

SEANAD ÉIREANN

Dé hAoine, 27 Feabhra 2009.
Friday, 27 February 2009.

Chuaigh an Leas-Chathaoirleach i gceannas ar 10.30 a.m.

Paidir.
Prayer.

Business of Seanad.

An Leas-Chathaoirleach: I have notice from Senator Eugene Regan that, on the motion for the Adjournment of the House today, he wishes to raise the following matter:

The need for Minister for Health and Children to confirm the current status, including the availability of funding, of the proposed development of the National Rehabilitation Hospital in Dún Laoghaire, as provided for in the National Development Plan 2007-2013 and confirmed by the Department of Health and Children on 23 January 2007.

I have also received notice from Senator Joe O'Reilly of the following matter:

The need for the Minister for Education and Science to outline his proposals for the refurbishment of St. Aidan's comprehensive school, Cootehill, County Cavan.

I have also received notice from Senator Cecilia Keaveney of the following matter:

The need for the Minister for Justice, Equality and Law Reform to outline the current status of the Garda Reserve, community alert and neighbourhood watch.

I regard the matters raised by the Senators as suitable for discussion on the Adjournment and they will be taken at the conclusion of business.

Order of Business.

Senator Donie Cassidy: The Order of Business is No. 1, Financial Emergency Measures in the Public Interest Bill 2009 — Committee and Remaining Stages, to be taken at the conclusion of the Order of Business and to conclude not later than 2 p.m.; and No. 2, earlier signature motion on Financial Emergency Measures in the Public Interest Bill 2009, to be taken without debate at the conclusion of No. 1.

Senator Liam Twomey: The poll in today's *Irish Independent* shows a total loss of confidence among the Irish people in the Taoiseach. I ask the Leader of the House to request the Taoiseach, Deputy Cowen, to address this House on why the framework document for dealing with this crisis is described by the European Commission as unclear and undeveloped. It is not the roadmap that we need for dealing with the financial and political crisis in which we find ourselves.

[Senator Liam Twomey.]

I also ask the Taoiseach to come in here to give us an update on the figures from the Department of Finance that were highlighted here last night by Senator Donohoe. Clearly, these are outdated and overly-optimistic, even though the report concerned was only published last month. That is contributing to the people's lack of confidence in the Taoiseach.

I would like the Taoiseach to explain the cutbacks announced intermittently since last October, which have been piecemeal and have disproportionately affected the poor and the vulnerable in society. I would like him to come into the House to make a clear and unambiguous statement on the Irish economy and what he will do about it. The current position has contributed to a collapse in confidence among the Irish people in the Taoiseach and the Government, as can be seen not only from today's opinion poll but from a succession of opinion polls. The position is stark when one reads the findings of today's opinion poll. I would like that to be done immediately on behalf of this House.

Senator Joe O'Toole: Without a doubt there is a crisis of confidence among the people in the Government. I have a simple question for the Leader. Given that the Members opposite have not listened to us for the past six months when we told them the people are very unhappy and do not have confidence in the Government, is there a possibility that today's opinion poll might be brought to the Government's attention, if Government members have not seen it already——

Senator Donie Cassidy: We have.

Senator Joe O'Toole: ——with a view to taking appropriate action in response to it? They do not read the newspapers, as I heard one Minister say. We should propose the Minister, Deputy Batt O'Keeffe, for a star performance on "Morning Ireland" this morning. He clearly had not read the opinion poll, that is for sure.

That is serious and has gone beyond a joke, but on a more serious point, I would like to hear more about the movements on Anglo Irish Bank and I would like some evaluation of that situation. I would like to understand what is going on there. Is somebody outbidding the markets or is the decision based on information we do not already have? I would like to hear where we stand on that issue, what will happen next in Anglo Irish Bank and what the Government's position would be were there to be a clear bid for the bank.

People are interested in these kinds of issues and want to know where we go next. It is a positive sign that people want to put money into this country. The positive noises being made by Mr. Jean-Claude Trichet when he was here yesterday must be acknowledged. What does all this mean for the economy? Does it mean the Government does not now find itself in the same hole it thought it was in? Is it a good or a bad thing from the Government point of view? Has it discounted all the issues he mentioned, raised and discussed on where we stand?

Senator Norris mentioned the need for at least a weekly debate on the economy, to be taken immediately after the Order of Business. This is a classic example. We should be getting further information on this and discussing and understanding it so we can explain it to other people.

Senator Alex White: I have no difficulty supporting the call by Senator Norris for a regular debate on the economy. Perhaps it is something we could deal with at the Committee on Procedure and Privileges——

Senator David Norris: If it ever meets again.

Senator Alex White: —if we have a meeting of that body soon. I will vary Senator Norris's suggestion. I am not sure whether it would serve us to have a debate along the lines of an extended Order of Business on the subject of the economy. While it is valuable for us all to speak, very often motivated by the events of the particular day or crisis, it would be much better to have such a debate structured in a different way from the kinds of debates we have in the Seanad. I ask the Leader to consider that idea. I am not demeaning the debates in any sense, but people on the Government side are constantly complaining about the absence of alternatives from this side of the House. We are constantly stating — accurately — that the Government is failing lamentably to come forward with any kind of concrete proposals of its own.

There is an impasse in that both sides say the other is not coming forward with anything concrete. We could challenge each other to come forward in a more serious way in the course of such a debate with the kinds of proposals we in the Labour Party are developing and open them up to scrutiny in the House. Surely that would be a more useful and productive use of time rather than the opportunity, which many of us relish, to stand up for five or ten minutes and make a speech which can be unconnected in many ways to what is said on the other side. It is something which might be tabled for consideration.

I know this is a short Order of Business. It seems that much of the legislation we have been dealing with has been emergency legislation. Almost every week we are debating emergency legislation but other mainstream legislation is ongoing. I have seen the schedule for next week. The Legal Services Ombudsman Bill is due to be debated on Tuesday. That Bill has come from the Dáil, so there is some excuse for the debate on Tuesday.

Regarding the Adoption Bill, however, I ask the Leader not to order all Stages of that Bill for next Wednesday. It is entirely inappropriate for a Bill such as that to be approached in that manner. Perhaps it is an error and something the Leader can address because it is in the draft schedule we received. I ask the Leader not to order all Stages of such important legislation on Wednesday. By all means take Committee Stage next week but not all Stages.

Senator Dan Boyle: On the Order of Business these days I am not sure whether we are talking about the need for a rolling debate on opinion polls or on the economy. Today's opinion poll shows the trend that was shown in two previous opinion polls and takes a snapshot of how Irish people are thinking at the moment. This House and the other House are meant to try to anticipate, describe and respond to such public feelings. We should not be having government by opinion poll. I defy anyone in the Opposition benches to name, outside of the United States where there is a new President who has a lot of goodwill directed towards him, a country where there is a popular government dealing with the circumstances that exist globally at the moment. It would be hard put to find one.

Regarding the demands for a rolling debate on the economy, if we are to have such a series of regular debates in this House, we should define it by the different aspects of the economy, such as those that deal with employment, fiscal policy and taxation, so that once or twice a week we are dealing with different aspects of the concerns that exist about the economy.

There was news today of a possible private investment in Anglo Irish Bank. I understand it is at a very early stage, but it indicates there is still a willingness, despite the difficulties within the Irish banking system and problems caused internally within that system, for people to invest privately. We should take it as a sign of where we might be going on this issue. The Government and everyone in this House should look openly towards the sharing of the risk and the better management, over time, of the risks which exist in Anglo Irish Bank and other banks as we have difficult decisions to make over the coming months.

Senator Fidelma Healy Eames: One of the Government's and nation's key problems is our lack of revenue sources for the Exchequer. Revenue from stamp duty has gone and VAT, PRSI and PAYE receipts are down. In this context, I want an early debate with the Tánaiste to discuss the ways in which Irish companies working in the South of Ireland are being totally outpriced by their opposite numbers in the North. For example, builders providers and super-markets in the South are buying their products 15% to 20% cheaper in the North than they are selling for here.

In the short term that may be good for the consumer but it is bad for Irish jobs and for the Exchequer which is badly in need of revenue sources at this time. We may have an all-Ireland nation politically in terms of the arrangements we have, but we certainly do not have an all-Ireland economy. The Tánaiste is failing by not acting and I ask the Leader to bring her to the House so that we can look at stopping these revenue sources being lost to the Irish Exchequer.

I support the call by the German Chancellor, Ms Angela Merkel, to the Government to give an honest report on our banking situation at Sunday's summit. It was a wonderful call and an offer of the hand of friendship and co-operation from the German Chancellor. Until we have the facts, how can the problem be solved? There is no doubt that more is known than is being said by the Cabinet. To support what Senator Twomey said, I would like the Leader to invite the Taoiseach to address this House with his plan for national recovery at this time.

Senator John Hanafin: I ask the Leader for a debate on competitiveness, which is necessary in terms of the Government's current emphasis on jobs. The reality is that the only safe job is a competitive job. Until we reach the stage where the majority of the jobs in this country are competitive in the international marketplace, we will have uncertainty. That is why I ask the Leader for a debate to encompass all aspects, including inputs, the price of electricity and labour and the cost of doing business here so we can again address, as we need to do quite quickly, the jobs situation.

I am also cognisant that there was a question in the House during the week in connection with claims made about stem cells and perhaps we could have a debate on the issue. There is a poster which claims the use of adult stem cells has a success rate and number of clinical applications of 73 to nil. That is inaccurate. It is higher than 73.

Senator David Norris: That is rubbish. The Senator should ask scientists for the information and not the Vatican.

An Leas-Chathaoirleach: Senator Hanafin, without interruption.

Senator John Hanafin: It is still nil on the embryonic stem cell side. It is unbelievable that we are even debating this issue. Imagine a situation where a stem cell can be taken from one's own body without——

An Leas-Chathaoirleach: Does the Senator have a question for the Leader?

Senator John Hanafin: Yes.

Senator David Norris: People are being defrauded out of money and exposed to experiments which are cruel and unjustified.

An Leas-Chathaoirleach: Senator Hanafin, without interruption.

Senator John Hanafin: I am getting to the main point and I am looking forward to it.

(Interruptions).

An Leas-Chathaoirleach: Senator Hanafin, without interruption.

Senator John Hanafin: A stem cell can be taken from the adult body and without fear of rejection, it can be used. Not every one will be successful but they are realistic and truthful. The reality is that there are clinical applications——

Senator David Norris: Unsuccessful experiments on human patients are——

An Leas-Chathaoirleach: Senator Hanafin, without interruption.

(Interruptions).

An Leas-Chathaoirleach: Does Senator Hanafin have a question for the Leader?

Senator John Hanafin: Is it not really distorted that an embryo would be created to destroy it and to use it as a stem cell? That is wrong.

I would also like to comment on this morning's opinion poll. We are all well aware that we are not in a Greek city state where everybody can come together for every decision that must be made. We are in a republic and a democracy and we are here to govern. There are times when opinion polls can be useful if something is going wrong. However, if one is doing something which is right and which needs to be done——

Senator David Norris: Does the Senator believe there is nothing going wrong here?

An Leas-Chathaoirleach: Senator Hanafin, without interruption. Does the Senator have a question for the Leader on the opinion polls?

Senator John Hanafin: I do. When will the Committee on Procedure and Privileges meet to stop people interrupting?

(Interruptions).

Senator John Hanafin: There is a rule on interruptions.

An Leas-Chathaoirleach: Does the Senator have a question for the Leader?

Senator John Hanafin: I do. Will the Leader have an ongoing debate on what the Government is doing? No matter what the consequences of the polls, if we are doing what is right, it will come right in the polls and for the country.

Senator David Norris: Following on from the previous speaker, I am a big advocate of polls. We ought to pay attention to them.

An Leas-Chathaoirleach: We are not discussing opinion polls this morning.

Senator David Norris: I have a question for the Leader. When will the Government get off its backside and do something about the domestic partnership Bill in the light of the poll in today's *The Irish Times* conducted by Lansdowne Market Research which shows that despite the gutlessness of this Administration——

Senator Jim Walsh: Who conducted the poll?

Senator David Norris: ——62% of the people would vote in a referendum in favour of full civil marriage for gay people——

Senator Jim Walsh: Who conducted the poll?

Senator David Norris: —despite the backward people on the Government side of the House?

An Leas-Chathaoirleach: The Senator should speak through the Chair. Does he have a question for the Leader?

Senator David Norris: I am speaking through the Chair but I am waving to the other side. The feminine side of my brain allows me to multi-task.

I refer to the debate on the economy. I am very happy to accept Senator Alex White's excellent suggestion on the way this debate should be taken. It is remarkable that the Government voted against having a debate on the economy even though it takes up most of the time each day. I am not confined in terms of the way it should happen but we need to be able to answer people like this lad, Donal Casey, writing in today's *The Irish Times* who, as the former chief executive of corporate business in Irish Life——

Senator Donie Cassidy: On a point of order, there is a precedent in this House that Members may not read from newspapers.

Senator David Norris: I am quoting from the newspaper, and I insist on doing so. The Leader is quite wrong.

Senator Alex White: On a genuine point of order, because the Leader has raised this point on a number of occasions, there is a provision that Members may not physically read a newspaper in the House but the suggestion that one cannot read a newspaper before one comes in and quote from it is absurd.

Senator Donie Cassidy: That is not the point of order I was making.

Senator David Norris: It is. I will tell Senator Cassidy the point of order since he does not know it——

Senator Donie Cassidy: The point of order I was making is that one may not physically read a newspaper in this House, irrespective of who one is.

An Leas-Chathaoirleach: The Senator can quote from an article in the House and identify the source.

Senator David Norris: I am quoting from an article by Donal Casey in today's *The Irish Times*. He said we have a defective gene in our national DNA and the painful truth is that we have all given tacit permission for the behaviour at the heart of our banking crisis. We have not. I did not nor did the vast majority of people in this House. We were strongly critical all the time. How dare he say that. He went on to say we should——

An Leas-Chathaoirleach: We are on the Order of Business. Does the Senator have a question for the Leader?

Senator David Norris: When will we debate these issues and give a reply to people who say, for example, that we must apologise to the European Union for voting against the Lisbon treaty?

When will we hold the Government, which has poured at €7 billion into Anglo Irish Bank, accountable? Now it is considering flogging part of it off to some Australian crowd called

abrekebabra or something like that. It will make money out of it but what about the Irish taxpayers? When will they reap some benefits out of the money poured into the bank?

When will we discuss the fact that business in this city and in this country is spancelled because rent reviews are only allowed upwards? People are going out of business every day because unaffordable rents are being charged. I will call for a debate on the economy every day because we will get into another situation like we did with Eircom. It was flogged off to Tony O'Reilly, Lord O'Reilly or whatever he calls himself. Lord Kilclooney, writing in *The Irish Times*, said we ought to rejoin sterling. The cheek of him. The UK ought to be kicked out of the European Union for going on its own and devaluing its currency to our disadvantage.

Senator Labhrás Ó Murchú: I compliment the main Opposition party for not having gloated over this morning's opinion poll. I mean that genuinely

An Leas-Chathaoirleach: We are not discussing the opinion poll this morning.

Senator Labhrás Ó Murchú: The reason I say that is that it is particularly important for us not to take our eye off the ball, which is the economy. I say genuinely that I regard those same polls as a very sobering experience for this side of the House. There is a temptation for the weak-kneed, when they come under fire, to retreat and to run but the real test of leadership is to hold one's nerve and stand one's ground. That would be the real test of leadership at this time.

The polls have given the people an opportunity to express their anger and frustration which, in fairness to the Opposition, it has echoed in this House on many occasions. I am not into polls because I believe they sway back and forth all the time. Perhaps this is a good poll for the Opposition; I do not know. However, it is interesting that there is an 86% dissatisfaction rate with the Government but that almost 50% of people did not favour an election at this time. That must be analysed.

An Leas-Chathaoirleach: Is the Senator looking for a debate on this issue?

Senator Labhrás Ó Murchú: I am and I look forward to it when we have it but by then, there will probably be another poll.

What is coming out of this poll is that the Opposition and I hope the Government, in terms of the statistic I have given, are both getting through to the electorate.

I will come back to what I have said since the beginning of this crisis. I am not calling for a national Government but we had a bipartisan approach on Northern Ireland. If we had not had that bipartisan approach, we would not have made the progress we made. Let us start using the word "bipartisan". I do not mind if we have to meet outside the House to discuss how that could come about. It does not mean the Opposition should not oppose or that the Opposition—

Senator Fidelma Healy Eames: The Government is refusing the help.

An Leas-Chathaoirleach: Senator Ó Murchú, without interruption.

Senator Labhrás Ó Murchú: —should not put forward alternatives. What it means is that we should try to identify the central elements and ingredients that are vital and which can be common cause. Let us leave the poll aside and deal with the economy.

Senator Fidelma Healy Eames: That is what Fine Gael has been offering for months.

Senator Michael McCarthy: I raise an issue I have raised over the past number of weeks. The Government has consistently ignored offers of constructive co-operation from the Opposition in regard to reaching a consensus on a national recovery plan. I said last night that a national recovery plan is needed and that at the heart of that plan should be fairness and equity but that is not happening. That is reflected in the opinion poll, about which I will not gloat.

This poll and the last opinion poll indicate a trend that Fianna Fáil's core vote is quickly evaporating. As I said yesterday, if it will not listen to the Opposition, it should listen to its own people. Penalising thousands of gardaí, teachers, nurses and midwives is not the solution to our economic crisis. A national recovery plan is needed and it is about time the Government started to listen to the Opposition.

Senator Paschal Donohoe: I wish to ask the Leader a question about the many calls he has made for a constructive contribution from this side of the House on the challenges facing the country. I refer specifically to the contribution Deputy Enda Kenny made today
11 o'clock on what our party believes should be done to tackle the challenges facing our country. This morning, he stated that public expenditure cuts must be made to bring our borrowing under control more quickly. He advocated a new higher rate of tax for high income earners, far greater scrutiny of capital infrastructure projects, a cutback on the number of Oireachtas committees by ten and a carbon tax. These are constructive detailed proposals from this side of the House.

Senator Frances Fitzgerald: Absolutely.

Senator Paschal Donohoe: If any Member of the Government asks where are our ideas, they are laid out in detail here.

An Leas-Chathaoirleach: Does the Senator seek a debate on the issue?

Senator Paschal Donohoe: I ask the Leader for a debate on these proposals because we hear repeatedly a call for our party to wear the green jersey — an appropriate call given the weekend that is in it. The question is not whether we are willing to wear the green jersey. We have shown we are. The question is whether the Government side is willing to wear it.

Senators: Hear, hear.

Senator Paschal Donohoe: We saw yesterday an example of this when Deputy Enda Kenny said he would support the setting up of —

An Leas-Chathaoirleach: Does the Senator seek a debate on this issue?

Senator Paschal Donohoe: I am asking the Leader to respond to this question. Deputy Kenny said he would support and provide people to set up an all-party committee on banking regulation that would draw on the best minds and expertise in the Oireachtas, but the Government response was “No”. Therefore, the question is not whether we have the ideas and attitude to tackle the problems facing us. Our ideas are here in black and white. Let us now hear the answers from the Government side.

Senator Terry Leyden: Come to Citywest tonight.

Senator Jerry Buttimer: The Galway tent will fall down around the Government side.

(Interruptions).

An Leas-Chathaoirleach: I call Senator Callely, without interruption.

Senator Ivor Callely: In the context of some of the contributions, the public expects Members of this House and those elected to the Lower House to work together to help address and solve the serious——

(Interruptions).

Senator Ivor Callely: ——economic and financial difficulties we face.

Senator Fidelma Healy Eames: The Senator is off again. The Government side does not listen.

An Leas-Chathaoirleach: Senator Callely, without interruption.

Senator Fidelma Healy Eames: This is rubbish.

Senator Ivor Callely: I welcome, even if it was a blank sheet of paper Senator Donohoe was waving——

(Interruptions).

An Leas-Chathaoirleach: Senator Callely, without interruption. Unless we have some order, I will have to suspend the House.

Senator Ivor Callely: The Government, led by the Taoiseach, has a determined and ambitious plan to resolve and address the issues and bring the country and its people out of this difficult time.

Senator Fidelma Healy Eames: What is the plan?

An Leas-Chathaoirleach: Senator Callely, without interruption.

Senator Ivor Callely: The response to the question on input from Members is that their input is welcome. There are procedures and committees in the House that allow Members to provide input, whether — as the previous speaker mentioned — it is a suggestion on banking regulation or something else.

An Leas-Chathaoirleach: Does the Senator support the call for a debate on this issue?

Senator Ivor Callely: I would welcome a debate on this issue. The more we debate and the more information we provide the better.

An Leas-Chathaoirleach: Has the Senator a question for the Leader?

Senator Ivor Callely: Yes, it is important that I, along with other Members, ask the Leader to ensure we ease the anxiety and uncertainty of people outside the House by presenting them with a clear picture of the current difficulty and how we hope to bring ourselves out of this crisis. We can only do this through all Members working together.

Senator Ivana Bacik: It is a bit rich to hear those on the Government side of the House lecturing those on this side on the need for bipartisanship, unity and solidarity. My understanding is there have been many offers from this side of co-operation but those have not been taken up by the Government. It is most inappropriate of the Government not to try to achieve with the main Opposition parties a common understanding of what is needed to build an

[Senator Ivana Bacik.]

economic recovery. The real problem is that we are in the dark on this side with regard to the Government's plans. Most of those on the Government side are also in the dark as to its plans.

Senator Terry Leyden: Tune in to RTE tomorrow night at 8 p.m. and hear them live.

Senator Ivana Bacik: I would love to be enlightened on those plans.

Senator Terry Leyden: The Senator is welcome to come to Citywest.

An Leas-Chathaoirleach: Senator Bacik, without interruption.

Senator Ivana Bacik: The one in ten figure demonstrates that the country as a whole is waiting to hear the Government's plans for economic recovery. We have not been given a package of measures. The reason we saw more than 100,000 people protest last weekend is because the Government's measures are piecemeal. All we are getting is a little tinkering at the edges but no real change.

I ask the Leader for a debate on taxation. Senators Norris and Alex White are right about the need for a rolling debate on the economy. In effect, the Order of Business has become the rolling debate on the economy. However, what we really need is a debate on taxation. The former Taoiseach, Garret FitzGerald, has said that in the past Governments used to make changes in the taxation area. Our Government appears to be afraid of speaking the word "taxation". It has been ingrained and influenced by the Progressive Democrats for so long on the need for a low tax culture that it is afraid to say "taxes". Therefore, it will impose levies —

An Leas-Chathaoirleach: Does the Senator seek a debate?

Senator Ivana Bacik: I want an early debate on taxation. I want the Minister of Finance, not a Minister of State, to come to the House to explain to Members why the Commission on Taxation will not report until September. The commission has said it is bringing its report forward by a number of weeks, but that is not good enough. We need a decision from the Government on taxation and to hear when the Minister proposes to make changes in taxes. He said yesterday that he will not make changes this year, but he told a committee he might do so. People are in the dark. We will see even more of a crisis in confidence unless people are given some certainty and indication of what is proposed to get us out of economic depression.

It is always amusing to hear self-confessed experts on embryology speak about the need for a debate on stem cell research. I am very happy to have a debate on this issue. When we had a debate on this issue previously, I brought in a recognised international expert to speak to us and enlighten us on the science behind stem cell research and the reason so many scientists want to explore embryonic stem cell research. We need such well-informed debate and I fully support it.

Senator David Norris: Hear, hear.

Senator Jim Walsh: I call for the Committee on Procedure and Privileges, CPP, to examine the manner in which the Order of Business is conducted. It has tended to descend into a shambles, but that was not the case in the past.

Senator David Norris: What about when the Senator was thrown out for bad behaviour?

An Leas-Chathaoirleach: This issue was discussed at a meeting of the CPP on 18 December.

Senator Jim Walsh: I was not aware of that.

An Leas-Chathaoirleach: It was discussed in December and established that the Chair is the sole decider of order in the House.

Senator Jim Walsh: Since December, the Order of Business has been an even greater shambles than heretofore. There is urgent need for another meeting of the CPP.

Senator Frances Fitzgerald: Is the Senator criticising the Chair?

Senator David Norris: Hear, hear.

Senator Jim Walsh: The reason I suggest this is because people have serious concerns and issues they expect us to take seriously. I ask that we do this.

An Leas-Chathaoirleach: I agree with the Senator on the disorder in the House.

Senator Jim Walsh: I am trying to support the Chair.

An Leas-Chathaoirleach: Senators have some control over the disorder themselves. Has the Senator a question for the Leader?

Senator Jim Walsh: I have. I ask the Leader to ensure CPP steps up to the mark on this issue.

Will the Leader accede to the request made by Senator Donohoe for a debate on the issues he raised? I compliment the Senator on his constructive contribution to the debate in the House last night. There is a need for us to address the issues, including the ten-point plan of Congress. We must look at the structures of this House so we can deal with these issues in a manner that will yield concrete, positive proposals. That is what people want. I suggest we do it through the various finance spokespersons whereby individual constructive suggestions can be fed in and we deal with them individually in a Committee Stage type debate rather than a Second Stage debate, during which there are many interruptions. This is a positive suggestion on how we might do this. This House can play a real leadership role in bridging the communications gap with the public, and I urge that we do so.

With regard to the opinion poll, which I do not believe was done independently, I will support Senator Norris if he suggests that the Civil Partnership Bill should be decided by way of plebiscite and referendum.

Senator David Norris: I have no problem with that.

Senator Jim Walsh: The people should decide and I fully support this. Let us get the real decision of the people on steps being taken which may have a serious social impact in the future. This is a decision which the electorate is entitled to make.

Senator David Norris: Absolutely.

Senator Jim Walsh: I will respect whatever decision is made in that regard. It is up to us all to advocate our strong points of view in so far as how we feel society should be shaped for future generations.

Senator Jerry Buttimer: Will the Leader go to the Taoiseach and ask him to call a general election? It is important that we clear the decks.

Senator Camillus Glynn: Senator Buttimer would get the fright of his life if the Leader did so.

Senator Jerry Buttimer: In light of this morning's comments by the leader of Fine Gael and Members of this House, when will the Taoiseach take seriously the issues of bipartisanship and

[Senator Jerry Buttimer.]

support from all political parties? I ask this in the context of the comments made by Senators Ó Murchú and Boyle. The difficulty this side of the House has is that 10% of the people have confidence in the Government. President Obama has an opinion poll rating of 68%. More importantly, he has reached across the aisle and has taken the offer of help from a number of Republican Senators, unlike the position here. This is not the time for adversarial politics. We have offered policies. I have a folder containing the Fine Gael nine-point plan, recovery through reform and proposals on the banking crisis and recapitalisation.

Senators Hanafin, Walsh and Ó Murchú should listen to me.

An Leas-Chathaoirleach: Can we have order in the House, please.

Senator Jerry Buttimer: The Government has rebuked them and has not taken on board their suggestions. On occasions it has refused briefings for the leader of the main Opposition party. That is not good enough. We want to see our country prosper. We must give the people of Ireland hope and confidence. They have surrendered hope in many cases. We should instill and imbue in them the spirit of hope and looking to the future.

Speaking of the future, in light of the Genesis report on Ireland's participation and performance in the Beijing Olympics, sport is a great uplifter for all of us, which binds and unites the people, and we need a debate on the funding of sport which is being denied to sporting community groups through the abolition of the sports capital programme. It is very important that we debate the Genesis report and the relationship between the Sports Council of Ireland and the Olympic Council of Ireland.

Senator Terry Leyden: Fine Gael got rid of Alan Dukes when he helped the Government. We know what Alan Dukes got.

An Leas-Chathaoirleach: Senator Leyden is inviting trouble from across the House.

Senator Liam Twomey: We saw what happened to Fianna Fáil leaders too and we do not need to go back that far. A man in St. Luke's got a few phone calls too.

Senator Terry Leyden: The Leas-Chathaoirleach knows what happened to Alan Dukes.

An Leas-Chathaoirleach: Senator Coffey should be allowed to contribute without interruption.

Senator Paudie Coffey: Senator Leyden thinks he is at the Fianna Fáil parliamentary party meeting this morning.

An Leas-Chathaoirleach: I call for silence in the House. There are conversations taking place on all sides of the House and it is not fair to the Member who is speaking.

Senator Paudie Coffey: I support the call for a rolling debate on the economy. Senator Ó Murchú referred to this morning's opinion poll and he complimented those on this side of the House for not gloating. It is not a matter of opinion polls, it is much more serious than that. As a parent of three small children under the age of five, I am seriously concerned about their future. Last night, I attended a meeting where there were more than 60 parents and there is real concern about the future of the country. It behoves all of us as representatives to stop the tick-tacking and flaky talk and let us get down to the serious brass tacks of how we will get out of this crisis. I ask that of all sides of the House. Genuine offers are being made on this side of the House to engage with the Government parties to try to find a way out of this crisis.

The opinion poll reflects that the Government is not listening to the people. This weekend in City West, you will find, Senator Leyden, that you are not listening to your own members.

An Leas-Chathaoirleach: The Senator should speak through the Chair.

Senator Paudie Coffey: It seems that on a daily basis the Government is trying to take a step forward, but instead it is taking five steps backwards. It is not inspiring confidence in our economy and that is of great concern because the Government is in denial. We seem to be a little insulated from reality in this House and in the Lower House.

Will the Government seriously consider producing a detailed road map to find our way out of this economic crisis, with specific attention to fiscal policy and how we can redress the public finances. As Senator Donohoe stated, we need to outline specific areas such as taxation, borrowings, savings and finding efficiencies in our public service. These are the areas we need to debate and flesh out as the Upper House in this Parliament, and I ask the Leader to facilitate that. Competitiveness has gone down the tubes.

An Leas-Chathaoirleach: Does Senator Coffey have a question for the Leader?

Senator Paudie Coffey: I seek a rolling debate on the economy with specific attention on competitiveness and employment, while addressing the huge deficits in our public finances.

Senator Nicky McFadden: I share Senator Coffey's sentiment that there is no glory in opinion polls when people are losing their jobs, children with special needs do not have facilities, there are no psychiatric beds for youngsters and it is possible that there will be no money in the coffers next year to pay social welfare or civil servants. There is no glory in the opinion poll today.

I have very serious concerns that the public is not aware of how bad the situation is. I ask the Leader, through the Government, to spell out to the public how bad things are because they might realise it and consider ways other than demonstrating and protesting against the unfairness of it. The Government should take on board the very good suggestion we made this morning of taxing the people who have money rather than the lower paid and the unfortunate people who have no money.

Senator Fidelma Healy Eames: Hear, hear.

Senator Nicky McFadden: What does the Government intend to do with the apartments we own in Manhattan through Anglo Irish Bank? What rent will be charged? Will they be sold?

Senator Terry Leyden: Is Senator McFadden interested?

Senator Nicky McFadden: The Leader probably does not have the answer to that off the top of his head but he might be able to find out for next week.

I wish Fianna Fáil a very good conference. I hope it goes well and that perhaps something good, such as leadership, will come out of it.

Senator Terry Leyden: Do not worry.

Senator Donie Cassidy: As the Minister of State is waiting, I will respond as briefly as possible. All Senators made their views known to the House on rolling debates on the economy. Every week since we returned in September we have had a debate on financial and banking issues. All the issues with regard to the economy are being discussed. On Wednesday of this week we had a very good discussion during Fine Gael's Private Members' time on financial

[Senator Donie Cassidy.]

and banking issues and the economy. Yesterday, on Second Stage of the Financial Emergency Measures in the Public Interest Bill, the economy was discussed and it will be discussed until 2 p.m. today. We are discussing it here on a weekly basis. On how we might conduct ourselves on the Order of Business — the word “conduct” must be underlined — yes, changes can be made and will be supported by this side of the House if we have confidence that the House will conduct itself if we introduce live television, as was done in the US Congress. I will support it if each Member is allowed one minute to ask one question per day and proceed in an organised fashion, as is done in the US Congress. This would make this House more meaningful to the people of Ireland who will then know it is not just about clichés or one-liners, that this is the Upper House of Parliament, and they will see the good work we do. However, Senators will have to undertake that they will conduct themselves when making contributions and abide by Standing Orders. I want change in this area and to make the Seanad more relevant provided all colleagues sign up to the process and see how it operates for the first 12 months. With a view to making the House more meaningful, I am prepared to make a proposal to the Committee on Procedure and Privileges and colleagues to change the time of the Order of Business, if necessary, so it will not clash with that in the Dáil. I want an undertaking from each colleague that we can achieve this in an orderly fashion so we can enhance the House and let the people know about the good work taking place here daily.

With regard to Anglo Irish Bank and the announcement thereon, investors must believe there is value for money to be obtained. The bank possibly has a clientele that played a major role in creating and maintaining the Celtic tiger and who employed 100,000 people over the past ten or 12 years. This is quite possibly the positive aspect of the bank. Names of investors are being mentioned and we all hear them daily. They are captains of industry. They are men and women who played a great part in our economic success and they did have accounts with the Anglo Irish Bank, just as such people had accounts with the Bank of Ireland, Allied Irish Banks, Ulster Bank and all our established banks. It is in this light that investors may see value in Anglo Irish Bank. This is a good news story.

While the opinion polls have been referred to and while there is certainly an uphill battle, we must ask ourselves who we remember from 1987. We remember Charles J. Haughey, Ray MacSharry——

Senator David Norris: We remember them well. We remember Charles J. Haughey very well.

Senator Donie Cassidy: We remember Michael Mullen.

Senator Frances Fitzgerald: We remember them well for the mess they made.

Senator Donie Cassidy: I remind Senators of the word “orderly”. The three people to whom I referred made hard decisions at the time in question. Senator Leyden, who was then a Minister of State, will confirm they were not popular for doing so, but they are the ones that were remembered. Quite possibly, the Taoiseach, Deputy Cowen, the Minister for Finance, Deputy Brian Lenihan, the Minister for the Environment, Heritage and Local Government, Deputy Gormley, the Minister for Health and Children, Deputy Harney, and their partners in Government will be remembered for the hard decisions taken this week, last week——

Senator Fidelma Healy Eames: They will be remembered for the mess they made of the Celtic tiger.

Senator Donie Cassidy: Let us establish our priorities and work from the experience of history such that future generations may benefit from our decisions. These decisions are unpopular but must be taken in the national interest.

Senator Alex White asked me to take only Committee Stage of the Adoption Bill 2009 next week and I am acceding to that request. As the Bill is being initiated in the House, it is the wish of all colleagues, particularly the leaders, that Second Stage be taken one week and Committee Stage the following week. Unless it is crucial to do otherwise, we will take the Remaining Stages the week thereafter, with the agreement of the House.

Senator Healy Eames called for a debate on jobs with the Minister for Enterprise, Trade and Employment. Senators Hanafin and Coffey referred to competitiveness. I have already asked the Minister to come to the House to discuss these matters.

Senators Hanafin and Bacik referred to stem cell research and called for an update. I have no difficulty in arranging a debate on it. Senator Buttimer called for a debate on sport and I have no difficulty in leaving time aside for it.

Order of Business agreed to.

Financial Emergency Measures in the Public Interest Bill 2009: Committee and Remaining Stages.

NEW SECTION.

An Leas-Chathaoirleach: Amendments Nos. 1 and 15 are related and are to be discussed together, by agreement.

Senator Alex White: I move amendment No. 1:

In page 4, before section 1, to insert the following new section:

1.—(1) This Act shall expire on the day that is 2 years from the date of its passing unless renewed by resolution of both Houses of the Oireachtas.

(2) Any such renewal shall be expressed to be for a period not exceeding 2 years.”.

This amendment seeks to ensure the Bill will expire unless it is renewed after a period of two years and that, if it is then renewed, it will be renewed only for a period not exceeding two years. It is arguably self-evident that this amendment should be accepted because the very Title of the Bill is the Financial Emergency Measures in the Public Interest Bill 2009. It therefore purports to be a Bill to deal with an emergency. While we have a long history of having emergencies in our legislation that last for many decades, I am not sure this is a particularly good precedent to follow when dealing with the undoubted emergency that exists in our economy at present.

While this matter was considered in the other House, I am not sure the arguments that were advanced against it are particularly persuasive. If the Government maintains these measures are required in an emergency, why can it not concede there should be a sunset clause in the Bill to ensure the emergency with which it is purporting to deal will be treated as an emergency and not as the norm. This is unless the Government is arguing it should become the norm and that the pensions levy is being introduced as a permanent arrangement. If the Government believes it ought to be permanent, it should say so. By the Government's opposition to this amendment, perhaps this is what it is saying. It would assist us all if it were stated clearly by the Minister of State that, notwithstanding the Title of the Bill, which stipulates it is an emergency measure, it is not such a measure and that “emergency” just refers to the fact that there is an emergency. He should clarify whether the steps to be taken to address the emergency are not to be regarded as temporary or steps that the Government will consider changing.

[Senator Alex White.]

I believe the Minister of State, Deputy Mansergh, stated in his Second Stage speech last night that he did not agree the measures were unfair. Will he elaborate on that? How can it be argued seriously that there is no unfairness in the provisions? Of course it could be argued it is necessary or appropriate to proceed in the way outlined or appropriate that the proportions should be as they are, but I would not agree. Many examples, or anomalies as they have been described by some, have been cited regarding the disproportionality of the levy as it applies to different incomes and regarding the effect it has on lower or middle income earners in the public service. It is not fair. I would like the Minister of State to articulate how or in what manner it is not unfair, rather than simply asserting that as his view.

At one stage, the Minister of State, Deputy Mansergh, advanced the view that this levy was in some sense to be seen as a rolling back of benchmarking. He can correct me if I am wrong but I understand he said something of that nature in recent days. If that is the rationale for this measure, we are entitled to a bit more clarity and straightforwardness from the Minister and the Government. I am prepared to concede that an argument could be made in that context. I do not say I enthusiastically agree that there is a necessity to reverse benchmarking, but there is a stateable argument. If that is the case, why is it not being made clear by the Government rather than hiding behind a measure that is essentially a pay cut for public servants? If the purpose of the measure is to claw back benchmarking, why is that not stated?

It continues to strike me as odd that the pension levy does not put money into a pension fund. That is a very strange animal. We all know the moneys to be levied from civil and public servants are not being put into existing pension funds but are to be set aside in another manner. I wonder if the only reason for calling this a pension levy is to take advantage of the argument that has been made in some quarters over and over again that public servants are privileged because of their job stability and in particular their pensions and that these cocooned individuals need to be given a bit of a whack. If that is the case, it is almost like a rhetorical or PR-type way to call this measure a pension levy because it reminds the public that public servants have, relatively speaking, attractive pensions. Is that why it is called a pension levy? Because it is not a pension levy in any other way. Will the Minister explain why it is called a pension levy? What is the purpose of calling it that when it is nothing to do with the pension? It is being levied on non-pensionable income, in addition to the fact it is not going any way towards pensions in the way one might imagine at first glance that a pension levy would. I invite the Minister to address those points.

I appreciate that this point is more amenable to being raised on Second Stage and I seek the indulgence of the Cathaoirleach and the Minister on it. The global figure for savings in the calendar year 2009 which we have been made aware is required is €2 billion. I understand four of the measures that are included in that sum are before us in the Bill. I can do the tot for the four measures that are in the legislation and they seem to come to approximately €1.3 billion. If the Minister has an opportunity will he clarify the full take of €2 billion and where the other items are coming from? I accept they are not included in the Bill but he might be willing to do that if he gets an opportunity.

The principal point in respect of the amendment is that notwithstanding our long experience in respect of emergency powers legislation in the 1930s we should not go down that road and make permanent what purports to be an emergency or crisis measure. In those circumstances and from what I can see at the moment, before I hear what the Minister has to say, it appears there is an unanswerable argument that there should be a sunset clause in the legislation.

Senator Liam Twomey: I will follow the same line of thought as Senator White on this matter. A spokesperson from the Government benches made a big show last night of the fact that we

are discussing the Financial Emergency Measures in the Public Interest Bill. However, it is clear that this is an income tax on civil and public servants. I always thought raising taxes was the function of a budget rather than legislation, unless it was intended as a temporary measure or that it included a finite date for its removal. Since the Government is objecting to any limitation being put on the levy, it is, in effect, a tax-raising measure specifically for civil and public servants. There is no basis at all to support the notion of this measure being a pension levy because it applies to all income, including that which is not taken into account when one's final pension is being decided upon, such as overtime or allowances. Therefore, it is not a pension levy in the slightest respect.

There is no evidence that the Government will address any inherent unfairness in the legislation — some of which has been highlighted already — if that becomes more apparent. The Bill does not include any checks and balances because it is an emergency measure so those issues cannot be checked at a later date. If the Government was thinking clearly this measure would be part of a budget and not introduced by means of the Bill.

Many Members on this side of the House have said there is an inherent unfairness in how the legislation will apply to lower paid civil servants. The Government spiel is that it considers it is fair and that one pays more as one's income increases. I do not know whether the Minister's interview on BBC1 was live last night.

Deputy Martin Mansergh: No.

Senator Liam Twomey: The “Prime Time” programme, which was very good, focused on the cost of the public finances. One of the contributors made clear that lower paid workers in the Civil Service and public service have comparable pay with similar grades in other European countries. However, he made clear that higher paid civil and public servants, including us as public representatives, received disproportionately higher pay than comparable workers in European countries. Even though the Minister may argue that the lower paid are paying less income tax, in reality it is the higher paid who benefit most when compared to other European countries. That issue must be seriously considered by the Government when it introduces any form of increased taxation or imposes levies in the manner envisaged across the board on civil and public servants. Even though the Minister stated he expects the higher paid to pay more, he may not be doing it in the correct way in the light of the comparison with other European countries. I urge the Minister to address that issue. I accept it may not be possible to address it straight away because of the complexity of the issue. However, it should be taken into account. Perhaps unfairness is built into the pay rates of the civil and public service but that may be compounded by the income tax being raised on civil and public servants.

Senator Ivan Bacik: I welcome the opportunity to support the amendments, both of which have the same effect by providing for a sunset clause. I echo the comments of Senators Twomey and White. The Government refers to the Bill as an emergency measure, which is not a tax. However, this comes down to honesty. If the Government parties want to be honest, it would be more honest and straightforward to raise taxes. Instead, the measure is presented to us as an emergency levy and, therefore, something that will not be permanent, yet when the Opposition seeks to insert a clause seeking to provide for it to be temporary, that is apparently opposed by the Government.

The difficulty is the Government's attitude to this has contributed to uncertainty among the public, which was exemplified in today's opinion poll. The crisis in confidence is contributing to the poor state of the public finances because when there is a lack of public confidence, people are much more reluctant to spend and, for example, enter contracts for the sale of houses and so on, and this is having a spiralling, knock-on effect on the likelihood of an

[Senator Ivan Bacik.]

economic recovery, which is serious. We need an indication from the Government about what the package of measures will be, of which this legislation is apparently only part.

As I said on Second Stage, I approve, in principle, of the need for a payment by higher paid public sector workers, given that we have tenure of employment and a better pension. The key to imposing such a levy is the need to be seen to be equitable and not to scapegoat, but public servants feel they have been scapegoated. The Government has clearly attempted to drive a wedge between the public and private sectors and that has been resisted. Last weekend's march brought out people from both sectors. They also rightly object to the inequitable application of this measure. I examined the Minister of State's figure carefully and although the percentage levy on low incomes is lower, it will still impact more heavily on those earning less. A firefighter, a nurse or a civil servant in an entry grade will feel the impact of the levy more heavily than those of us on higher pay in the public sector.

Senator Alex White: Hear, hear.

Senator Ivana Bacik: There is no comparison between the imposition of a 10% levy and the loss of one's job. The tragedy of job losses for people in Waterford Wedgwood, Dell, SR Technics and smaller firms around the country, which are bearing the brunt in the private sector, must be acknowledged. However, people must feel they are fairly being asked to play their part. Public sector workers, in particular, are willing to play their part. The Swedish recovery model has been adopted by ICTU and it has been presented as a plan for an economic recovery. When the architect of the plan visited Ireland, he said there was a need to ensure the burden of spending cuts and revenue raising measures is felt equally and the pain is felt by all interest groups. There is a difficulty when a number of such groups feel they have been unfairly targeted. We must ensure equity in this measure and that it is seen as part of a much wider plan for recovery, in which everyone will play a part.

A significant step in this would be to make clear to the public and, in particular, public sector workers that this will only be a temporary measure. Providing that this would be done for only two years should be an integral part of presenting a coherent package of revenue raising and cost cutting measures to the public. I am not sure why the Government is opposing the sensible suggestion to impose a deadline by which the Bill would have to be reviewed and the measure amended. I do not see the problem for the Minister in doing this. We are all trying to work together in a spirit of solidarity, understanding the enormous problems facing us at this time. I do not disagree with the measure in principle, but we must ensure it is imposed equitably and fairly, as part of an overall package that is coherent and appears to be part of an economic recovery, and a sunset clause is vital to that.

Senator David Norris: I agree very much with the issues raised by Senator Bacik, some of which I mentioned during my contribution to Second Stage. Whatever about the percentages involved, the human impact on the lower paid could be devastating and unmanageable. In many cases, money may not be available to fund this for people at the severest of margins. I instanced the case of a decent woman, a civil servant, who, through no fault of her own, is separated and, therefore, does not have the support of a second income in the household. She approached the Money Advice and Budgeting Service, received advice and implemented it thoroughly, honourably and completely, but now she has been knocked back. She cannot budget. These are the people who are being pinched. If one wants to know if the foot hurts, one asks the foot, not the boot. The Minister of State is the boot in this instance and the boot has been put into the lowest paid in a disproportionate manner, even though the percentages may mask that.

The emergency nature of this measure is addressed by the amendment and it was appropriate for the Labour Party to table it. When does an emergency end? Emergency legislation tends to linger about the place and we have long experience of that. Emergency legislation introduced during the Second World War is still on the Statute Book 60 years later. Without a review clause, we might well be stuck with this measure for 60 years. If the Government parties want to do this, they should not parade the levy as an emergency measure with a suggestion that it will be limited and then resist putting a limitation on it. I understand the temptation. It is similar to the temptation which President Obama has not significantly shown himself capable of resisting. When a government or an authority acquires increased powers, there is a temptation never to yield them and it is significant the president has not repealed completely the powers of rendition. When the Government acquires the capacity to squeeze money out of people, it is quite a job to get it back.

I like the idea of a sunset clause. It is a nice name and it is appropriate. We are to a certain extent on Sunset Boulevard as far as the economy is concerned and the Government parties are singing the blues — “I hate to see the evening sun go down”.

Senator Alex White: It is country music the Senator should watch out for.

Senator David Norris: Country music was effectively dealt with the other day. The Government repeatedly says that it is seeking co-operation from this side of the House. We are not all Opposition Members — some of us are Independents. There is a willingness to co-operate but it is not reciprocated by the Government parties. The legislation was guillotined in the Dáil on Wednesday and a guillotine has been proposed today, although it may not be necessary. What co-operation does the Government expect if it guillotines significant legislation that is described as “emergency legislation”?

Before I attended the House to contribute on Second Stage yesterday evening, I spent time with a group that included a postgraduate who outlined the equivalent parliamentary procedure in Germany. In the German Parliament, if there is an extraordinary emergency, it might be able to rush legislation through in two or three weeks, but we do it in a day, which is daft, particularly when it is piecemeal.

I enjoyed a wonderful story that the Minister of State may have read, namely, *The Grey Goose of Kilnevin*, by one of our great unsung authors, the late Patricia Lynch. The characters had a magic shamrock, which should appeal to the Minister of State’s nationalistic tendencies, and were in a cardboard aeroplane that had magically grown, but was beginning to disintegrate in mid-air. I do not know whether this accurate metaphor appeals to the Minister of State.

Deputy Martin Mansergh: Probably not.

Senator David Norris: As the aeroplane disintegrated in flight, the characters inside it kept rushing around with the magic shamrock and asking people to join up. Since the situations are the same, we must consider the matter.

I have with me two of the shoal of messages that I have received. They reflect the public’s feelings. The first letter, which was sent by one of my constituents, states:

The public recognise the grave economic danger this country is in. Most fair minded people are agreeable to play their monetary part in assisting recovery but not, as in the current situation, where there is no honesty, no transparency and an improper application of rushed “emergency” measures. There is a very strong public sense that the current regime is attempting to cover its own (and the banks’ and speculators’) myriad of mistakes by utilising thieving measures to correct same. The steps currently being undertaken are presently

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creating a perfect environment for civil unrest. These measures, undoubtedly, belong in the “Penguin Book of Mis-Government” and not the Statutes of Legislation.

The last comment may be harsh, but the people’s perception is that the measures are unfair. The letter also states:

Incidentally, the “pay cut” alone will cost me, personally, €84,000 gross between now and retirement. Finally, and somewhat regrettably, I must concede that the first line of the Ulster Covenant, quoted below, has been affirmed. “BEING CONVINCED in our consciences that Home Rule would be disastrous to the material well-being of Ulster as well as of the whole of Ireland”.

The writer is not a Unionist, but someone who feels betrayed.

Another constituent indicates that the levy will cost him €144,000 by the time he retires and that he is considering immigration. To do so, he will leave behind an aged parent who will pass into the custody of the State, which will incur a charge on the Exchequer. He indicates that he would infinitely prefer a strong approach to general taxation. I will not rehearse what I have stated, but I placed figures on the record last night as to how a sum of €4 billion could be raised in the next three years via a staged increase in taxation.

This emergency measure is a camouflaged form of taxation, not a pension levy. Instead of picking off elements piecemeal in alleged emergency legislation, it would be better to be honest and to address the situation through taxation. For this reason, I support the amendment. If the Government wants to inspire confidence, it should be prepared to tell people that it is introducing these measures because of the emergency and that the emergency will hopefully not last for more than a couple of years, after which time the measures will be re-examined. Senator Alex White’s amendment does not propose the measures’ removal in two years, only their monitoring to determine their continuing necessity. I will support this reasonable and rational approach.

Senator Joe O’Toole: I welcome the Minister of State back to the House. The legislation contains extraordinary elements. In terms of the first amendment, a “whereas” takes centre stage in that it effectively makes it clear that the provisions are time bound by circumstances, namely, serious economic disturbances and deteriorations. Unless the pessimistic view that the circumstances will last forever is taken, the provisions are time bound. Section 13, which provides for an annual review, is not worth the paper on which it is written. The review does not even need to be voted on by either House. Even a requirement for such a vote would mean something.

I ask for the Minister of State’s opinion on an extraordinary part of the Bill that I have read time and time again without being sure of what it means. It states: “AND WHEREAS the burden of job losses and salary reductions in the private sector has been very substantial and it is equitable that the public sector should share that burden”. In which sphere of philosophy is this idea rooted and has it a complementary meaning, that is, the benefit of job creation and income growth in the private sector should be spread equitably across the public sector?

Benchmarking tried to address this issue. Last night, I agreed with the Minister of State when he referred to something about which people conveniently forget when discussing public sector pensions. The benchmarking report discounted pensionability and ensured that comparisons were made with the third quartile of private sector relationships. The issues being raised have often been taken into account.

I do not understand the reference to the private sector. We know about the problems therein, but we should consider the situation in a realistic way. The greatest instance of job losses was experienced at Dell, but it had nothing to do with the problems in the economy. The second highest instance of job losses, which occurred at Waterford Crystal, had nothing to do with those problems either. The list of job losses is significant. For example, everyone knew that the airport workers would be in difficulty when they lost a major contract prior to last summer. These issues are being thrown around, but two Dell workers to whom I spoke a number of weeks ago told me that they were sick and tired of being used as a shield by Ministers to reflect all that is wrong in the economy and as the reasons for making others share the pain. The workers believe that they are suffering because of Michael Dell's greed in moving the operation to another country, not the downturn in the economy.

How many people are in the private sector? If the workforce comprises just over 2 million people and 300,000 are out of work, the total number working is 1.8 million, 1.45 million if the 350,000 in the public sector are not counted. My figures are approximately right and the Minister of State can take as much advice as he likes. How many of the nearly 1.5 million people are in endangered employment? Let us be givish and say that half of that number worry about their jobs everyday. In this light, 750,000 people in the private sector are in safe, secure and well-paid jobs. I am saying this because it needs to be understood. Why are we not making an impact on those people? While we agree that "the burden of job losses and salary reductions in the private sector has been very substantial", the Bill subsequently states that "it is equitable that the public sector should share that burden". It might be equitable, but will that equity stretch to people in the private sector who will not lose their jobs, have not taken salary reductions and are on good salaries?

For the Minister of State's information, this is the reason the Government's approval rating has fallen to 10%. Previously in this House, I have used the example of the nurse who rang my office two weeks ago. She is married to a public servant and they did everything by the book, by responsibly saving up to put together a house deposit. They bought the best house they could, which unfortunately was 25 miles from their respective places of work and consequently, both need a car. While they were looking forward to raising a family, they now feel they cannot do so on foot of the burden that is being placed on them. She told me that she worked in a theatre with a consultant who is extraordinarily good at his job and for whom she has the highest respect. She has been told that he earns between €350,000 and €450,000 per year and perhaps more. She asked me the reason he is not being asked to share the burden. His job is not at risk, he has not taken a salary reduction and he is as comfortable as he ever was. I cannot answer this question. It is also the question that 100,000 people were asking last week in Merrion Square and is the question being asked when people telephone Members.

Where is the equity in this? In any kind of fair-minded and logical approach, the proposition, "WHEREAS ... the public sector should share the burden", would be fair enough. No sensible democrat could argue with this, as long as everyone is included. What about those in the private sector who are not suffering job losses or salary reductions and who are not in threatened employment? Why are they not being asked to share the burden?

As for the question of taxation, I have spent 25 years in my career discussing issues such as taxation with the Government. Every discussion on the subject came down to a single killer point regarding the Constitution. Eventually, the relevant Minister would tell me, the group I was with, that I led or whatever, that the budget is a matter that constitutionally is under the remit and at the discretion of the Government and that outside parties or bodies may not make such decisions. However, the Government is hiding behind the Commission on Taxation as an excuse for not taxing the wealthy. I have known the Minister of State for years and know his

[Senator Joe O'Toole.]

views on various issues. I cannot believe that his views differ greatly from those I am articulating at present. Incidentally, neither the Government Members in this House nor its backbenchers in the Dáil understand why this is the case. Why are they being put behind the eight ball? While there is no problem in waiting for the Commission on Taxation — incidentally, there have been such commissions previously and it would be worthwhile to ascertain how many of their recommendations were fully implemented — it still is a matter for the Government to take the decisions when such recommendations come through. If the Government wished to hear the views of the Commission on Taxation on income taxation, it could ask the commission to provide an interim report of its thinking in this regard. A million things could be done, if the political will existed, but it does not.

I spent five years on the Commission on Public Service Pensions. A perusal of its report will reveal it contains a minority report as I had difficulty with many of the issues included in it. That was my problem as I had a job to do and I did it. However, the work of the pensions commission is important. I do not have a difficulty with the idea of public servants being asked to pay more for their pensions. While fair is fair, I refer to the manner in which this has been done, its isolated nature and the fact it is not really a pension levy at all. It merely is taxation that the Government cannot allow itself to call taxation and so it is calling it a pension levy instead. Were it a levy to pay for our pensions, the State would do what it never has done previously, that is, it would establish a pension fund. Our pensions are paid using a pay-as-one-goes method, which would be illegal for any private sector employer. It is interesting that the Minister of State made comparisons with the private sector. Were a private sector company or organisation to pay its pensioners on a pay-as-one-goes basis, it would be acting illegally. In fact, the Government recently has been contemplating the mirroring of the legislation in the United Kingdom that requires an actuarial report on a pension fund to be prepared each year to ensure it is in balance and can meet its liabilities each year. We now are doing precisely the opposite. We now are imposing a pension levy and the Minister of State should explain its purpose. It is not to pay pensions because were that its purpose, it would go into a pension fund. However, that is not being done as its purpose is to run the Government, which is what taxation is for.

I refer to some of the people who are affected, such as those who were outside the gates of Leinster House yesterday, some of whom are being asked to pay 10%. At present, they probably are paying approximately 6.5% in superannuation. While I am unsure of the precise figure, they also probably are paying PRSI at a rate of approximately 4.5% or 5% at present. If one puts these two figures together, it comes to 11%. They now are being asked to pay between 6% and 9%, depending on their point on the pay scale. As those involved in yesterday's dispute are on the lower end, they will be liable for a payment of perhaps 6%, or of up to 10% if one assumes they earn €25,000 a year. They now are paying approximately 20%, one way or another, into a fund that does nothing except give them their pension. Were one to add the notional private sector employer's rate of 10%, effectively these pensions now are being covered by 30% contributions.

What is the actuarial cost or value of such pensions? The last time I had sight of an independently-conducted detailed study was when I served on the pensions commission, at which time it came up with a figure of approximately 16% or 17%. The most recent study I have seen referred to figures of approximately 24% to 26%. However, pensions must be considered over a career-length period, which is 40 years in the public sector. The amount of money that is being put into pensions at this point is unnecessary for the pension requirements. I do not deny the Government's need for taxation, but this brings me to how I would measure it. The pension levy is far too high. Were the Minister of State to convince me that a pension levy was required

but that more money still was required, my point would be that the pension levy should be reduced to its appropriate amount, which can be done actuarially and properly, and the balance should be collected via taxation across the public and private sectors, above a certain income limit, in the course of a year.

Were it the case that such measures were put in place, all the questions I was asked outside the gates of Leinster House by the protesting gardaí a few days ago or by the more than 100,000 people who were in Merrion Square last week, would have to be different. In such a scenario, we would reach a point at which leaders in society, be they in trade unions, politics or whatever, could, with a sense of conviction, tell people the country is in a mess and something must be done. They could say that money must be collected and this €2 billion is needed and could outline how it is to be collected. People could be told they will be obliged to pay more for their pensions and could be given the reason. One then could argue reasonably for all these measures.

I cannot understand the reason the Government will not discuss such matters with the public sector unions or with ICTU. I do not know what was going on when, an hour before the conclusion of negotiations, this extraordinary proposal was put on the table in the expectation that some sort of agreement would be reached, as so doing effectively scuppered the negotiations at that point. I believe people must sit down together. Members have been obliged to listen to Government Members asking for co-operation from all sides of the House. Fine Gael has put forward a nine point plan and ICTU has put forward a ten point plan. Has there been engagement with Fine Gael on its nine point plan?

Senator Liam Twomey: No.

Senator Joe O'Toole: Has there been engagement with ICTU on its ten point plan? If there has not been such engagement, how can the Government seriously or plausibly ask for support across the political spectrum? It certainly cannot be delivered upon. In supporting this amendment, I consider the issue that has been raised by Senator Alex White and others to be absolutely correct. If there is honesty in this regard, there should be no difficulty in doing what he asks. If this matter were to be considered properly and correctly, progress could be made and people could be brought together.

It is a question of fairness. I also received the heart-rending e-mail referred to by Senator Norris. It was only one of dozens we have received in the past month from people opening their hearts to us, not with bitterness but with utter anxiety and fear. These are precisely the same emotions being experienced by those in the private sector who have had to endure income reductions and are uncertain of the security of their employment.

What saddens me desperately about this legislation is that there is no attempt to guarantee private sector pensions. Workers in Waterford Crystal have spent 35 or 40 years paying diligently and responsibly into a pension fund.

Senator David Norris: Hear, hear.

Senator Joe O'Toole: They heeded the advice of the Pensions Board and people like me. As president of the Irish Congress of Trade Unions, I approached the then Minister, the late Séamus Brennan, to offer my support for legislation making it compulsory for all workers to pay into a pension fund. I made the same suggestion in this House on several occasions. I have always taken a clear stance on this issue. If somebody is responsible for mismanaging, losing or fraudulently uttering funds from the Waterford Crystal pension fund, he or she deserves to be jailed. However, I make clear that there is no certainty that this is what happened. It may

[Senator Joe O'Toole.]

simply be the case that the global decline in equities has adversely impacted the fund to a great extent. I would like to know which scenario is the correct one.

There must be a State guarantee for private sector pension funds.

Senator David Norris: The Waterford Wedgwood workers in the United Kingdom are protected.

Senator Joe O'Toole: Yes. Something similar to what I am suggesting has been done within that group of companies in the United Kingdom. There is no equity in regard to pensions. I cannot find it in my heart to support this legislation. I have sometimes been the only person on this side of the House to support Government proposals. I have no difficulty in offering a disinterested view of a particular issue, but this Bill is utterly unacceptable because it is unfair and divisive. Our society is fragmenting before our eyes, with gardaí and Civil Service trade unions already striking, junior doctors preparing to go on strike and taxi drivers promising to clog the streets. The rich are pitted against the poor and public sector workers against private sector workers. There is no sense of community bonding.

The Government must take action to focus people on the "we" rather than the "I". The notion of each to his or her own is not good enough. We must work to bring people together, secure support for necessary action and move the situation forward. There must be a common objective that unites us and is accepted by everybody and which we all can recognise when it is achieved. The purpose of these amendments is to offer an end view. The Second World War ended many decades before the Emergency in this State was declared over. I support these amendments.

Acting Chairman (Senator Fiona O'Malley): I remind Members that we are to conclude at 2 p.m. While Senator Norris was perfectly entitled to speak for 18 minutes, we must try to get through our business. Therefore, I ask Members to be as brief as possible in their contributions.

Senator David Norris: Did I speak for 18 minutes?

Acting Chairman: Not quite 18 minutes. We should try to work our way through the amendments.

Senator David Norris: My distinguished colleague spoke much sense for 18 minutes. I wish I had spoken sense for 18 minutes.

Senator Maurice Cummins: I assure the Acting Chairman that I will be brief. I am firmly of the view that these amendments are reasonable. I ask the Minister of State, in the interests of fairness, to consider what has been said by the proposers and other contributors. The levy is not equitable, as I argued yesterday on Second Stage. Public sector workers at the top of the scale should be the first to feel the pain, not those at the lower end of the scale. If we are to achieve fairness and justice, this is what should happen. Unfortunately, however, that is not what is provided for in this legislation.

Is there a reason for the exclusion of the Judiciary, as set out in section 1, from these measures? Why are the chief executive officers and senior managers of semi-State bodies exempt? Some of these people are in receipt of higher salaries than that of the Taoiseach. Is it fair that lower paid workers in the public service, earning €20,000, €30,000 or even €40,000, are being asked to pay this levy while those on much higher salaries, who can afford to pay, are not being asked to contribute in a proportionate way. This is neither just nor fair. That is

why 120,000 people marched in protest last week. It is why gardaí and others are agitating. Low paid workers have mortgages and other financial commitments.

There is no denying that jobs are being lost in the private sector. However, as Senator O'Toole observed, there are also many well paid and secure jobs in that sector. Those workers are not being penalised. Any legislation that comes from this House should be equitable in its treatment of all the people of the nation. This legislation does not meet that requirement.

Minister of State at the Department of Finance (Deputy Martin Mansergh): I will begin by replying to the amendments in the strict meaning, after which I propose to address some of the broader issues raised. The inclusion of a review section in the Bill seems to me to be the Government's response to the meaning of the term "emergency". The provision of an annual review mechanism is consistent with the title of the legislation. Section 13 provides for an annual review of the operation of the measures in the Bill, consideration of whether its provisions continue to be necessary and the making of findings as the Minister considers appropriate. A report of the review will be laid before each House of the Oireachtas. Therefore, next year, the Minister will carry out a review of the operation, effectiveness and impact of the legislation, having regard to the overall economic conditions in the State and national competitiveness at that time.

A similar approach was adopted under the terms of section 11 of the Minimum Wage Act 2000, where the Minister for Enterprise, Trade and Employment takes account of these considerations when setting the minimum wage. The Minister can consider whether or not any of the provisions of this Bill continue to be necessary having regard to the purposes of the legislation, and will make findings consequent on such review and consideration and cause a written report of his findings to be prepared and laid before each House of the Oireachtas.

Given the situation we face, and which is also faced by Governments throughout the European Union and elsewhere, I am not prepared to accept these amendments. We are not in a position to foresee the circumstances in which we may find ourselves in two years' time and I would not care to prejudge the position, as these amendments seeks to do. However, the Minister will review the position on an annual basis and report to the Houses of the Oireachtas when he has done so.

Various points were made about emergency legislation. According to my mathematics, the 1939 legislation to which reference was made was initiated 70 years ago rather than 60 years ago.

Senator Joe O'Toole: Accepted.

Deputy Martin Mansergh: Germany has a rather different history with emergency legislation. A Bill was introduced in this jurisdiction to abolish the Free State Senate but it took some considerable time to work its way through. It was not emergency legislation in the true sense.

Senator David Norris: Any further attempt would take a hell of a lot longer.

Deputy Martin Mansergh: The Senator will be pleased to hear that I would be totally opposed to such an initiative.

The bottom line of the Bill is that the public sector wage bill must be reduced. I was glad to see support for this from Mr. Jean-Claude Trichet yesterday. This Bill can be most accurately described as a pension related levy rather than a pension levy as such. It is a pity that, in this morning's discussion, there was not the same consciousness evident in last night's debate of the critical situation facing the Government finances. If we want to maintain jobs, we must cut the cost of them to some extent. I know how attached Senator O'Toole is, with almost paternal

[Deputy Martin Mansergh.]

pride, to the benchmarking process and he remembers that I defended the process vigorously on many occasions when it was attacked in the previous Seanad. However, matters have altered considerably. There is no formal benchmarking involved in this but there is a relationship between the public and private sectors. The Government has no interest in divide and rule, setting public against private, as has been implied by some comments. It is trying to be as fair as possible to all sections of the community. For the sake of argument, if the Government was to withdraw this Bill and to make no attempt to cut the public sector wage bill, leaving aside the economic and confidence consequences, great arguments of fairness would arise.

The point was made by Dr. Garret FitzGerald on radio yesterday, and by several others that the total tax system is exceptionally favourable in this country. Employee PRSI is negligible in this country compared with most European countries. Married people up to a medium level of income are practically exempt from tax and deductions. Nowhere else is that the case and there are not enough people at the higher end of the spectrum to achieve the savings required and to raise the sums of money involved.

Senator Alex White raised the matter of how the figures are made up. One must distinguish between 2009 and a full year. In respect of 2009, the figure for the reduction in public service pay is €1,160 million, which includes €50 million for travel and subsistence reductions, reductions of €67 million in fees, reductions of €95 million in overseas development aid, reductions of €51 million in the early child care supplement, €140 million in administrative savings and €300 million in capital savings, making a total of €1.813 billion. The full year figure is somewhat above the €2 billion figure and includes €1.4 billion of public service pay, reductions in fees of €80 million, €95 million in overseas development aid, as before, €75 million in the early child care supplement, €140 million in administrative savings and €300 million capital savings, giving a total of €2.090 billion. These will be set out in the Revised Estimates, to be published shortly.

I do not totally disagree with the point that senior public servants are very well paid. I was asked how this compares with other countries. If one goes up the road to Northern Ireland, the most senior public servants, taking into account all pay and conditions, are to the best of my knowledge even better paid. That has been altered by the change in the relationship between sterling and the euro. Until recently they would have been ahead of public servants here. Speaking personally, I had some reservations about benchmarking as it applied to the top of the Civil Service.

Senator Joe O'Toole: It did not apply to the top.

Deputy Martin Mansergh: Perhaps this was not benchmarking in the formal sense but I referred to the remuneration committee. I was in the public service, albeit as an adviser, until 2002 and it seemed to me that when the private sector was running away with itself, as it was in that period, there was a feeling that public servants at the top were no less entitled to good remuneration than top bank executives. I regarded it then, and I regard it even more strongly now, as an unrealistic aspiration. A wide gap developed between a Secretary General and an assistant secretary general. There are knock-on pension effects of that and, as we can see in the case of one or two people who have recently retired from the public service, the benefits are extraordinarily generous. Points of fairness arise.

The point of fairness that I find most difficult to deal with is not to do with the generality of the public sector versus the generality of the private sector. Detailed figures have been put on the record this of this House to some extent but particularly in the Dáil on the comparability of public service pensions and private sector pensions. The area of fairness with which I have

most difficulty is only within Government control to a limited extent, namely, the exorbitant remuneration, including bonuses and add-on benefits, that exist mainly, but not exclusively, in the private sector. There are one or two instances in the public sector but not very many and not at the same level. A question arises in people's minds, when legal and other investigatory procedures that will only affect a limited number of people are completed, whether that will restore a greater degree of fairness. We are coming down to very philosophical questions about the economic organisation of our society, which has a very substantial market element, even if that is now having to draw its horns in. That means there are no upper limits on remuneration in the private sector.

Reference was made to the Swedish plan but there were quite deep social welfare cuts in what was admittedly an extraordinarily generous welfare scenario. As I said recently, I am glad to note that on this occasion, Age Action Ireland circulated a bulletin with the editorial expressing satisfaction that old people are not affected by the current set of measures.

There are 2 million people at work, not 1.8 million. There may be 300,000 on the live register but the figure for those at work is not lower than 2 million.

Senator Joe O'Toole: My point concerned only private sector workers.

Senator Maurice Cummins: That strengthens the Senator's point.

Deputy Martin Mansergh: I am excluding the commercial public sector, which would add another 50,000. From the top of my head, the figure is between 300,000 and 320,000 for the total public sector, and the figure for the commercial public sector can be added to this. The total figure would be 350,000 to 370,000. If that is subtracted from approximately 2 million, there is something over 1.6 million left.

Senator Joe O'Toole: It is a million and a half, give or take. How many of those jobs are not threatened and why are they not included in the wording? Some people would be in safe and secure jobs.

Acting Chairman: I remind everyone that we should be keen to move things on so I ask the Minister of State to wrap up the amendments and make his answers brief.

Senator Joe O'Toole: We are just getting to the meat of the issue.

Acting Chairman: We have been here for an hour and we are still on amendment No. 1.

Deputy Martin Mansergh: With respect, it is probably one of the most important amendments and perhaps the others will go a bit quicker. I cannot put a figure on jobs that are secure or insecure in the private sector. Most people working in the private sector are under smaller or greater degrees of pressure, with relatively few people not under some pressure. I have several children working in the private sector and they are all concerned about the current position, over and above any loss of remuneration they may suffer. That is fairly general.

Finally, and without responding to magic shamrocks, there was the e-mail about Home Rule. The point about our history is that we never had Home Rule and certainly not in this part of the country. Arguably, there was Home Rule in Northern Ireland. Strictly speaking, it is impossible to say whether it was or would have been a disaster, as what we have is independence. I remain proud of that independence and I am sure Senators are also proud of it. We have the ability to get through these difficulties. With regard to the idea that as a peripheral part of the United Kingdom we would be better off in current circumstances, I do not buy it for a single minute.

Senator Alex White: I will be brief. The meat of the amendment concerns the question of a sunset clause. With respect to the Minister of State, section 13 of the Bill does not meet the point. I read that section, which relates to review, as the Minister of State raised it and it is a rather questionable provision in the legislation. I query the constitutionality of at least dealing with pay or taxation measures, or measures akin to taxation measures, purely by ministerial review and the simple laying of a report before the Houses of the Oireachtas.

This is a crucial question in respect of pay, and particular taxation measures or measures akin to taxation measures ought to be dealt with by the Houses of the Oireachtas. They should not be dealt with purely by the Minister, although the Minister's view will also be important and interesting.

The analogy with the minimum wage provisions is not a good one in these circumstances. We are talking about a basic standard of pay that must be observed across the community, and what level that should be set at. The provision for a minimum wage was introduced by legislation and the setting of the actual level is left to the Minister, with a Labour Court process going with that. It is not a good analogy in circumstances where we are talking about very significant financial measures which are the cause of significant public concern and debate, and it should not be left to a review clause in the legislation. It does not in any substantial way meet the point we are dealing with in the amendment.

I agree with Senator O'Toole and others in their comments on the Minister of State indicating the levy will be pension-related. We have gone from it being a pension levy or measure to it being pension-related. How is it pension-related? It is not because the only relationship it has with pensions is in the nomenclature and description. In all logic it has no relationship with pensions, good, bad or indifferent. Why is it not called the reduction in the public pay Bill 2009 or certain measures to reduce public pay?

In fairness to the Minister of State, in the course of his argument he constantly said we had to reduce the public pay bill and we are seeking to achieve that. This language is used in the argument and its elaboration, and the Minister of State is being quite honest when making the argument. The measure is to reduce public pay but it is not reflected in the Title. We will not get bogged down too much in tag lines or descriptions but the question of honesty and clarity is very important when we are making legislation.

I have two brief points in respect of how we are going about these measures and the debate. The Minister of State was disappointed there was not an adequate recognition in this morning's debate of the amendments of the straitened and difficult economic environment in which we undoubtedly find ourselves. I assure the Minister of State there is no lack of recognition of that, at least in this section of the House. Others may speak for themselves. The point has been made repeatedly and as late as last night and this morning by my own party leader with regard to his offer of genuine engagement with the Taoiseach and Government.

He made the extraordinary point that the Taoiseach, who has been in office for ten months, has never sat down and discussed the economy with the Labour Party. There has never been a conversation between them about it. In order for co-operation to come about, one would have thought there would have to be some measure of engagement and conversation between the two. There is very much a recognition of the difficulties involved.

We are now going through a Bill which amounts to one of the Government's proposals on how to deal with this problem. We are entitled to bring forward proposals and to debate them in the context of the Government's agenda in this Bill and to deal with that agenda by way of amendments as we see fit. That does not mean we do not have a recognition of the wider context in which we are debating this Bill.

I waited in vain for the Minister of State to tell me why or in what way he disagreed with those who have argued there is a manifest unfairness in how this levy is being implemented throughout different pay levels within the public service. Many examples were given here, in the other House and in the public media, but the Minister of State did not address that. He dealt with some other issue of fairness but did not address the question of the clear manifest unfairness of the manner in which this so-called pension levy is being introduced.

For those reasons and in particular because the section 13 provision is not an answer to the amendment, I am disappointed with the Minister of State's response and wish to pursue the amendment.

Deputy Martin Mansergh: I want to make a few points in a brief response. One must be a public servant and have membership of a public service pension scheme or an analogous arrangement in order to be subject to the deduction. It is worth pointing out that the accrued liabilities for public service pensions is now approximately €75 billion. At the time of the publication of the commission's report, to which Senator O'Toole referred, it was €25 billion.

The other point, to which I omitted to reply, was the reason judges and the President are excluded from the measure. There are specific articles in the Constitution which prohibit the Oireachtas from reducing their salaries. It is to do with their independence in the exercise of their functions.

An Leas-Chathaoirleach: Is the amendment being pressed?

Amendment put.

The Seanad divided: Tá, 16; Níl, 25.

Tá

Bacik, Ivana.
Buttimer, Jerry.
Coffey, Paudie.
Cummins, Maurice.
Donohoe, Paschal.
Fitzgerald, Frances.
Healy Eames, Fidelma.
McFadden, Nicky.

Norris, David.
O'Reilly, Joe.
O'Toole, Joe.
Regan, Eugene.
Ross, Shane.
Ryan, Brendan.
Twomey, Liam.
White, Alex.

Níl

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Callely, Ivor.
Carty, John.
Cassidy, Donie.
Corrigan, Maria.
Daly, Mark.
de Búrca, Déirdre.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.
Keaveney, Cecilia.

Leyden, Terry.
McDonald, Lisa.
Ó Domhnaill, Brian.
Ó Murchú, Labhrás.
O'Brien, Francis.
O'Donovan, Denis.
O'Malley, Fiona.
O'Sullivan, Ned.
Ormonde, Ann.
Phelan, Kieran.
Walsh, Jim.
White, Mary M.

Tellers: Tá, Senators Maurice Cummins and Alex White; Níl, Senators Camillus Glynn and Déirdre de Búrca.

Amendment declared lost.

SECTION 1.

Senator Alex White: I move amendment No. 2:

In page 4, line 32, to delete “as amended by” and substitute “inserted by”.

This is not a drafting amendment. The Chapter concerned is inserted by the 2007 Act, not amended by it. It is an issue that has arisen before in legislation and is a point that comes up over and over again.

Deputy Martin Mansergh: I thank the Senator for bringing this to our attention. It is the case that the drafting convention is to use “as amended” which is a generic term covering, for example, additions or deletions. The phrase commencing “as amended by” in this case governs the immediately preceding words, that is, “the Defence Act 1954”. It is this Act that was amended by section 34 of the Defence (Amendment) Act 2007. While the amendment inserts a new Chapter IVC rather than amends an existing provision, it is not the case that the term “as amended” needs to be changed. Put simply, the Defence Act 1954 is amended by the insertion of a new Chapter, and it is the Defence Act 1954 that is amended as indicated in the text of the section. Consequently, I do not propose to accept the amendment, although I recognise the spirit in which it was offered.

Senator Alex White: There is continuing controversy on this question, which I do not propose to pursue further on this occasion, but I reserve my right to return to it on other occasions as it seems likely to arise again.

Senator Paudie Coffey: To comment on this section of the Bill——

An Leas-Chathaoirleach: We are discussing the amendment. The Senator can comment on the section when we get to that stage.

Amendment, by leave, withdrawn.

An Leas-Chathaoirleach: Amendments Nos. 2a and 16 form a composite proposal and may be discussed together. Is that agreed? Agreed.

Senator David Norris: I move amendment No. 2a:

In page 4, to delete lines 41 and 42.

I indicated to the Minister of State last night that I would pursue this matter. I do this not to curry favour with the employees of the Central Bank but to illustrate a very important point of policy, one on which Mr. Jean-Claude Trichet of the European Central Bank commented in a way in which the Government would be well advised to take on board. Last night I referred to a case heard by the Supreme Court and on which it delivered a judgment on 14 March 1997, namely, the Central Bank of Ireland v. Martin Leo Gildea. The finding of the court was as follows:

He is not a member of the staff of any of the organs of state created by the Constitution and accorded a role in the constitutional order of separate and distinct from the three organs of government, legislative, executive and judicial, such as the Attorney General. He is not a civil servant in any of the departments responsible to the individual ministers who constitute the government and hence is not a ‘civil servant of the government’ and thus a person ‘employed...under the State’. He is employed by a body which has been created by statute, the powers of which, however essential they may be to the functioning of the State, can be

removed from them at any stage by the Oireachtas. He is thus in no different position from those employed in a vast range of what have come to be called ‘semi-state bodies’, the employees of which may, by specific legislative provision, be deemed to be civil servants but who, in the absence of any such provision, are not to be so regarded.

The Minister may take the view that by simply rehearsing these in a list that he is taking that judgment into account. I am not sure this is the case and I point specifically to the independence of the bank and the fact it is not supported from central revenue but generates its own revenue.

I o'clock It does so by a variety of means ranging from the management of the country's foreign currency reserves to the wonderful exercise of what is known as “seigniorage” — which derives from the person of the monarch, or it did in the old days — the capacity to print money on behalf of the realm which generates money. It also generates money from the charge sought from Government and other sources for the operation of Government and other State accounts.

As I said, the employees of the Central Bank are not paid from money from the Oireachtas but are paid from the Central Bank's own resources and their pensions are paid from a fully funded pension scheme. In other words, they are exactly analogous to the private sector, which is not taken into account in this legislation. They are at the very least anomalous; they are separate and distinct from the other sectors. Attaching a levy to their salaries does not, therefore, reduce the amount payable out of the Exchequer. Instead a levy on the salaries of employees of the Central Bank provides additional revenue to the Exchequer and, as such, it is clearly a tax. Even if the Minister is capable of defending this on technical grounds, there is no question that this is a pension levy; it is a tax. I will be supported in this by the opinion of the European Central Bank signed by Mr. Trichet.

The Central Bank is a commercial and highly profitable semi-State body, albeit atypical of that group. In 2007, the Central Bank had a surplus income of €192.8 million. The profits of the Central Bank are transferred annually to the Exchequer. In other words, the Central Bank, far from being paid by the Exchequer, pays into it. Most of the Central Bank's income comes from monetary policy operations. Monetary policy operations relate to the lending to credit institutions by the Central Bank as part of the euro system's monetary policy operations. As this function represents the lion's share of the bank's income, we need not go into the other sources in any great detail, such as seigniorage to which I referred.

By singling out the Central Bank and treating it differently to other semi-State bodies, the Bill is, in effect, creating a special tax for Central Bank officials. This view is supported by the opinion of the European Central Bank published on 24 February 2009 which, in expressing serious reservations about the levy, noted that “the proposed deductions might therefore be regarded as a form of taxation on the Central Bank's officers and employees”.

As part of the European financial architecture, the central bank system is regarded as being necessarily independent and that independence is jealously guarded. We are being told very clearly by Europe that this independence is being transgressed upon by this legislation.

The Government almost automatically seeks the opinion of, or a view by, the Central Bank authorities on this type of legislation. Highly unusually in this case, and perhaps because of a bad conscience, the Government did not seek a view on this occasion as it did, for example, on the recapitalisation of various Irish banks on almost the same date.

However, the European Central Bank took this matter so seriously that it provided a view without being asked and from which I wish to quote. It started by giving its *locus standi* on the matter. It stated:

[Senator David Norris.]

The competence of the European Central Bank (ECB) to deliver an opinion is based on Article 105(4) of the Treaty establishing the European Community and the third indent of Article 2(1) of the Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions, as a draft law relates to the Central Bank and Financial Services Authority of Ireland (hereinafter ‘the Central Bank’).

In particular, the draft law proposes to deduct up to 10% from the remuneration of public servants accruing from 1 March 2009, including employees of the Central Bank. In the light of the above and considering the direct implications of the above mentioned provisions for the Central Bank, the ECB has decided to submit this own-initiative opinion, with a view to assisting in the ongoing legislative procedure by commenting on specific provisions.

The Minister and his advisers will be more familiar than I with the type of language system used by European bankers and central bankers. They will detect in that and in what follows a certain sharpness of tone, in particular the fact it decided to submit its own-initiative opinion — in other words, it was not asked for it. This is regarded as highly unusual.

I refer to the definition of “a public servant”. It stated:

For the purposes of the draft law, public servant is defined, *inter alia*, as a person who is employed by, or who holds any office or other position in, a public service body. The draft law includes the Central Bank within its list of public service bodies. Under the draft law, the deduction is to be made by the person responsible for, or who authorises, the payment of remuneration, which in the case of the Central Bank’s officers and employees is the Central Bank. In addition, the deductions are to be made in accordance with regulations to be issued by the Minister for the purposes of the calculation, making, collection, disposal and recovery of such deductions (including, for instance, regulations addressing the manner in which and the periods within which deductions are to be made and paid into or disposed of for the benefit of the Exchequer). The draft law further requires the deductions made to be paid into or disposed of for the benefit of the Exchequer in accordance with the directions of the Minister or otherwise paid or disposed of as the Minister may direct.

The draft law has been introduced in the context of the priority being given to the stabilisation of public finances in Ireland. [Of course, it indicates it understand this; it is a given.] To that effect, the Minister has announced that the draft law introduces provisions to give effect to a pension related deduction for the public service. The deductions under the draft law therefore apply to public servants who on 1 March 2009 or any time afterwards are a member of a public service pension scheme, are entitled to a benefit under such a scheme, or receive a payment in lieu of the membership of such a scheme. For this purpose a public service pension scheme is defined to include an occupational pension scheme or a pension arrangement for any part of the public service which is made by a relevant Minister or has been approved or requires the approval or consent of the relevant Minister. Under the Central Bank Acts, the Central Bank may establish and operate one or more superannuation schemes under which superannuation benefits are payable on the retirement or death of persons. However, such a scheme does not take effect until it has been approved by the Minister.

The draft law exempts from the definition of ‘public service bodies’ 22 bodies whose officers and employees are subject to the deductions. The Explanatory Memorandum to the draft law indicates that the public service bodies whose officer and employees are subject to

the deductions include non-commercial semi-state bodies where a public service pension scheme exists or may be made.

The opinion then moves on to the general observations. I will not rehearse the first one in great detail. I regret the time it is taking to put this matter on the record but it is highly important. I regret very much that because of the guillotine, we may not get to very important amendments concerning farmers and attempts to exclude the most lowly paid people. I condemn the Government outright for operating this guillotine but this must be put on the record because it is from our European partners. The observation is made that:

As noted in the ECB Convergence Report 2008 under the sub-chapter ‘Autonomy in staff matters’, member states may not impair an NCB’s ability to employ and retain the qualified staff necessary for the NCB to perform independently the task conferred on it by the treaty and statutes of the European System of Central Banks and of the European Central Bank (hereinafter the ESCB Statute).

They may not “impair” this independence. It continues:

In addition, an NCB may not be put into a position where it has limited or no control over its staff, [There is no question about it, but this legislation limits that control and nobody could suggest otherwise] or where the government of a member state is in a position to influence its policy on staff matters.

This point has been stressed in a recent ECB opinion on draft German legislation regulating certain matters concerning the national central bank staff. The ECB also stated in its opinion on draft Italian legislation establishing a threshold for the overall remuneration of the national central bank staff “that the ECB defines autonomously its staffs conditions of employment and that this autonomy forms part of the ECB’s independence as guaranteed by Article 108 of the Treaty and Article 36 of the [ESCB Statute]”.

Basically, what Mr. Jean-Claude Trichet, who is received in the higher circles here and whose opinion was lauded on our broadcasting services and quoted approvingly by the Government, is saying as director of the European Central Bank and with the full authority of that institution is that the Government is transgressing the independence of the Central Bank system in this country. This is not my view, not the view of some dingbat from the university sitting on the back seat of the Seanad, but the view of somebody who must be taken seriously.

The ECB opinion moves on then to specific observations, stating:

The proposed deductions are conceived as pension-related deductions for the public service. However, while the Minister formally approves the Central Bank’s superannuation scheme, the Central Bank’s scheme is not funded through the Exchequer, but is established, operated and financed by the Central Bank independently. In this regard, the proposed deductions do not appear to reflect the distinctive features of the Central Bank’s superannuation scheme, and might therefore be regarded as a form of taxation on the Central Bank’s officers and employees.

Under the Central Bank Acts, the employees of the Central Bank are to be employed on such conditions (including conditions as to remuneration and allowances) as the Central Bank’s Board of Directors fixes from time to time. In order to protect the Central Bank’s autonomy in staff matters, which is a particular aspect of the principle of central bank independence under Article 108 of the Treaty, any pension-related deductions applicable to the officers and employees of the Central Bank in view of the current difficult economic circumstances should be decided in co-operation with the appropriate decision-making bodies of

[Senator David Norris.]

the Central Bank. Such co-operation with the Central Bank should also ensure compliance with the Treaty provisions on the prohibition of monetary financing established by Article 101.

An Leas-Chathaoirleach: Did Senator Norris say what he was quoting from?

Senator David Norris: I did. I am quoting from the Opinion of the European Central Bank, signed by its director Mr. Jean-Claude Trichet. It is published on the ECB website and marked in good legal fashion — Done at Frankfurt am Main, 24 February 2009.

These are two significant matters, the decision of the Supreme Court in 1997 and the unsolicited view, specifically avoided by the Government, volunteered by the European Central Bank because of the seriousness of the issues of principle involved. I urge the Government to be very careful in this regard.

I am not just trying to pick off a small amount of money, but trying to ensure we act in alignment with the treaty obligations into which this country voluntarily entered. It is clear to me there was no proper consultation with the authority, but that this legislation is being imposed, despite the grave suspicions regarding its legality or the political advisability of taking this step.

Senator Joe O'Reilly: I support Senator Norris who has raised an extraordinarily serious matter. This is something fundamental that may put the entire legislation at risk. His concerns are worthy of a full response from the Minister as it is a serious matter.

Deputy Martin Mansergh: I cannot help but reflect on the irony that on the previous amendment the question was raised by the Opposition as to why the President and the Judiciary were excluded from the pension levy, whereas this amendment seeks to exclude the Central Bank from the operation of the levy. While I will give a full response, I am not convinced the matter deserved the length of time given to it.

I was tempted to reply to Senator Norris last night when he cited the Supreme Court judgment. There is a distinction between a civil servant and a public servant. A public servant is a broader definition. The Supreme Court judgment related to civil servants and nobody suggests the Central Bank is staffed by civil servants.

I cannot accede to this request. The effect of these amendments would be to remove the Central Bank and Financial Services Authority of Ireland from the measures included in the Bill. Senator Norris cited extensively the Supreme Court judgment so I will take that as read.

The Bill provides for the inclusion of the Central Bank and Financial Services Authority of Ireland, because its staff, as defined in section 1, are public servants. The judgment to which the Senator referred, gave a ruling on their status in that they are not “civil servants”, but the public service is a wider group, including not only those employed in central Government Departments and offices, but also teachers, gardaí, the permanent Defence Forces, health sector workers and so on, including employees of the Central Bank.

In all the circumstances, given their public service status and pension entitlements, there is no equitable reason for excluding the staff of the Central Bank from the deduction, which it must be stressed is to apply on a wide base and without additional benefits being conferred. While the Central Bank may make profits, it is not a commercial semi-State body. As the Senator pointed out, the Central Bank pension scheme is approved by the Minister for Finance and has the same terms and conditions as the Civil Service scheme.

As Senator Norris stated, the European Central Bank wrote to the Minister for Finance this week in connection with this Bill. The European Central Bank said the Government should make sure plans to levy public servants' pensions do not tread on Central Bank independence or break rules banning Central Banks from funding a budget shortfall. I understand the views of the European Central Bank hang on the question of consultation and the Minister is open to this.

However, as all here are aware, this legislation is important and necessary to control our public expenditure in the context of the rapid and devastating changes that have struck the Irish economy. The Financial Regulator is part of the Central Bank, and in line with the regulatory sector in Ireland generally is non-commercial. It is funded by way of levies on the industry regulated. The Regulator is given the power to levy the banking industry by the Oireachtas. Thus, it is indirectly funded by the Oireachtas and could not self-fund otherwise.

An Leas-Chathaoirleach: Is the amendment being pressed?

Senator David Norris: I will push it to a voice vote, but not a full vote because there are other significant issues to be raised and I want the Minister of State to listen to the outrage of Members on those, particularly with regard to the way the poorly paid and farmers are being squeezed by provisions of the Bill.

The issue I raised is important, but it has not been addressed with the degree of seriousness it needs. The attitude of the European Central Bank and its director is perfectly clear, but the Minister of State did not reflect on that. We have received a slap on the wrist. As far as they are concerned, we have behaved *ultra vires*, but the Minister of State did not refer to that. It is quite clear from his slightly disingenuous answer that the requirements for consultation have not been met and that this was being done unilaterally. Now, he states the Minister is open to consultation. I do not want to exclude any section from taxation, including myself, but it must be done properly. This purports to be a levy but the European Central Bank states it is taxation. Politically, that is what I would like the Government to do and I have stated it time and again. We should be dealing with this through a fair and measured approach to taxation, which can be very severe. This is put forward to us as a measure. Last night on Second Stage the Minister of State denied it was taxation. Now the European Central Bank states that it is taxation and it violates some of our treaty obligations. I take that matter extremely seriously but perhaps the Minister of State does not.

I will not press the amendment to a vote because there are other matters that need to be examined. It would be selfish, self-important and not in the interests of this House for me to press the amendment to a vote, which we would inevitably lose. At least I have left on the record sufficient material for this matter to be taken up, perhaps by other people and in other fora.

Senator Joe O'Reilly: I seek clarification on a matter. It was stated that judges' pay and remuneration is not within the discretion——

An Leas-Chathaoirleach: Senator O'Reilly may ask this question when we are discussing the section.

Senator Joe O'Reilly: I want to ask a question on the amendment. Were we to be in a position in which, please God, we never will but we must anticipate every eventuality, we did not have money to pay the judges, would there have to be a referendum to decide to pay them and the amount they should be paid? What would we do if the coffers ran out?

Deputy Martin Mansergh: It often happens that different branches of the EU and Government express concerns and seek reassurances, which they are given. They put forward propositions seeking the Government's response. The notion that the European Central Bank has rejected or condemned what the Government is doing is not true. It expressed certain concerns and it is the intention of the Government to reassure it. I do not want to get dragged down an alleyway but in many courts of justice there is the Latin motto *fiat justitia ruat coelum*, let justice be done even if the heavens fall in.

Senator David Norris: A most inappropriate statement from the Minister of State in view of the fact that we were told to leave this place because the ceiling might fall in on us and then with the economic disaster that was precipitated it was decided that we will be left here to suffer the fate of the Romans. Let the record show the Minister of State squirmed while I was reading that opinion.

Amendment, by leave, withdrawn.

An Leas-Chathaoirleach: Amendments Nos. 3 and 7 are related and will be discussed together. Is that agreed? Agreed.

Senator Paudie Coffey: I move amendment No. 3:

In page 6, line 11, after "servant" to insert "and excludes non-pensionable payments".

This amendment refers to non-pensionable payments which would take into account payments such as overtime, which is a large part of the remuneration of public servants. It highlights another anomaly with regard to this Bill which has been pointed out clearly in the Lower House. Public servants, those working in the country's local authorities, VECs, the Health Service Executive and many other bodies already pay up to 6.5% of their salary each year towards their pensions. However, I am told civil servants such as those working in the Department of Finance and those who helped to draft the Bill pay only 1.5%.

To further compound the insult, VEC staff who are not eligible for any pension scheme under the superannuation arrangements are being asked to pay this levy. Non-permanent staff who the Department refused to admit to the pension scheme will also be levied and the letter that has come down from the Department states that the money is to be used for Exchequer funds, not pensions. We need clarity on this because public servants are asking these questions and this is where the issue of unfairness arises. Those of us on this side of the House realise that urgent action is required with regard to the public finances, but what seems to be the problem is that there is no fairness in this Bill. It is a flawed Bill with too many anomalies. It seems to be ill thought-out.

Senator Norris mentioned that farmers are exposed through the farm waste management scheme, referred to later in the Bill. This side of the House has called on the Government to consider providing a system of tax credits for farmers who will be exposed under the Bill. Will the Minister of State and the Department of Finance introduce a system through which farmers can claim against tax credits interest paid on bridging loans because they will receive their grants over three years rather than in the once-off payment they were promised originally by the Department?

Farmers understood they had a contract with the State by which they were approved for grant aid under the farm waste management scheme. Now they are exposed to huge loans, in some cases in excess of €100,000, and cash flow is seriously restricted on those farms. This Bill will restrict it further because it will put off the full payment of account by the Department of the grants they were allocated. This is most unfair and needs to be highlighted. This Bill treats

farmers in a very unfair way in this regard and could put many of them out of business. What is the Minister of State's view on this?

Senator Alex White: I adopt the arguments of my colleague, Senator Coffey, and I do not wish to add too much more to what he stated other than to reflect on the contradiction in terms with regard to what the Minister of State said earlier. He stated that the basis for the pension levy or at least the population of persons to be captured by the pension levy are those who are members of public service pensions. Previously, we made the point that far from being a pension related measure this seemed to be wholly unconnected with pensions *per se*. The Minister of State replied that it was pension related. If the Minister of State's answer is that it captures people who are members of public service pensions how does it follow that payments which are not reckonable for pension purposes are to fall liable? It does not add up or make sense. There is a complete want of logic.

Senator Jerry Buttimer: I do not want to give a Second Stage speech on this section of the Bill.

An Leas-Chathaoirleach: We are dealing with two amendments, amendments Nos. 3 and 7.

Senator Jerry Buttimer: I thank the Leas-Chathaoirleach and I will get to the punchline in a preambuling sort of way. Somebody who is a contract researcher in an IT or university, who is not a contributor to the public sector pension scheme but who pays into a PRSA privately, is expected to pay the levy. Must all other employees in this sector, regardless of whether they contribute to the public sector pension scheme, have to pay the pension levy? If that is the case, all part-time lecturers, contract researchers and a number of other workers in this sector are included. As Senators White, Coffey and Norris stated, that makes a mockery of the Bill.

Is there an extra contribution to take into account the fact that public sector pensions are better than private sector pensions? The Bill, as constituted, is pitting private against public and creating class warfare. Is the levy being applied to non-pensionable staff? If so, it is not a pension levy but a further tax on all public sector workers, as Senator Alex White implied. If so, it is compounding the problem in that the Government is being doubly unfair in respect of public sector employees who do not qualify to join a public sector pension scheme. This must be clarified. My perusal of the HEA document confirms what I have just said.

A person of officer grade in the public service with 40 years' service will receive 50% of his final salary as a pension and a person who is not of officer grade with 40 years' service will receive 25%, yet both are being asked to pay the same levy, with the lower paid of the two receiving a much smaller pension. Is this equitable?

My final comment concerns the widening tax base. Public servants, in some cases, pay 6.5% of their salaries towards their final pensions. Given the 1% levy introduced in the budget and the further increase in taxation proposed, this amounts to a minimum hike of 7.5%. Is this justifiable bearing in mind that the affected are paying taxes and already contributing towards their pensions? It is a misnomer to say they are not doing so because they are. What are the Minister of State's views on this?

Senator Joe O'Reilly: I support the amendment. It arises from the inherent unfairness of the legislation which will hit the lower paid specifically. The levy, as the amendment identifies, will be on income that is not related to pensions, including overtime payments. In some instances, those paying the levy will not be benefiting from a pension while others will be benefiting disproportionately. The levy is inherently unjust.

[Senator Joe O'Reilly.]

I do not propose to make a Second Stage speech but, as I said on the Order of Business yesterday, the Government is attempting to rectify the problem with the public finances in an inherently unfair way. The provision does not work from the top down by first attacking privilege, wealth, bonuses and mega-salaries but seeks to target the lower paid and slip in measures that give rise to anomalies. Strictly speaking, what is proposed is not a pension levy because not everyone benefits to the same degree and not all income that is subject to it is pensionable. It is taxation under the guise of a pension levy, thereby making it more palatable to the public.

It is most regrettable that we will not have the opportunity to deal with all the amendments. It is bizarre and does not inspire public confidence that we are guillotining legislation that may have a greater impact on people's lives than any other legislation considered for a long time. This is an inherent weakness in our parliamentary system.

Our amendment on tax credits for farmers hit by the changes affecting payments under the farm waste management scheme is very important. Farmers have two problems with the delay in payment under the scheme, the first of which is that it will affect their entire credit and cash flow status. A bank that accommodates a €50,000 or €60,000 loan on the grounds that there is to be a farm waste management scheme grant will not simultaneously give a loan to a farmer to engage in other farm enterprises, buy a tractor or develop his farm. If the farmer is compromised in this regard, his capacity to spend will be negated.

If I default on my tax payments to the Revenue Commissioners and am six months or a year late, I must pay interest on the unpaid taxes. This is legitimate and I ought to and would pay the interest if such circumstances arose. If the State defaults on payment to farmers in respect of a *prima facie* contract, which is effectively the case, the State will not give the tax credit to the farmers for the interest owed by them to the bank. If the farmer owes the bank €3,000 in interest, this sum should be subject to a tax credit, just as a Member or any other citizen would pay interest to the State on tax owed in arrears. We cannot have A without B as they are logical corollaries. An issue of justice, logic and fairness arises in this regard.

People are crying out for fairness, transparency and consistency. There is now a belief — it is so sad in a republic — that there is one law for the rich and another for the poor. The greatest challenge the Government faces is to correct this. One way to start this process is to tell small farmers that while the State must renege temporarily on its contract, it will pay what it owes——

An Leas-Chathaoirleach: The Senator should speak to the amendment.

Senator Joe O'Reilly: ——and not put the farmers at a disadvantage in the process.

On the amendment, we cannot allow an anomaly whereby the little bit of money earned in overtime by a low-paid office worker will be taxed if it will not have a bearing on his pension.

Deputy Martin Mansergh: The deduction is in recognition of the superior, or better, pension arrangements public servants enjoy compared with the generality of their counterparts in the private sector. It is not intended to fund directly the cost of these pensions. As I said, the imperative for this deduction is the need to reduce the size of the public service pay bill.

Non-pensionable payments, which include overtime and allowances, represent a significant element of the public service pay bill. They simply cannot be ignored given the absolute necessity to reduce public service pay costs by some €1.35 billion in a full year. If we were to remove non-pensionable pay from the deduction, we would have to increase the deduction from pensionable elements proportionately. There is not a dedicated State pension fund, apart from the social insurance fund, which is different. Payments are made into and out of general taxation.

A specific case was raised pertaining to a research contract under the Higher Education Authority. The legislation is quite clear in this regard. Paragraph 2(1)(b) applies to a person who “(i) is a member of a public service pension scheme, (ii) is entitled to a benefit under such a scheme, or (iii) receives a payment in lieu of membership in such a scheme”. It is simply a question of whether a particular instance is in conformity with this provision. I accept that at the margins it can sometimes be a matter of interpretation and debate, as is the case with any legislation, but the principles are quite clear.

Reference was made to officials in the Department of Finance. There is a difference between what is contributed by those who entered the Department before 1995 and those who entered after 1995, as is the case for all civil servants. There was a potential contradiction in that many contributors last night, including those outside the House, were urging the Government to do more, show leadership and take decisive action although they raised all sorts of objections when a specific measure to raise a substantial amount of money was proposed. The measure is broadly fair. In terms of any great anomalies that might arise the Taoiseach and the Minister for Finance have indicated their door is open.

The subject matter of a later amendment was raised by Senator Coffey, who promptly left the House without waiting for an answer. The same issue was raised by Senator O'Reilly. It needs to be remembered that the farm waste management scheme is entirely Exchequer-funded and is costing a considerable amount of money. The Government is entitled to phase the payments, as it has with other similar demand-led schemes in areas other than agriculture. In an ideal world there would be compensation for interest. Until I was appointed a Minister I was a member of the Irish Farmers Association. I have every sympathy with the argument but the scheme itself was costing more than €500 million and, in effect, we are asking that extra money would be put in the pot when the State is in considerable difficulties. I have no problem with the argument about justice in an ideal world but we have to be pragmatic and practical. Unlike 20 years ago when most subsidisation of agriculture came from the European Union, today a great deal——

An Leas-Chathaoirleach: That issue relates to a different section.

Deputy Martin Mansergh: I accept that but the Leas-Chathaoirleach did not prevent Senator O'Reilly raising the issue.

Senator Joe O'Reilly: Can I make a point of order?

An Leas-Chathaoirleach: I tried my best to stop him.

Deputy Martin Mansergh: That was after he had spoken for about five minutes. While I am supportive in broad principle, it is subject to the Government having money to do it and taking into account the many other pressing demands. There is also an issue about what interest the banks might charge in the particular circumstances. The jury is still out on that. The Government is in discussion on the matter.

Senator Joe O'Reilly: I wish to ask a brief question of the Minister. Does he consider that if a farmer had a——

An Leas-Chathaoirleach: That matter relates to a different section.

Senator Joe O'Reilly: No, it does not.

An Leas-Chathaoirleach: Is amendment No. 3 being pressed?

Senator Joe O'Reilly: If a farmer owes tax, he must pay interest. Should the reverse not apply?

An Leas-Chathaoirleach: That is an issue for a different section. Is amendment No. 3 being pressed?

Senator Liam Twomey: No.

Amendment, by leave, withdrawn.

Question proposed: "That section 1 stand part of the Bill."

Senator Joe O'Reilly: Senator Burke raised a matter with me in informal discussions that I know he is concerned about but his role as Leas-Chathaoirleach precludes him from participating in the debate. The matter he would wish to raise, and on which I empathise and take a strong view, relates to local authority members. Under the legislation they will pay the pension levy. Does that mean there is an implicit——

Deputy Martin Mansergh: On a point of clarification, does Senator O'Reilly mean members or officials?

Senator Joe O'Reilly: I refer to members. They will pay the levy on their salaries. Does that mean there is an implicit acceptance that there will be a pension scheme for local authority members, for which they have justifiably lobbied for a long time? Surely we are conceding the principle if we are going to levy them for a pension. I accept the Minister cannot announce the detail of the scheme today but I would welcome his acceptance in principle that councillors would be paid pensions and the detail can be arranged over time.

An Leas-Chathaoirleach: I call Senator Alex White.

Senator Alex White: I did not indicate, but I am just as interested in the response to that insightful question.

Senator Liam Twomey: I am sure there would be broad support for such a measure.

Senator Joe O'Reilly: I note my colleagues on the Opposition benches may support this also.

Deputy Martin Mansergh: I would be second neither to the Leas-Chathaoirleach nor Senator O'Reilly in my deep respect for the contribution made by councillors and members of local authorities. Prior to my current office, as a Member of this House and the other House, I expressed sympathy with the medium to longer term aim of them becoming pensionable. Speaking on a personal basis, I have little doubt it will come about in due course. However, if I am to adopt a strict construction of the Bill, it would be reading far too much into it to read any commitment whatsoever to introduce such a scheme.

The Minister introduced an amendment on Committee Stage of the Bill in the Dáil to clarify that members of local authorities were covered by the definition of public servant under the Act. While there is an argument that they were covered by the definitions in section 1 there is a doubt that they are referred to as members in the Local Government Act 2001 and it was not clear if a member held an office or position. On the advice of the Attorney General it was considered prudent, therefore, to include them specifically in the definition of public servants. As of now, they are not members of a public service pension scheme but the criteria in the Bill are wider than just membership of a public service pension scheme. Members of a local authority receive a gratuity under the local authority members' gratuity regulations 2002. One of

the provisions under which the regulations were made is section 142 of the Local Government Act 2001, which relates to superannuation. The gratuity would therefore fall under section 2(1)(b)(ii) of the Bill and the recipients would be subject to the deduction. That is the state of play, as established by the Bill.

Senator Joe O'Reilly: I take encouragement from the acceptance by the Minister of the principle and our ambition to get the pension in place.

Deputy Martin Mansergh: I must clarify that what I stated was on a personal basis and corresponds to what I said as a Senator or Deputy. I am not speaking in an official capacity. As a junior member of the Government I am not making any *ex cathedra* pronouncements.

Question put and agreed to.

SECTION 2.

Amendment No. 4 not moved.

Acting Chairman (Senator Dan Boyle): Amendment No. 6 is an alternative to No. 5 and they will be discussed together.

Senator Alex White: I move amendment No. 5:

In page 6, between lines 26 and 27, to insert the following subsection:

“(3) No deduction shall be made under this section in respect of a person whose remuneration is below €18,000 per year.”.

The amendment speaks for itself in seeking to exclude from the remit of the levy persons whose remuneration is less than €18,000 per annum. This issue also arose the last time we were dealing with an income levy, and this is in fact an income levy. It arose in the autumn in respect of the previous levy. The Minister and the Government agreed to vary and amend the terms of the levy to exclude persons earning below a particular salary from being captured by it, even though that was not included in the original measure. The same argument applies in this case.

The Minister of State became a little frustrated earlier in respect that Members are raising questions, problems and anomalies and he said the Government must raise the revenue. I do not know the history of taxation as a means of raising revenue and ensuring equity in an economy in detail but it is long. Over and over again, the Minister of State and the Government are running into roadblocks with this measure. They will not be prevented from passing the measure but the roadblocks relate to logic and consistency. The most recent issue raised by Senator O'Reilly is only one such example. Earlier the Minister of State gave a general account of the categories of persons captured by the levy and the overall rubric was persons who were members of a public service pension scheme. When Senator O'Reilly raised the issue relating to local authority members, the Minister of State had to clarify that other categories of persons were affected. It transpires a local authority member must pay the levy because he or she is paid a gratuity. The relationship, therefore, between this levy and the question of pensions is fading to such an extent that it has virtually disappeared because it is no more than tenuous.

Why cannot we face up to the fact that this is essentially at root, as the Minister of State acknowledged, a revenue generating measure? Can we not recognise that we do not have to reinvent the wheel in respect of raising revenue across the community because we have a taxation system? I accept the urgent need to raise revenue. I will not beat around the bush because I recognise this is as plain as a pikestaff. We can argue about how we arrived at this

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point but, manifestly, there is a need to raise revenue. The taxation system is the tried and tested means over generations in different economies of raising revenue. It not only allows the State to raise the revenue needed, it also allows the State to do so in a progressive and fair manner. The Government has become entangled in various levies. Questions were raised about the lower paid and the Government must go back to the drawing board to take them out. However, it has now introduced a pension levy, which is a tax that dare not speak its name. Why does the Government not push all the nonsense off the table and say it wants to discuss raising revenue in a fair and progressive manner? We have a taxation system with which to do that.

Clearly, taxes need to be, and should be, increased in this circumstance fairly and equitably across the board. I have repeatedly stated a proper mix of taxes is needed relating to property, income and so on. I do not accept that is purely a technical question for the Commission on Taxation. I admire many of its members but that is fundamentally a political question. There is no bigger political question to be dealt with taxation and public expenditure. First, what public services do we want? Second, how are they paid for? Third, how will the taxation system, which has evolved over many years under Governments of various colours and persuasions, be used?

The amendment addresses people who earn less than €18,000 annually and, clearly, they should be excluded from the measure. Deputy Bruton pointed out in the Lower House that on the basis of the Government's statistics, only 20,000 workers earn less than this amount. Why can they not be taken out of the picture? The Minister of State will refer to banding and the technical aspects of the system when he replies. However, this points up the absurdity of the Government parties allowing themselves to be entangled in levies. What will be the next levy? The Minister does not need to reinvent the wheel because a taxation system is in place.

Senator Liam Twomey: I concur with Senator White.

Deputy Martin Mansergh: I am not conscious of having used the phrase, "raising revenue". I referred a great deal to cutting and reducing expenditure, which is not the same. In a strict technical fashion, the word used in the legislation is "deduction", as the word "levy" is a little loose and has given rise to the comments made by Senator White.

There is the overriding need to reduce public expenditure of which public service pay is a significant element. In that context, it is necessary to secure the optimum savings possible from the pension-related deduction and it is essential, therefore, to have the widest coverage. The principle underpinning the deduction is that it applies to all persons who are members of public service pension schemes, are entitled to benefits under such schemes or receive payments in lieu of membership of such schemes. The deduction is in recognition of the preferential pension terms that all public servants enjoy compared to the generality of their private sector counterparts both in terms of security and terms available. The Minister has tried to the greatest extent, consistent with the need to reduce significantly the public service pay bill, to ameliorate the effects on lower paid public servants through the banding approach. Public servants in the pay category mentioned are part-time employees.

This also applies to the minimum wage. It is a fallacy to assume part-time employees and those who take up part-time employment on the minimum wage are necessarily the poorest of the poor or from the lowest income categories. People from all social classes may be in that category.

Senator Alex White: The Minister of State's comments will not alter my views but I will not pursue this further.

Amendment put and declared lost.

Senator Liam Twomey: I move amendment No. 6:

In page 7, between lines 6 and 7, to insert the following subsection:

“(4) Where a person's remuneration does not exceed €18,304, the amount shall be reduced by 50 per cent.”.

Amendment put and declared lost.

Senator Alex White: I move amendment No. 7:

In page 7, between lines 15 and 16, to insert the following subsection:

“(6) Notwithstanding the foregoing provisions of this section, payments which are not reckonable for pension purposes are not to be liable for pension levy deductions under this section.”.

Amendment put and declared lost.

Section 2 agreed to.

Acting Chairman: As it is now 2 p.m., I am required to put the following question in accordance with the order of the Seanad of this day: “That each of the sections undisposed of is hereby agreed to, that the Schedule and the Title are hereby agreed to, that the Preamble is hereby agreed to, that the Bill is accordingly reported to the House without amendment, that Fourth Stage is hereby completed and that the Bill is hereby received for final consideration and passed.”

Question put.

The Seanad divided: Tá, 24; Níl, 15.

Tá

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Callely, Ivor.
Carty, John.
Cassidy, Donie.
Corrigan, Maria.
Daly, Mark.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.
Keaveney, Cecilia.

Leyden, Terry.
McDonald, Lisa.
Ó Domhnaill, Brian.
Ó Murchú, Labhrás.
O'Brien, Francis.
O'Donovan, Denis.
O'Malley, Fiona.
O'Sullivan, Ned.
Ormonde, Ann.
Phelan, Kieran.
Walsh, Jim.
White, Mary M.

Níl

Bacik, Ivana.
Buttimer, Jerry.
Coffey, Paudie.

Donohoe, Paschal.
Fitzgerald, Frances.
Healy Eames, Fidelma.

Níl—*continued*

McFadden, Nicky.
Norris, David.
O'Reilly, Joe.
O'Toole, Joe.
Regan, Eugene.

Ross, Shane.
Ryan, Brendan.
Twomey, Liam.
White, Alex.

Tellers: Tá, Senators Camillus Glynn and Labhrás Ó Murchú; Níl, Senators Paschal Donohoe and Liam Twomey.

Question declared carried.

Financial Emergency Measures in the Public Interest Bill 2009: Motion for Earlier Signature.

Senator Donie Cassidy: I move:

That, pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Financial Emergency Measures in the Public Interest Bill 2009 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to her.

Question put.

The Seanad divided: Tá, 25; Níl, 15.

Tá

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Callely, Ivor.
Carty, John.
Cassidy, Donie.
Corrigan, Maria.
Daly, Mark.
de Búrca, Déirdre.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.
Keaveney, Cecilia.

Leyden, Terry.
McDonald, Lisa.
Ó Domhnaill, Brian.
Ó Murchú, Labhrás.
O'Brien, Francis.
O'Donovan, Denis.
O'Malley, Fiona.
O'Sullivan, Ned.
Ormonde, Ann.
Phelan, Kieran.
Walsh, Jim.
White, Mary M.

Níl

Bacik, Ivana.
Buttimer, Jerry.
Coffey, Paudie.
Donohoe, Paschal.
Fitzgerald, Frances.
Healy Eames, Fidelma.
McFadden, Nicky.
Norris, David.

O'Reilly, Joe.
O'Toole, Joe.
Regan, Eugene.
Ross, Shane.
Ryan, Brendan.
Twomey, Liam.
White, Alex.

Tellers: Tá, Senators Camillus Glynn and Labhrás Ó Murchú; Níl, Senators Paschal Donohoe and Liam Twomey.

Question declared carried.

An Leas-Chathaoirleach: When is it proposed to sit again?

Senator Donie Cassidy: Ag 2.30 p.m. ar an Mháirt, 3 Márta 2009.

Adjournment Matters.

Hospitals Building Programme.

Senator Eugene Regan: A proposal for the redevelopment of the National Rehabilitation Hospital in Dún Laoghaire was included in the National Development Plan 2007-2013. This was confirmed by the Department of Health and Children on 23 January 2007. No objections were lodged to the application and planning permission for the redevelopment was granted by Dún Laoghaire-Rathdown County Council on 4 September 2008.

The project, which will cost €200 million, provides for a new facility that will be funded by the Health Service Executive. The redevelopment will allow for an almost doubling of capacity to 235 beds. This arises in response to the increased demand for rehabilitative treatments and will constitute a centre of excellence in the field of medical rehabilitation. It is an important project, both for the area and nationally. In view of the precarious state of the public finances and notwithstanding the granting of planning permission, I am anxious to hear that this vital project will continue to be funded by the Government in the context of the national development plan. A clarification from the Minister of State, Deputy Mansergh, in this regard would be most welcome to all concerned.

Minister of State at the Department of Finance (Deputy Martin Mansergh): I thank Senator Regan for raising this issue. I take this Adjournment matter on behalf of my colleague, the Minister for Health and Children, Deputy Harney. It is a subject in which I have some interest. During parliamentary sessions, I live in the part of the city in which the National Rehabilitation Hospital is located. People throughout the State are referred to the facility.

I am pleased to have the opportunity to outline the position regarding the proposed development of the hospital. It is a highly regarded institution that plays a key role in the overall provision of specialised treatment and rehabilitation for patients with spinal cord injuries, head injuries, amputation, traumatic and non-traumatic brain injury, strokes and neurological disorders. It provides pre-vocational and vocational training programmes involving a wide range of social, personal and work related skills with a view to enhancing opportunities for each individual for further training, employment and educational options. It also provides assessments for people in need of wheelchairs and other mobility aids. The hospital has a capacity of 120 beds. In addition, a 12-bed hostel enables patients from outside the greater Dublin area to access day services at the hospital and attend the rehabilitative training unit.

Detailed proposals have been prepared by the National Rehabilitation Hospital for the development of a new expanded hospital on the current site with a view to increasing both its bed capacity and diagnostic capabilities. The Department of Health and Children and the Health Service Executive are aware of, and have been involved in, ongoing discussions with the National Rehabilitation Hospital regarding its development proposals. As the Senator observed, the project was included in the 2007 capital plan up to pre-tender stage. In May 2008, approval was granted by the Health Service Executive for the project to progress to tender stage. I am advised that tenders from selected contractors have since been received by the hospital.

Clearly, development proposals such as this must be considered within the context of an overall policy for the delivery of the relevant service. In the case of rehabilitation, there is an increasing demand, not just in Dublin but throughout the State, for new services and enhancement of existing services. Against this background, in July 2008 the Department of Health and Children and the Health Service Executive established a working group to develop a policy for

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the provision of rehabilitation services. Its terms of reference include the development of an appropriate policy framework for rehabilitation and a preferred model of care for the provision of rehabilitation services. We must ensure the proposed development at the National Rehabilitation Hospital is in keeping with any future policy direction determined by the Minister in light of the work of this group. The group is due to report later this year. The Senator will also appreciate that the pace at which this project can progress depends upon the overall capital budget for health and other competing health projects. The Health Service Executive's capital plan for 2009, which reflects its revised capital allocation, is currently being considered within the Department of Health and Children and will be submitted to the Minister in the near future.

To summarise, the proposed development will be considered further in light of the findings and recommendations of the group which is currently reviewing national policy for the provision of rehabilitation services, available health capital funding and other competing investment priorities. I can assure the Senator that the Government will continue to develop public health services, including rehabilitation services, in a way that delivers the best possible outcomes within the resources available. Speaking personally, I hope the project will come to fruition as originally envisaged.

Senator Eugene Regan: The question was very specific and the response was general. It does not throw much light on the subject. The project has gone to tender and tenders have been received. How can this be advanced if a new group is to report on the overall issue of rehabilitation services at the end of the year? Tenders have been received and the matter has now stalled. The Minister of State is saying that no assurance can be given that funding will be available for this project.

Deputy Martin Mansergh: Across many fields projects are in an advanced state of planning and a shortlist of tenderers has been selected. In most cases, but not all, the projects will go ahead but not at the pace envisaged in earlier financial circumstances. My reply was moderately positive, without the guarantee that Senator sought.

Senator Eugene Regan: I thank the Minister of State for his reply and that last assurance that matters will progress.

School Accommodation.

Senator Joe O'Reilly: Cuirim fáilte roimh an Aire Stáit. St. Aidan's comprehensive school in Cootehill was one of the first three comprehensive schools built by the Government in 1966. It is the flagship school for the comprehensive philosophy of education in providing an education for all in the local community whatever their background. It is the only post-primary school in an area classified as disadvantaged yet the school itself does not enjoy the benefits of disadvantaged status.

The school draws students from 18 feeder schools in a large rural hinterland. The current enrolment is in excess of 510 and it employs a staff, including full-time and part-time, of 45 teachers and ten ancillary staff. In 2008 the school was rated joint second in the county with regard to numbers entering third level education. It is a well-run school with an excellent teaching staff, principal and deputy principal. It has the confidence of the local community.

An application for a refurbishment and extension project was made by the school management in 1998. Some 11 years later, despite frequent efforts to move this project forward, no progress has been made. In 2006, the board of management was sufficiently concerned about the state of the school buildings that it commissioned a health and safety audit of the school building. The resulting 2007 report identified a number of areas of major concern. The first

was the roof. The number of significant leaks are a constant health and safety risk from falls and electrical wiring short-circuiting. A roofing consultant's report recommended that the roof be replaced. Continuous leaks have led to the growth of mould in a number of areas and this is a major health and safety concern.

The heating system consists of a 17 year old boiler with no backup and radiators that no longer work properly and cannot be vented. The system has failed on occasions, necessitating the sending home of students. The original pipework is gun barrel and has been completely corroded in places. Repair of underfloor leaks have only resulted in fresh leaks in other sections of the system. A heating consultant has recommended that a new heating system be installed. Many of the rooms are now heated by stand alone oil filled electrical radiators. The building does not meet current standards for insulation because of its age and suffers from significant heat loss as a result. The building is over 40 years old.

The school was originally designed with large windows on every side of the building. These windows are all single glazed and have non-toughened glass. This has been identified as a health and safety hazard throughout the school. The loss of heat from this single glazing and poorly fitted windows is enormous with a direct impact on increased running costs on the already stretched school budget.

The PE hall does not meet the Department of Education and Science size requirements at a time when the Department of Education and Science is introducing PE as an examination subject and significant attention is focussed on trying to encourage young people to live a healthy, active lifestyle. Practical rooms for woodwork and engineering do not meet the Department of Education and Science guidelines on size and storage space.

Minor repairs have been dealt with, within the constraints of the school budget and with the support of the parents' association. An ageing building with no significant refurbishment of the basic fabric continues to incur significant repair and maintenance costs, putting pressure on the school budget and taking away from the provision of other materials and services for the children. The recent financial cutbacks in the budget will result in even less monies being available for the upkeep of the building.

The school is firmly rooted in the community and is a resource for local people who use this school for a variety of activities including adult education classes, FÁS training programmes, English language classes, training of sports teams and coaching courses etc. Abbot Ireland, a significant employer in the area, has stressed the need for well educated young people with skills in science and technology in particular. The company is very supportive of St. Aidan's refurbishment and extension project as it has benefitted from the high standard of education provided by the school at all levels of the organisation. The fabric of this building has deteriorated and due to its age there is major concern with regard to health and safety and non-compliance with the Department of Education and Science guidelines.

Our young people are our future, they deserve an environment that is healthy and safe in which to learn. This refurbishment and extension project is now 11 years overdue. Work was done on science laboratories in 2007 and on metalwork and woodwork rooms and the flat roof, as was done on all schools nationally. A consultant's report has since stated that the entire roof needs replacement. This is a serious crisis for an excellent school and community. The building is out of date in a modern context. I appeal to the Minister of State to take this matter seriously.

Deputy Martin Mansergh: I am taking this Adjournment matter on behalf of my colleague, the Minister for Education and Science, Deputy Batt O'Keeffe. I thank the Senator for raising this matter. It is clear from his presentation that issues must be addressed. He has provided me with the opportunity to outline to the House the Government's strategy for capital invest-

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ment in education projects and the current position of St. Aidan's comprehensive school, Cootehill.

Modernising facilities in our existing building stock, as well as responding to emerging needs in areas of rapid population growth, is a significant challenge. The Government has shown a consistent determination to improve the condition of our school buildings and ensure that the appropriate facilities are in place to enable the implementation of a broad and balanced curriculum. The emphasis, however, will continue to be on new schools and extensions to provide additionality in rapidly developing areas.

All applications for capital funding are assessed in the planning and building unit of the Department. The assessment process determines the extent and type of need presenting based on the demographics of an area, proposed housing developments, condition of buildings, site capacity etc. leading ultimately to an appropriate accommodation solution. As part of this process, a project is assigned a band rating under published prioritisation criteria for large-scale building projects. These criteria were devised following consultation with the education partners.

Projects are selected for inclusion in the school building and modernisation programme on the basis of priority of need. This is reflected in the band rating assigned to a project, in other words, a proposed building project moves through the system commensurate with the band rating assigned to it. There are four band ratings overall, of which band one is the highest and band four is the lowest. Band one projects, for example, include the provision of buildings where none currently exists, but there is a high demand for pupil places, while a band four project provides for desirable, but not necessarily urgent or essential, facilities, such as a library or a new sports hall.

With regard to St. Aidan's comprehensive school, the brief for this extension and refurbishment project is to provide accommodation for a long-term projected enrolment of 650 pupils. The project, which has been assigned a band rating of 2.4, is in early architectural planning. The Department's technical staff have visited the school to determine the appropriate schedule of accommodation. However, given the competing demands on the Department's capital budget, it is not possible at this stage to be precise about when this project will go to construction.

The progression of all large-scale building projects, including this project, from initial design stage through to construction, is dependent on the prioritisation of competing demands on the funding available under the Department's capital budget. The project for St Aidan's will be considered in the context of the Department's multi-annual school building and modernisation programme. In the meantime, staff in the Department are carrying out a detailed examination of the application from St. Aidan's with a view to approving funding to carry out very urgently required improvement works to the school building as soon as possible. These were outlined by the Senator. The Department will be in contact with the school as soon as this examination is completed.

The allocation for school buildings in 2009 is €581 million, which represents a significant investment in the school building and modernisation programme. This level of funding for the building programme, at a time of great pressure on public finances, is a sign of the real commitment of the Government to investing in school infrastructure and will permit the continuation of progress in the overall improvement of school accommodation. The Senator will also be aware that under the recovery plan announced recently by the Taoiseach, a further €75 million has been allocated to the schools building programme for 2009.

I thank the Senator again for giving me the opportunity to outline the current position regarding the school building project for St. Aidan's comprehensive school. I have visited schools in a similar condition, mainly in my constituency, and recognise only too well the conditions described by the Senator. Like him, I would like to see those short-term and longer-term problems addressed as soon as possible.

Senator Joe O'Reilly: I thank the Minister of State for his comprehensive reply and welcome the fact that the very urgently required improvement works to the school building will be done as soon as possible. The emergency works will need to be substantial and, having gone through the building, I know it is in bad condition. I would like a commitment to the entire project as soon as possible because the building is approximately 45 years old and the wear and tear of 500 or 600 students on an annual basis means it has suffered the effects of time and needs repair.

I welcome the specific commitment but I am still concerned that there is a level of generality about the other one. I will take the Minister of State's bona fides but I urge the Department to get in there and do a comprehensive job soon.

Deputy Martin Mansergh: In response to the Senator's first point, as I understand it, the summer works scheme is back in action again this year, having been suspended last year, and it may be in a position to address some of the more immediate problems faced by the school.

Senator Joe O'Reilly: That would be in addition to the outlined commitment.

Crime Prevention.

Senator Cecilia Keaveney: I thank the Minister of State, Deputy Martin Mansergh, for being here to take this Adjournment matter on behalf, I presume, of the Minister for Justice, Equality and Law Reform. His portfolio is not unrelated to the topic or irrelevant to the issue; he may be central to it.

In recent months and in particular from Christmas onwards, there has been a substantial number of burglaries on the Inishowen peninsula. The activities have encompassed a number of different types of burglary but in the main, people who have been asleep in their homes have woken in the morning to find someone has been in the bedroom with them, taken engagement rings and money and ransacked the premises. Around Christmas, even something as small as Christmas cards that had not yet been posted were taken out and emptied in the street, with the thieves looking for money in the cards. That is the level of privacy invasion that has taken place.

There have been multiple incidents and because of this, and the inability of the gardaí to bring anybody to book for the burglaries, a mood of great fear and trepidation has become evident in the community. The community I represent has 33,000 people, with a population similar to Louth and a geographical area similar to Leitrim — it may be *vice versa* as I frequently mix them up. The problem is that there is only one 24-hour Garda station in Bunrana and one is under construction. That exceptional premises will be opened in the middle of this year and it will be a great asset.

A number of years ago I gained a commitment from the Government to ensure we would have a 24-hour presence in north Inishowen, with the physical manifestation being a Garda station in Carndonagh, built at the same time and possibly under the same contract as Bunrana. However, in Bunrana the build is nearing completion and we still have not acquired a site for the station in Carndonagh.

This is not the core of the problem but it contributes to community unease. The 24-hour presence of the Garda in Inishowen would be more visible if there was a base from which to

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work. I appreciate the work done by gardaí to ensure they bring to book the people carrying out these robberies, but I am very concerned because there are a number of people out on rotas. In some areas there are 44 people and in others there are 22 on such rotas to go out as what some might call vigilantes. These people see it as protecting their own communities. There is anecdotal evidence that these people are armed with pickaxes and there is mention of them being more significantly armed.

This is a disaster waiting to happen. Communities should not take the law into their own hands, but there is such fear and trepidation in rural areas that communities are coming together in this way and manifesting their presence where they feel the gardaí have been unable to apprehend culprits. That is the reason I ask the Minister of State to outline the current position regarding the community alert and the neighbourhood watch programmes. Has the operation of the Garda Reserve been extended throughout the country? Are people encouraged to join the reserve and the policing partnerships. I am a member of the policing partnership in Letterkenny. I signed up to serve on the policing partnership in Buncrana under the Buncrana Town Council. What is being done to get the message across that a constructive way of supporting one's community is to get involved in the community alert programme or the neighbourhood watch programme, feed the information one receives back to the Garda and support the gardaí in their work? I am not completely satisfied with the Garda response in this respect because a number of people brought issues to the attention of the gardaí that have not been followed through by them.

This is a two-way process. I ask the Minister of State, as the Minister with responsibility for the OPW, and acting on behalf of the Minister for Justice, Equality and Law Reform, to improve the Garda presence in the area by the provision of a physical building. Furthermore, I have asked the gardaí in the region to improve their contact and communication with the people on whose behalf they work.

While people in the area have not taken the law into their own hands, I am concerned because they are well organised and carry out patrols and checkpoints. This is not the way community policing should operate. Will the Minister of State give an update on what has been done and what can be done to support the neighbourhood watch programme, the community alert programme, the Garda Reserve and the local policing authorities? That is the way these issues should be channelled.

I recognise there are difficulties in acquiring a site for Carndonagh Garda station. I asked the Minister of State questions about it recently and I ask that the work involved be brought to a conclusion very soon. If it is decided to proceed on the basis of the current site, work on it should proceed. If it is decided not to do so, there are many opportunities to buy property or sites at a much lower price now than was possible last year. I want there to be a 24-hour Garda presence in Carndonagh so that the Garda can lead in security matters and members of the community can feel secure in their beds at night and not be terrorised by a small number of people because that is not what community life in Donegal is about. I look forward to the Minister of State's response.

Deputy Martin Mansergh: I thank the Senator for raising this matter on the Adjournment. I can confirm she has raised with me various matters relating to Carndonagh in the recent past.

The Garda Reserve is a part-time volunteer force that was established in August 2006. In particular, the reserve was established to enhance the links between the Garda Síochána and local communities through the deployment of locally recruited volunteers who operate in support of full-time gardaí. To date, 493 members have been recruited to the reserve. There are currently 327 attested reserve gardaí with a further 111 at various stages of training. A total of

23 attested members of the Garda Reserve have gone on to become full-time members of the Garda Síochána. A total of eight trainee garda reserves have also gone on to join the full-time force.

I am satisfied that significant progress has been made in terms of the recruitment and appointment of members of the Garda Reserve. In particular, it must be borne in mind that recruits to the reserve are required to undergo an extensive programme of training which includes periods of assignment to Garda stations. The Government is strongly committed to the development of the reserve. Recruitment to the reserve is continuing and regular promotion campaigns to attract reserve members are being undertaken.

It is clear that the reserve has provided and will continue to provide a valuable contribution to the Garda Síochána and to the many communities where it is operating. In particular, I express my appreciation to the members of the reserve who serve on a voluntary basis and give of their time very generously.

The establishment of the community alert programme by Muintir na Tíre in 1985 was an important milestone in the life of rural communities in this country. I recently attended a celebration of the work of Muintir na Tíre, which was founded in Tipperary 70 years ago by Canon John Hayes, who was a curate in Tipperary and then the parish priest in Bansha. Muintir na Tíre has done great work in terms of helping communities to help themselves.

The community alert programme successfully harnessed the community spirit and neighbourliness which has traditionally been a cornerstone of Irish life. The success of the programme lies in the fact that it is community driven and is flexible in serving the needs of local communities. Issues of local importance are identified by local volunteers and they are addressed collectively in partnership with the Garda Síochána. The programme is one of the most important elements in the fight against crime in rural areas. Throughout the country local residents are being encouraged to establish community alert schemes assisted by local gardaí. I understand that there are now 1,341 community alert schemes nationwide.

I am pleased that the Department of Justice, Equality and Law Reform has been in a position to contribute significant amounts over the years towards the annual costs of operating the programme. Since 2004 the Department has provided funding of €845,000. The Department's funding covers the costs associated with running the programme, which include salaries, travel and subsistence costs of the regional co-ordinators, staff training and administration. It is money well spent. Resource material, including booklets, stickers and survey and related material, is provided by the Garda Síochána.

Engagement with the rural community and rural policing are priorities of the Garda Síochána. Senior Garda management specifically monitors resources and policing initiatives to ensure that the service being provided is continuously improving. Crime prevention officers are also available to offer security advice to residential and business groups and they regularly provide such advice through local media outlets, newspaper and radio broadcasts. I have attended such sessions and I can confirm that they can be very useful and informative.

On 26 January this year, the Garda Commissioner and the Minister launched a new Garda national model of community policing. The model builds on the success of existing good community policing practice and aims to foster collaborative partnerships between the Garda Síochána and members of the community. A comprehensive model of community policing will ensure that enforcement will be employed not only to reduce crime but also to reduce the fear of crime and ensure a better quality of community life for all. To demonstrate the importance attached to this initiative, the Garda Commissioner has nominated a deputy commissioner to act as the organisation's community policing champion to ensure that the culture and ethos of community policing is led from a very high level in the organisation.

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Another very important partnership between the Garda Síochána and the local community is the neighbourhood watch programme. It was established in 1985 as a crime prevention and community safety programme for urban areas. It promotes community participation and good citizenship at a time when sections of our community are in danger of becoming marginalised. Its importance lies in reducing opportunities for crime by improving personal and home security and fostering a community spirit where neighbours look out for each other. The programme is administered by the Garda Síochána through the Garda community relations division and the associated costs are funded through the Garda Vote. In addition, resource materials are provided by the Garda Síochána.

Senator Cecilia Keaveney: I thank the Minister of State for his response. The community alert and neighbourhood watch programmes were commenced, as the Minister of State said, in 1985 and, therefore, it was important that in January this year the Minister launched a new Garda national model of policing, as I am sure matters have changed quite a bit since 1985.

In regard to the Minister of State's remit, I request him to ensure that the work progresses on Carndonagh Garda station. While recognising that the regional commander for the north west met the Inishowen forum, I ask the Minister of State to convey to the Minister for Justice, Equality and Law Reform that we would be happy for the deputy commissioner, who acts as the organisation's community policing champion, to visit us in Inishowen. While people will consider what I am talking about to be petty crime, 32,000 people in the area are genuinely fearful and many of them are afraid to sleep at night. Some elderly people sleep during the day and stay up all night in case they become a victim of crime. Logistically, we know that does not make sense but that is what people are doing. I ask the Minister of State to ask the commissioner charged with community policing to visit Inishowen to hear first hand the people's real fears, even if they only amount to petty crime. I am sure members of the community would be more than anxious to exchange their positive and less positive views on what has been happening in the area and what can be done to improve the community policing model for places like my own.

Deputy Martin Mansergh: I will certainly communicate the Senator's desires and requests in that regard to the Minister for Justice, Equality and Law Reform.

The Seanad adjourned at 3 p.m. until 2.30 p.m. on Tuesday, 3 March 2009.