 2010. This Government resisted calls to adopt a confrontational approach in its negotiations around the promissory notes as it recognised that a sustainable solution had to be achieved by leveraging the support of our international partners. It was clear to the Government that the co-operation and support of our European and international partners was essential to reaching a solution that was in the interests of all. The Government has always set out clearly that it would not act unilaterally and that it would be bound by agreements entered into by it and previous Governments.

Our strategy has paid and is paying real dividends. The agreement on the promissory notes in February is a major step in regaining our economic independence through improving the affordability of our debt position and reducing our debt servicing costs. That agreement was reached after months of tough political and technical negotiations with our European partners and resulted in the replacement of the promissory notes with sovereign bonds of longer duration and with a lower interest rate. The benefits of the current arrangement are numerous. The agreement has greatly improved Ireland's means of dealing with the debt we inherited from the promissory note by reducing our borrowing requirement and debt servicing costs. The elimination of the annual promissory note payment has reduced the State's cash borrowing requirement by €20 billion over the next ten years. Any motion which questions the Government's commitment to following through on the agreement has the potential to derail our ability to regain full market access.

During the first quarter of 2013, the National Treasury Management Agency raised €7.5 billion from two bond sales. Both of these bonds attracted strong international interest and were heavily oversubscribed. Most importantly, more than 80% of the demand came from overseas investors. These sales confirmed Ireland's ability to access long-term market funding on sustainable terms. The NTMA is now in a strong funding position and Ireland will end this year with a cash buffer sufficient to cover 12 to 15 months of Exchequer financing needs. This strong position has been instrumental in the Government's decision to exit the EU-IMF bailout programme on 15 December without an application for a precautionary credit line. I noted with interest how only three members of the Technical Group voted to exit the EU-IMF programme last week. Should we take it that the other Members of the group endorse the programme and wish to continue under its guidance? Has the Technical Group proposed today's motion to cease interest payments on legitimate sovereign debts as a way of jeopardising our exit and keeping us in a programme?

The decisions taken by this Government in conjunction with our European partners have been instrumental in the restoration of confidence in the Irish banking system. There has been a significant reduction in reliance on euro system funding by the remaining banks, and the liquidation of the Irish Bank Resolution Corporation has led to the complete removal of emergency liquidity assistance, ELA, from our banking system. As part of the 2011 financial measures programme, Irish banks were recapitalised to meet a capital requirement identified at €24 bil-

lion. This was sourced from the private market, burden sharing with subordinated bondholders and also from the State. We have also implemented the merger of Allied Irish Banks with the EBS Building Society. AIB recently announced the completion of its deleveraging plan under the financial measures programme, ahead of the December 2013 target date. Bank of Ireland and AIB have successfully reengaged with the markets on the back of their own asset-covered securities. More recently, unsecured offerings in AIB and Bank of Ireland were oversubscribed. Furthermore, the sale of Bank of Ireland's convertible contingent notes early this year reflects the renewed belief in the sustainability of the Irish pillar banks. Private capital has also been introduced to the banking system through the sale of equity in 2011 and the sale of Irish Life in 2013.

All of these developments have strengthened Ireland's ability to access long-term market funding and illustrate how successful we have been in our efforts to re-enter the financial markets. These achievements were based on the Government's commitment to ensuring Ireland is an attractive place in which to invest. That is the basis on which the country's future financing strategy is built. Any motion which threatens to cease payments of interest on a sovereign liability of the State is akin to default and brings with it substantial threats to our international reputation, which we have worked tirelessly to restore.

Let us not forget that the majority of Government debt is related to the provision of public services. Access to financial markets is essential for the running and maintenance of those services. It is the responsibility of Government to ensure, to the best of its ability, that public services are maintained and international debt finance is accessible. Policy decisions must ensure that access to funding is stable. The passing of this motion would threaten that stability.

We have had constructive engagements with our European partners since we entered government. In addition to the restructuring of the promissory note, we also managed to deliver many other successful agreements through partnership. We have achieved a renegotiation of many of the conditions of the EU-IMF programme such as the reversal of the minimum wage cuts. A substantial reduction in the interest rates on the EU funds, estimated to be worth in the order of €9 billion, was also won. The extension of the maturities of our European financial stability facility and European financial stabilisation mechanism loans of up to seven years is yielding significant savings. In addition, the agreement to retain half the proceeds from State asset sales for investment in job creation projects was an important concession.

These arrangements were agreed on the trust and understanding the Government has managed to build up with our European partners over the course of recent years that we will follow through on our commitments. This motion, if passed, would have a detrimental impact on that trust and significantly impact the Government's ability to negotiate in the future. We must persuade investors that Ireland is an attractive place in which to invest. Defaulting on our debt or lobbying to renege on that debt is not a message we want to deliver to the international community. It would damage investor confidence and seriously hinder our ability to attract foreign investment. Ireland cannot improve its economy by going it alone. We need our European partners' agreement and support if we are to build our financial position successfully. Foreign direct investment plays an important role in our economy, supporting 250,000 jobs directly and indirectly. Any default or threat of default on a sovereign obligation would threaten not only the thousands of foreign investor jobs in our economy but also future investment and employment opportunities for Irish citizens.

Today's employment figures show the improvement in the economy is real. Unemployment

has fallen to 12.8%, the lowest figure we have seen since the second quarter of 2009. This is clear evidence that we are making the right decisions, boosting confidence and rebuilding the economy. The proof of that is in the increase in employment, which should have a positive effect on consumer spending and retail sales and serve to reduce mortgage arrears. Employment has grown by 58,000 in the year and now stands at 1,899,300. Moreover, the majority of the new jobs created are full-time positions.

We are not done yet and this Government continues to push for further agreements with our European partners. It is clear that our decision to work collaboratively continues to bear fruit. That is evidenced by recent discussions between the Taoiseach and Chancellor Merkel which may give rise to potential funding mechanisms for the State, including access to finance for Irish SMEs through the German development bank, KfW. That initiative is in the very early stages of development and the Government hopes it can provide a sound funding basis for SMEs into the future. Any announcement that Ireland was proposing to row back on its commitments and potentially default on its sovereign debt could have serious implications for the goodwill that surrounds the initiative. We are working hard to get agreement on these issues. The assistance being offered to us is illustrative of the trust our European partners have in Ireland's ability to turn around its economy and their willingness to aid us in that effort where possible. Any lobbying now to cancel the €25 billion bond repayments would seriously hinder the possibility of future offers of assistance of this nature.

Judgment was delivered today in respect of Deputy Joan Collins's challenge to the promissory note payments, a case that was taken against the Minister for Finance and the Attorney General. The plaintiff sought in these proceedings to challenge the lawfulness of providing public funding to IBRC and EBS in the form of promissory notes. The plaintiff also challenged the lawfulness of the subsequent issuing of long-term Government bonds to the Central Bank of Ireland in exchange for the IBRC promissory notes. The judgment was delivered in favour of the State by Mr. Justice Peter Kelly this morning.

European solidarity is in our interest and to our benefit. Economic growth will only be successful in the long term if the international markets are persuaded that we will adhere to our debt repayments. We need to look to the long-term implications of lobbying for a default. We have gone to considerable lengths to improve our economy and debt repayments. It would not be wise for the State to lobby our European partners further on the issue now that agreement has been reached. Finally, it would not be rational for the State to abandon diplomacy and consider ceasing on payment on its contractual obligations at this critical time.

An Ceann Comhairle: Deputy Dara Murphy is next. I am afraid I have to pare you back to four and a half minutes.

Deputy Dara Murphy: I am pleased we have a Deputy from Fianna Fáil in the House because the debate on how best to clean up the mess this country is in has had an absence of the people who caused it in the first place.

The motion from the Technical Group is remarkably naive and simplistic. I would be surprised if they all agree ideologically. Some of the references are plainly untruthful. The cost of our banking debt, specifically the promissory note debt, is being totalled with all our Government debt. However, 75% of the cost of servicing our debt is made up of our public service debt that has built up over recent years. Are people really suggesting that the country, which was on its knees and had to borrow money to fund our hospitals, schools and social protection system,

should now, having taken the money to pay for these services, renege on that debt?

It is true to say that it is a sickener for everyone involved in the country to see the amount of money that remains on our shoulders by virtue of the total banking debt. However, in the case of the promissory note deal in particular it would be crazy in any way, shape or form to renegotiate. One of the speakers opposite referred to Greece. Greece, which partially reneged, is today paying three times what we are paying on the bond market.

Deputy Stephen S. Donnelly: That is not what Greece is paying.

Deputy Peter Mathews: That is not right

Deputy Dara Murphy: That is right. Greece is paying at over 8%. It went to 44% some years ago.

(Interruptions).

Deputy Dara Murphy: One point mentioned several times by the Minister of State related to reputation. The reality is that our reputation has given rise to the increase in confidence internationally to invest in our country. That investment has given rise to job creation, with the unemployment rate now gone below 13%.

Deputy Catherine Murphy: What?

Deputy Dara Murphy: The Government is now creating almost 6,000 jobs per month. In a way it is welcome that we have an ideological debate between a mature and sensible negotiated approach, that is, what we have from the current Government, and the type of simplistic socialist approach, which seeks to pretend the problem will go away, seeks not to negotiate with our partners and burn the people who have given us the money in the past. The view is that this is perhaps an option but it is not an option.

Deputy Stephen S. Donnelly: Deputy Murphy does not understand the promissory notes.

Deputy Dara Murphy: The path the Government is on is finally working. Our deficit, which was far too high, has narrowed to the point where it is once again manageable. The cost of borrowing has significantly decreased. Most important, the people who are looking for work can now see that a significant number of their peers have found jobs. They can see that a government which creates 6,000 jobs per month can create 7,000 jobs per month and continue on.

Deputy Luke 'Ming' Flanagan: The Government did not create the jobs.

Deputy Dara Murphy: The people in the Opposition can smile. Following the tabling of the motion, employment figures were published yesterday, which will have been disappointing for those in the Technical Group, who trade completely on negativity and the fears of the people that there is no future for our country or economy, but there is a future.

Deputy Peter Mathews: It is a question of truth.

Deputy Dara Murphy: People who have left the Fine Gael Party in particular will see that much of the doom and gloom that we heard to the effect that Ireland would not recover and that Ireland could not negotiate has not come to pass.

Deputy Peter Mathews: I was ejected.

Deputy Stephen S. Donnelly: He did not leave. Fine Gael threw him out.

Deputy Dara Murphy: That having been said, there remains a significant amount to be done, especially on the other related issues. When the ESM, the supervisory mechanism and the resolution mechanism are brought forward we will see that the work will continue to be done. I appreciate my time was cut a little short.

Deputy Jim Daly: Cuirim fáilte roimh deis labhartha ar an ábhar seo. Having read the Private Members' motion I can inform the House that it is the first "Dear Santa" letter I have seen this Christmas. That is all it reminds me of. It is a complete fanciful fairytale. It begins something like "Dear someone, please write off €25 billion in money that we as a sovereign State owe to you".

Deputy Stephen S. Donnelly: It is being done all over the world.

Deputy Jim Daly: No. Sometimes it is difficult to listen, but there are two sides to the argument. No one has a monopoly on any side of it. I am entitled to my say. This is my time on the clock.

(Interruptions).

Deputy Jim Daly: No one has a monopoly on it. I am entitled to my view.

Deputy Luke 'Ming' Flanagan: Through the Chair, please.

Deputy Jim Daly: It is fanciful-----

An Ceann Comhairle: If you cannot stay quiet, leave the Chamber. We have a system whereby people are entitled to say what they have to say, whether you like it.

Deputy Luke 'Ming' Flanagan: He is talking to us, not through the Chair.

Deputy Jim Daly: I will speak to the Chair. I am happy to speak to the Chair.

Deputy Luke 'Ming' Flanagan: Get on with it then.

Deputy Jim Daly: If this motion was passed, we should consider the damage it would do to the country, our children and our children's children. It would immediately undermine up to 250,000 jobs in the economy, jobs we rely on and which pay for the services that are so badly needed. That would be the first consequence.

It is ludicrous to aspire to default. Default as an aspiration makes no sense. Default is a position that an entity ends up in through a lack of choice and opportunity and the lack of any other available option. However, to aspire to default is bizarre. We have worked hard as a Government in recent years. Many other Deputies, who are not part of the Government, have worked equally hard to restore the reputation of the country. That reputation was in tatters when we took up office two and a half years ago. The country was a basket case by any standards or measurement. I dread to think that we would throw that out the window when we are just finding our feet, when the economy is starting to turn, when jobs are being created in their thousands each week, when we are starting to see reductions in the amount of money owed and when we are starting to see the benefits of the hard work.

This ludicrous, childish and silly motion has been put down to the effect that we should

write away €25 billion.

Deputy Stephen S. Donnelly: That is because Deputy Daly does not understand it.

Deputy Jim Daly: Dear Santa, how are you? I am sorry that the day ever came when it dawned on me that Santa did not exist, because I would love to send the motion off to him.

The money system exists for better or worse. The fundamentals of any money system are that one borrows and one pays back. Those responsible for the motion think that we are in some dream land where we can subvert that system and then wake up when it has all gone away. The writers of “Dallas” would have a challenge on their hands to come up with something like this.

Deputy Stephen S. Donnelly: We did not borrow it. It is an IOU.

Deputy Jim Daly: Let us consider Germany, which has been referred to by several speakers. The Germans are effectively the paymasters. Austerity is a necessary thing. Everyone must live within their means and that is what we, as a country, must do. The people in Germany are dictating that we must do that and rightly so if they are paying the tune. I mentioned previously that the Germans are the people with 7% youth unemployment compared to countries such as Greece which has 57% youth unemployment. Greece did not adhere to the rules of finance or economics or to the basics.

The renegotiation of the deal to date has seen a reduction of €10 billion on our interest rates and a further reduction of €20 billion in repayments to be made in the next two years. That is €30 billion in total. That is as a result of negotiating and dealing with our partners. It means we can maintain our reputation and standing.

(Interruptions).

Deputy Jim Daly: Most important, we can maintain our ability to borrow on the markets. The people putting forward this motion refuse to look at the day after tomorrow. They simply look at the short term or the quick gain. Who will pay the welfare bill, which is €20 billion as it stands in the country at the moment? Who will pay the education Bill? Who will pay those bills afterwards?

Deputy Paul J. Connaughton: I thank the Ceann Comhairle for the opportunity to speak on the motion. I am unable to support the motion, which seeks to stop all interest payments currently being made on sovereign bonds issued in February and which calls on the Government to lobby the European Central Bank for an exemption of the rules of market finance in order that sovereign bonds can be destroyed. However, it is worthwhile to have the debate. I believe the approach being taken by the Government to the undoubted crisis in which Ireland finds itself is on the correct course and the proof of this lies in the figures contained in the latest quarterly national household survey, which shows a significant increase in job numbers in Ireland. Members opposite do not need reminding that the deal which underpins Ireland’s current economic debt was done prior to the present Administration’s taking of office and the most difficult task facing the Government was to steady the ship in the state in which it was, as it passed through extremely turbulent waters. History has shown instances in which promises undertaken by this State were reneged upon, with huge economic repercussions that filtered down to every family in the State. I believe that simply reneging on commitments made, for example, in respect of interest payments on bonds is not the way forward.

The success enjoyed by the Government to date stems from hard work behind the scenes with our partners across Europe. This is work that often has gone completely unnoticed by the media as it often appears to be of a mundane nature. However, it is such painstaking work, which can only be done between partners who have trust in one another, that has continued to pay dividends in recent months and years. It is this work that has brought the country back from the brink of the precipice and it must continue for many more months and years to come.

I understand fully the huge anger and frustration that exists among the people with regard to the private debt of banks being taken on by the State. Personally, I also have grave issues with it and it is an issue that must continue to be addressed. While it would be easy to spend five minutes in giving a deserved kicking to the banks, that would only take away from the serious position facing Members. The ongoing continuous work at a European level must continue, as Irish finance officials must drive home to European politicians and bureaucrats the pain and difficulty this decision to take on the bank debt has had on Irish people, as well as the fact that pressure from Europe was a key element in the decision and consequently, that Ireland needs Europe to support it at this crucial juncture by using European Stability Mechanism, ESM, funds to recapitalise Irish banks. The Irish economy is beginning to grow and this is a key message that must be communicated to our European partners, as it will bolster the Irish reputation for stability and underline further that Ireland is stepping back from the precipice, that the progress that has been made to date now is gaining momentum and, therefore, the time now is right for the ESM funds to be used.

All the economic achievements of recent months and years, underlined by today's jobs figures, could be lost were the Opposition motion to be passed. Members must consider what could happen, were they to follow through on the motion before them. There certainly would be consequences and they must be realised before any decision can be taken. I believe to suggest there would be no negative effects from such a move simply is to detract from the seriousness of this problem. Members should consider for a moment what the repercussions might be, were this motion to be passed. I refer to the undermining of foreign direct investment, the impossibility of accessing funds to finance public services, the increased cost of credit and the undoubted locking-out of Ireland from international markets. Would Members opposite lend to someone who repeatedly repudiates his or her debts and negates previous contracts?

There are many signs that the path taken to date is the correct one and will continue to be so. While continued lobbying must be undertaken to ensure the best deal possible is secured for Ireland, reneging on interest is not in the country's best interest at present. I remind those promoting the motion of a line in the direct bank recapitalisation instrument, which states "The potential retroactive application of the instrument should be decided on a case-by-case basis and by mutual agreement." I believe this is how it must be pursued and has been pursued. Moreover, I believe fully that such a course will yield much greater results than the proposed repudiation of our debts. The key phrases in the aforementioned line are "case-by-case basis" and "mutual agreement". Ireland's improving economy and increasing job numbers bolster the case that can be made. The second phrase on mutual agreement has underpinned the Government's actions to date and is far preferable to the tactics envisaged by the motion before Members.

Deputy Sean Fleming: I welcome the opportunity to speak on this Private Members' motion tabled by the Technical Group and others, which deals with the issue of the Government bonds that replaced the Irish Bank Resolution Corporation, IBRC, promissory notes. First, I note that I am substituting on behalf of my colleague, Deputy Michael McGrath, of Cork South-Central, who at present is attending the Committee Stage debate of the Finance Bill with the

Minister, Deputy Noonan. They have been there all day and will return there tomorrow and on this basis, I apologise. Second, I welcome to the Gallery the group from Ballyhea, in north County Cork, who have been closely watching this debate for some time. This group has been raising this issue for some time in their own quiet and effective way. I understand they have held a protest almost every Sunday for quite some time. They have travelled to Brussels and to Frankfurt to raise this issue and essentially, their message is the burden is too much for the Irish people and it is not their burden. I welcome the group to the Dáil today.

As for the motion before Members, Fianna Fáil tabled a series of amendments to the Government amendment that was moved today and I wish to deal with the essence of my party's proposals. First, our amendment emphasises the importance of the commitment given at the European Heads of State and Government summit meeting in June 2012. It stated "The Eurogroup will examine the situation of the Irish financial sector with the view of further improving the sustainability of the well-performing adjustment programme." At the time, the Taoiseach called this a game-changer and stated it would bring about fundamental changes in respect of dealing with Ireland's financial industry and the debts associated with the banks. Since then, no further action has been seen on this matter. Now and again, one hears it being stated that there is a commitment. However, it is a commitment with no substance. I met representatives of the troika when they were in Dublin a fortnight ago, as part of the Fianna Fáil delegation, and we actually asked them whether there was any possibility of retrospective bank capitalisation. They simply laughed, as they knew it was nonsense. Everyone in the room knew it was nonsense. It was a great bit of public relations - the Taoiseach is excellent in that department - and he must get 100% for his public relations efforts. He fooled many people on that issue and still continues to do so. However, while there is no substance, he will peddle that story again.

Deputy Peter Mathews: Correct.

Deputy Sean Fleming: My next point is that Fianna Fáil also believes the current Government agreed to a conversion of the Irish Bank Resolution Corporation promissory notes into long-term bonds, the non-payment of which would result in a sovereign default, that is, were there to be any default in those payments. This is the first time, legally, that this debt was copper-fastened on the backs of the Irish people. I acknowledge that my party, when in government, had nationalised IBRC at that time. It subsequently has been liquidated but at that time, the debt was not formally copper-fastened on the body of the Irish taxpayer but on a State organisation. State organisations have come and gone and have welshed on debts in the past. I note it has been stated by some Members opposite that the essence of any market transaction is that one borrows money and one pays it back. In other words, one pays the debts, but I wish to digress in respect of the IBRC promissory notes and the Government bonds that have replaced them.

The legislation introduced in this Chamber some months ago by the Minister, Deputy Noonan, on the liquidation of IBRC and the appointment of a special liquidator resulted in a State body welshing on its debt and on its bonds. I have raised this issue in the Chamber previously. This legislation was drafted by the Minister and his officials months in advance. It was agreed with the KPMG special liquidator, Mr. Wallace, and simply was sitting in the top drawer for several months. While I acknowledge it was rushed through the Dáil in a single night, it was not rushed legislation but had been in place for months. It had been prepared and planned for months and the consequences of that legislation were known in advance to the handful of people who were involved in its preparation. Members only knew about it and had an hour or two to deal with it here in the Chamber. However, I wish to provide Members with one example

concerning a State body and IBRC. While the latter was afraid to welsh on its bondholders, it welshed on its own bonds.

As for the bonds to which I refer, I am looking at the impact of that decision here that night. Members are learning of the impact on housing estates that have been left unfinished by developers, who themselves have gone to the wall. Developers take out financial bonds to ensure that estates can be finished if they go out of business before the job is completed. All Members are familiar with this process. However, all bonds held by IBRC are no longer being paid out and this is causing huge difficulties. Local authorities now face the impossible choice of leaving estates unfinished or taking money from other services to pay for the cost of finishing road surfacing, drainage, water, sewerage works and street lighting in certain estates. The Minister knew what he was doing on the night he liquidated IBRC, namely, that local authorities would be left out of pocket as a result of that decision. People may not be fully aware of this but IBRC, like all major financial institutions, had issued bonds to developers. The councils had accepted these bonds as part of their planning conditions, that is, if the developer in question went bust, the financial institution would honour the bond. I will provide an example of which I am aware in County Laois. The Quinn group had issued bonds to several developers in County Laois and when that group went into administration, those bonds were honoured in full because it was continuing to trade. However, as soon as IBRC went into liquidation, those bonds were no longer being honoured and some work the council had expected to be done in estates through the bond mechanism cannot now be done. This was a direct result of the Government decision and those concerned must have known about this on the day in question. Moreover, these bonds were put in place as part of a planning condition and this is no idle issue, as four estates in County Laois have bonds in place that were from IBRC, ranging from €87,000 in one estate to €354,000 in another.

9 o'clock

In all these cases there will be a call on some of these bonds to complete the work. This will not be possible because IBRC no longer exists as the Minister chose to liquidate it. I asked the Minister if he would put in place special arrangements. He gave my request short shrift. During the Topical Issue debate he informed me that the special liquidators and the departmental officials had met on several occasions with officials from the Department of the Environment, Community and Local Government. They are aware the problem exists in several counties. The Minister stated these bonds will rank as an unsecured creditor for the purposes of liquidation, in other words, that the local authorities are at the end of the list of creditors and the Minister will not honour the bonds that were issued by a State body to complete estates in various counties. The Minister is not being upfront with the truth. He said that throughout a liquidation process it has to be acknowledged there are, unfortunately, unavoidable costs. This cost was avoidable because he could have put measures in place to deal with it. He asked for a full report from all Departments. I call on the Minister to honour the IBRC bonds.

The Government must be awarded full marks for its PR spin on selling the new arrangement. It has stated the new arrangement will have reduced the State's cash borrowing requirement by €20 billion over the next ten years. The notion there will be a saving in the short term is juvenile economics. It is like a bank spreading a client's debt over a longer period, charging more interest and the client will pay back every penny owed plus more interest. The client will pay more than was owed but the bank will go easy for the first couple of years. The Minister successfully sold that arrangement to the people as a good deal. It is a bad deal because it increased our debt. I do not understand how it was regarded as a good deal. The Government

fooled a lot of people for a long time-----

Deputy Peter Mathews: It was promised by and given to us by the EU. Creditors do that.

Deputy Sean Fleming: We know the burden fell on the backs of the Irish taxpayers because the majority of the bonds were held by German and French banks who would not countenance it. In the case of Cyprus, the bondholders had to pitch in because many of them were Russian and the Germans and the French did not care about them. The big and the powerful always win.

Our amendment deals with reform of the banking system and the supervision and resolution mechanisms to be introduced. The ECB could immediately help the Irish Government at any stage it chooses. In the period 2010 to 2011, the European Central Bank purchased approximately €200 billion in distressed euro sovereign debt on the secondary market. It is estimated that up to €20 billion was Irish distressed debt. The ECB sold on this debt at a profit - bought at below par and sold for closer to par. The ECB will not give the figures. Professor Honohan runs for cover on this issue and he does not want to discuss it at the finance committee. The ECB made a profit of up to €5 billion on buying Irish distressed debt at a reduced price in the secondary market. The bank has made a profit of €5 million from the Irish taxpayer and it should devise a mechanism to hand that money back to the Central Bank and to the Government. The ECB made money out of our difficult situation.

The banks will face stress tests in the coming year. Former stress tests did not adequately deal with small business debts. Whoever carries out the stress tests on behalf of the European Central Bank must not be a European consultancy firm and must instead have global experience, including in the United States. It is preferable to have tougher stress tests rather than a harmless and soft result. The full unvarnished truth is preferable.

The promissory note deal was replaced in due course by these bonds. There was no mention of unilateral default or anything of that nature. They asked for discussions with the European Central Bank. What might not seem possible today will inevitably come to pass. The promissory notes were dealt with and were replaced with these bonds. People regard the bonds as sacred cows which cannot be touched. I am not suggesting they can be torn up but in the fullness of time, those bonds can be renegotiated. It is not sensible to say it can never happen because one can never say never in politics or economics. The economic realities will always decide the outcome of these issues. The Government must always leave the door open for future renegotiation. It happened with the debt and it will happen in the future. What was not possible in a business five years ago is possible today.

The deal we achieved on the bonds is postponing €25 billion debt to the year 2020. Our debt is still there and the interest is piling up. We will not have to pay it this year but we will pay for it in the future years. Despite this, some people think it is a good deal.

It must be identified how many European banks will undergo proper stress tests under the supervisory mechanism. The European bank resolution process is not yet in place. The officials attended the finance committee two weeks ago. It was very obvious to me before they went to Europe that we were a long way from agreement. Those who were responsible for reckless or careless trading must be properly dealt with.

Deputy Jonathan O'Brien: Two days after this Government was formed on 31 March 2011 the issue of the promissory notes arose for many people both inside and outside this House. Having listened to the Tánaiste and the Taoiseach in the lead up to that campaign, many

people would have been under the impression that things would be different. This Government was elected on a mandate of change yet one of the first decisions it implemented at the time was to pay a €3 billion promissory note. That clearly set the agenda for this Government.

There were social consequences as a result of every decision the Government took since it came into office. We saw tonight one of those consequences in that people over the age of 70 who worked all their lives and contributed to economic growth for decades will now pay a price for decisions made by others. I am not an economist. Very few people in this Chamber are economists. I look at this in very simple terms. It is similar to me paying the debts accrued by someone who got into trouble as a result of gambling or spending money recklessly and that person walking away without paying any of the debts they accrued. Not only would I have bailed that person out, but I would have suffered the consequences of doing that. That is what has happened in this case. We are talking about people who gambled recklessly and spent money like there was no tomorrow. They traded, speculated, made a great deal of money and when the economy went bust they walked away with everything. A burden was then put on the Irish people to pay back that debt.

Some of the decisions taken since are difficult to fathom. We spent hours in an emergency session in this House debating the Anglo Irish Bank legislation. In effect what happened that night is that we took an odious bank debt, turned it into a sovereign debt and placed it not only on the shoulders of this generation and the next generation, but the generation after that. It was then spun by the Government as a good thing to do. There have been some short-term benefits from the deal secured on the promissory notes. No one is arguing that but if we look at the overall deal, the longer term consequences of that will be felt for many decades by generations to come. My children's children will end up paying a debt neither I nor any other Irish citizen accrued, with the exception of a few speculators and bondholders.

I listened carefully to the Minister of State when he said that to seek a write-down of this debt would be ludicrous and that it would damage our reputation in Europe. How does he know that? Nobody has even discussed the possibility of a write-down of that debt.

I refer to the €35 billion in respect of Anglo Irish Bank and Irish Nationwide Building Society. That was put in place to save our partners in Europe, stabilise their banking system and the economic crisis sweeping across the European Union at the time. We should go to those very partners, about whom the Minister spoke highly, and tell them that there is an argument to be made for burden sharing. We are told that is not possible but nobody is going to the negotiating table and putting that possibility to them. Unless there is a change in policy, we will continue to pay an odious bank debt we did not have any responsibility in creating. That is a shame.

Debate adjourned.

The Dáil adjourned at 9.15 p.m. until 9.30 a.m. on Wednesday, 27 November 2013.