

SEANAD ÉIREANN

Dé Céadaoin, 15 Nollaig 2010.
Wednesday, 15 December 2010.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.

Prayer.

Business of Seanad

An Cathaoirleach: I have received notice from Senator Maria Corrigan that, on the motion for the Adjournment of the House today, she proposes to raise the following matter:

The need for the Minister for Health and Children to allow a community welfare officer to be assigned to the Leopardstown-Ballyogan health centre as a matter of urgency, given the significant increase in population and subsequent increase in demand.

I have also received notice from Senator Brian Ó Domhnaill of the following matter:

The need for the Minister for the Environment, Heritage and Local Government to ensure island residents will be allowed to cast their votes on the same day as other citizens of the State in all future elections.

I have also received notice from Senator Jerry Buttimer of the following matter:

The need for the Tánaiste and Minister for Education and Skills to make a statement on the construction of a new primary school in Ballygarvan, County Cork.

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

The need for the Minister for Health and Children to outline the current status of youth councils and the plans, if any, she has for their development.

I regard the matters raised by the Senators as suitable for discussion on the Adjournment. I have selected the matters raised by Senators Corrigan, Ó Domhnaill and Buttimer and they will be taken at the conclusion of business. Senator Keaveney may give notice on another day of the matter she wishes to raise.

Order of Business

Senator Dan Boyle: The Order of Business is No. 1, Social Welfare and Pensions Bill 2010, changed from Social Welfare (Miscellaneous Provisions) (No. 2) Bill 2010 — Second Stage, to be taken at the conclusion of the Order of Business and conclude not later than 2 p.m., if not previously concluded, on which spokespersons may speak for 12 minutes and all other Senators for eight minutes and Senators may share time, by agreement of the House, with the Minister to be called upon ten minutes before the conclusion of Second Stage for closing comments;

[Senator Dan Boyle.]

No. 2, Financial Emergency Measures in the Public Interest (No. 2) Bill 2010 — Committee and Remaining Stages, to be taken at 3 p.m. and conclude at 5.30 p.m.; No. 3, statements on the current position on the Croke Park agreement, to be taken at the conclusion of No. 36 and conclude not later than 9 p.m., on which spokespersons may speak for seven minutes and all other Senators for five minutes, with the Minister to be called upon ten minutes before the conclusion of the debate for closing comments; and No. 36, Private Members' motion No. 18 re fish quotas, to be taken at 5.30 p.m. and conclude not later than 7.30 p.m. There shall be a sos for one hour between 2 p.m. and 3 p.m.

Senator Frances Fitzgerald: Last year, Fianna Fáil and the Green Party voted to end the Christmas bonus that gave those in need of a helping hand to prepare for Christmas and buy essential food and clothes for the holiday period. We were told the country could no longer afford the bonus but that if there was the slightest possibility money could be found, the bonuses would be paid. We know now those bonuses will not be paid this year either to people on social welfare, but what has emerged by way of a parliamentary question tabled by one of my colleagues is that we have a culture of bonuses being paid across the public sector. What is the response of the Deputy Leader to what has emerged today regarding the more than 100 officials in the Department of Finance who receive bonuses? Do the Green Party Ministers support the culture of bonuses and what action have they taken in that regard? Did they know about these bonuses or has it come as a surprise to them today? The situation is a reflection on the kind of Government we have had over recent years. We get only a drip feed of information on this culture and use of public money.

Yesterday when I raised the issue of the AIB bonuses, I asked what else was happening that we did not know about and what other behind the scenes agreements existed over which the Government was presiding. One day later, we have clear evidence about what has been happening. People want political reform and they are disgusted by what they hear with regard to bonuses at a time when those who are most vulnerable face cutbacks. I said in the House last week that the budget needed to be fair and equitable. What we have heard today demonstrates there is no culture of fairness or equality in the Government.

In passing, I would like to mention how the House was dealt with yesterday.

Senator David Norris: Hear, hear.

Senator Frances Fitzgerald: The Social Welfare Bill was guillotined in the House, contrary to what had been promised earlier.

An Cathaoirleach: To be fair, we complied with what was agreed on the Order of Business yesterday.

Senator David Norris: We were misled. We were told untruths. That is how——

An Cathaoirleach: We are on today's Order of Business now. What happened yesterday is different.

Senator David Norris: It was typical, however.

Senator Frances Fitzgerald: We continually hear from the Leader that he never guillotines a Bill. That is nonsense; he does it all the time.

Senator Fidelma Healy Eames: Hear, hear.

Senator Frances Fitzgerald: He did it yesterday on most important legislation involving serious decisions. We were only allowed discuss four out of 15 sections of the Bill. That is a disgraceful way to treat the House, does nothing to enhance the reputation of the House and raises serious questions about how business is conducted here.

Senator David Norris: Well said.

Senator Shane Ross: We expect and are used to AIB helping itself to money to provide bonuses and that atrocity has been exposed in the past week. However, the idea that public servants, the Department of Finance in particular, should be at the same racket is extraordinary, because these public servants are the guardians of the public purse.

Senator Jerry Buttimer: Hear, hear.

Senator Shane Ross: Of all the Departments in which this should happen, this is the worst because the Department of Finance is the one that distributes and controls the money. It makes decisions on how money is spent and about social welfare and elsewhere. Now we find that hundreds of thousands of euro are going into the pockets of some of these Department officials on the q.t. It was done quietly and we knew nothing of this. Thank God Deputy Fergus O'Dowd has exposed it, otherwise we would never have known. There is no transparency in the Department of Finance and it is helping itself to public money. How can the Government defend not paying Christmas bonuses to people on social welfare when the Department is helping itself to this money?

I do not accept the explanation which has been given that we should not be concerned because the bonuses are only going to those at the top. It is extraordinary that this should be the plea made, that it is all right because the bonuses are going to the fat cats in the Department of Finance and elsewhere in the public service, that we should not worry because we are not giving it to the guys at the bottom, only to the guys at the top. What more evidence do we need that there is a silent compact and bonus culture shared between people at the top in the banks and people at the top of the public service? It is not just there. Many times in this House Members have exposed the fact that this culture exists at the top of semi-State companies. It came out in the response to Deputy O'Dowd's question as well that there are people being paid hundreds of thousands of euro in performance bonuses which they do not merit and in some cases where their semi-State is making losses.

An Cathaoirleach: Is the Senator looking for a debate on this?

Senator Shane Ross: I am certainly looking for a debate on this. I know the Deputy Leader, because of his past history, will be sympathetic to this. We need to know what the hell is going on in the Department of Finance. It has been a kind of secret Department and its activities have been covered in secrecy for many years. Its mandarins appear before Oireachtas committees but give us no information. Now we know why. It is because they are lining their pockets with taxpayers' money and giving themselves up to €200,000 in performance related bonuses. Those in the Department of Finance deserve no performance related bonuses because it is the worst performing Department in the State. It is the Department that has us in the absolute mess we are in.

Let us see the Minister for Finance, who rightly intervened in the situation with regard to the bonus culture within AIB this week, intervene with regard to the bonus culture within his Department and ensure these bonuses are stopped. If he can stop them in AIB, he can stop them in the Department. If they have already been paid, he can get them back. He can dock their pay next year, if necessary, to ensure the Exchequer gets back what it is entitled to.

Senator Phil Prendergast: The Department of Finance reported today that one of its officials took part in 16 trips abroad with the HSE skills training fund. These trips included Australia and New York, and some of the trips took place over the week around St. Patrick's Day. An audit has found that there was no particular reason for these trips. Let me inform the House of the situation in some of our hospitals this morning where front-line staff have been cut and the Minister refuses to lift the moratorium. As of 8 a.m. today, 35 people are waiting on trolleys in Beaumont Hospital, 17 in the Mater, and 49 in Cork University Hospital.

An Cathaoirleach: Has the Senator a question for the Leader on the Order of Business. Does the Senator want a debate?

Senator Phil Prendergast: There is a legitimate cost to this. In Limerick Regional Hospital, 17 people are awaiting beds, five in South Tipperary General Hospital, nine in Waterford and 26 in Galway. This amounts to quite a number of people awaiting services. These people are sick, have been seen by a doctor and are awaiting beds at a time when millions have been spent on trips abroad to conferences on issues such as change management which are widely available in Ireland. The people awaiting hospital beds are ill. More than 100 people in the Department of the Minister, Deputy Lenihan, have received bonuses, a fact referred to by other Members on the Order of Business. It begs the question as to what is our priority.

Last night, the Leader, who never guillotines a Bill, guillotined a Bill, thereby denying us any right to debate and discuss very important issues and the opportunity to discuss the most negative Bill that has come to the House in my time here and possibly in the history of the country. That is no way to do business. It is my experience that in the week following the budget, the agenda is stuffed in order that there is no time for debate on serious issues. The Government seems to be trying to stop proper discourse in the House from having a legitimate outlet whereby people can say what they need to say. It is because those on the Government side cannot listen to what we want to say. Members on the Government side, as human beings, must be finding it very difficult to look at the system operating here, where the most disadvantaged in society are suffering because of budgetary decisions that have yet to hit them.

Yesterday, in the debate regarding the "Prime Time Investigates" programme, commentary reflected what was seen on the programme. I remind the House, however, that the care givers and companies that provide services such as these are not all bad. There are some excellent companies in the private and public sector. I would like that to be acknowledged.

Senator Joe O'Reilly: At a time when job creation is a mantra, I want to speak about job retention.

An Cathaoirleach: Has the Senator a question?

Senator Joe O'Reilly: I wish to ask about job retention on a grand scale. Quinn Group provides 6,000 jobs in Ireland and internationally, including 1,400 jobs in the area of County Cavan that Senator Wilson and I represent. Quinn Insurance, which has been in administration for more than six months, has drawn up an independently verified plan with its banker, Anglo Irish Bank, to keep the business in local ownership and save Quinn Group. This plan can work but Government intervention is needed before it can be progressed. I call for an emergency debate on this matter because if the pending purchase of Quinn Insurance by an international company is completed, Quinn Group will be in trouble and 1,400 jobs in County Cavan will be at threat. There are no bonuses in this area either in terms of employment or money. If these jobs are lost, the area will regress to the 1950s or worse. I urge the Deputy Leader to bring the issue to the relevant Ministers and facilitate a debate in this House. The plan drawn up by Quinn Insurance and its combined shareholders must be implemented immediately.

Senator David Norris: What is the taxi regulator doing? Yesterday I hailed three taxis in quick succession. I was trying to make an emergency appointment with my dentist but none of the taxi drivers had any idea where Synge Street was located. In London, every taxi driver has to pass a test of local knowledge. This cuts across any kind of prejudice because I have had good taxi drivers from various ethnic and linguistic backgrounds and I am not bothered by that. I would like to see decent taxi regulations.

I would also like the regulator to observe the law of the land. The national car test should be honoured. It is ridiculous in this day and age to force people to get rid of perfectly good and mechanically appropriate vehicles simply because they are nine years old. Taxi drivers are under such pressure that 40 suicides have occurred among them.

As there is general consensus on bonuses and junkets, it is a waste of time for me to say any more about them. Instead I ask the Deputy Leader to inquire into the proposed 116000 telephone number for missing children. This is an EU initiative to which 13 European countries have already signed up but Ireland has not yet done so. The deadline is 25 May 2011, which is international missing children's day. Senator O'Toole and I have raised the issue previously on foot of urgent appeals from a man whose sister has been missing for number of years. The reason for our failure to implement the number appears to be because it has to be operated on a 24-hour basis, requires a high level of understanding by professional trained people and gives rise to cost implications. The Irish Society for the Prevention of Cruelty to Children has made a formal application to the Government on the matter. It raises 90% of its funds and only receives 10% from statutory sources. It is being stymied because of a lack of funds. It is disgraceful that a small amount of money cannot be made available to assist the relatives of missing children and perhaps to find these children. I urge the Deputy Leader to ensure we live up to our obligation by the deadline of next May.

Senator Diarmuid Wilson: I join my colleague, Senator O'Reilly, in calling for an urgent debate on the future of Quinn Insurance and, by extension, the entire Quinn Group. As the Senator noted, Quinn Insurance was put into administration by the Financial Regulator more than six months ago. As I speak, 1,400 people in my native County Cavan and 6,500 people nationally and internationally are concerned about their futures. The Quinn family put forward a proposal that would repay Anglo Irish Bank more than €2 billion of the money it is owed over a period of seven years. I understand from media reports and information Senator O'Reilly and I obtained from concerned Irish businesses that the situation has changed over the past week and Anglo Irish Bank is now considering whether to take a partner into Quinn Insurance. If that happens, Quinn Insurance will be out of Irish ownership within months. The company's employees will lose their jobs and Quinn Group, which depends heavily on its operations working in conjunction with each other, will collapse. That is the reality. I am aware the Minister for Agriculture, Fisheries and Food, Deputy Smith, and his Cabinet colleagues have been working intensely on this for several months but we are now at the point of crisis. I call on the Minister for Finance to update this House on Quinn Insurance and the future of the entire Quinn Group and its 6,500 jobs.

Senator Paudie Coffey: Is it true that many of the bonuses now being paid out are part of the social partnership agreements? Were they agreed in the benchmarking negotiations that took place many years ago in order that compensation was paid in the form of bonuses unaccompanied by productivity targets rather than adding to already generous salaries? Social partnership brought many benefits in terms of industrial peace but we are beginning to see the downside. Senator Prendergast referred to the junkets around the globe that civil servants and union officials enjoyed as part of social partnership. Departments and local authorities have

[Senator Paudie Coffey.]

incurred unnecessary expenditure on partnership facilitation offices and officials designated to keep the peace at a huge cost to the taxpayer. The biggest farce of all is the payment of bonuses.

Three years ago, I raised the issue of the bonuses being paid to county and city managers and directors of services. When I was a local authority member, I could not find out why these bonuses were being paid or the productivity targets required for them. The truth is now coming out that bonuses were paid across the Civil Service as part of the social partnership agreements. At a time when bonuses are being cut for the most vulnerable and those on the bread line and graduates are being asked to work for nothing in schools and offices around this country, we want truth and transparency.

Senator Ivor Callely: I note with interest the concerns expressed by my colleagues regarding procedures, fair or otherwise, especially for those who provide or receive services such as bank officials and the elderly.

I asked the Leader previously to review our structures to accommodate topical debate in our weekly schedule. I do not know what progress has been made with the other group leaders in that regard but will the Deputy Leader ensure that when the HSE concludes its investigation into the care of the elderly, we have a one or two day debate on the care of the elderly? If at all possible, will the Deputy Leader give me a positive response to my request for that debate early in the new year?

I draw the Deputy Leader's attention to a report in today's newspaper that a developer being pursued by a bank collapsed in court yesterday. This is not the only time that has happened. We all know the economic recession has broad implications and impacts on individuals in a variety of ways but there are serious consequences on mental and physical health. I take this opportunity to congratulate my colleague, Senator Mary White, on the good work she has done on mental health. There are clear indications of an increase in self-harm and suicide. It is very regrettable and it is impacting on every parish and almost every family.

In light of the concerns about suicide, will the Deputy Leader arrange a debate on it? I take this opportunity to pay tribute to those involved in suicide prevention, such as the Samaritans, who are doing a tremendous amount of good work at this time.

Senator Dominic Hannigan: I join colleagues in expressing my annoyance at the guillotining of the legislation last night. We all agree that rushed legislation can potentially be bad legislation and I hope it does not come back and bite the Leader. We should have allowed much more time for that debate.

I was surprised to read about the performance bonuses which will be paid to many people in the public sector. As somebody who comes from the private sector, I would be very surprised to see these bonuses paid as a matter of course. I have no problem with bonuses being paid when they are performance driven and when the individuals have added value in the course of their work. However, a bonus should not be paid to somebody as a matter of course, and many people would agree with me. Will the Deputy Leader look into this?

One gentleman will receive a bonus of €200,000. That will be particularly distressing for those who have lost the social welfare Christmas bonus. That one bonus is equivalent to 1,000 social welfare Christmas bonuses. It is most unfair and is not the way we should operate. The Deputy Leader is a good man and I ask him to pass on the concerns of myself and other Members and to see if there is a way we can claw this back.

Senator Marc MacSharry: I too am appalled at the thought of bonuses being paid at this time. I am all for performance-related remuneration but I am afraid that in advance of a complete reorganisation of the public sector and the implementation of established efficiencies, I do not agree with the payment of bonuses. I hope the Deputy Leader will raise the matter with the Minister for Finance.

I wish to bring another important issue to the attention of the House. I received a letter this week which I gather was a direct mail shot by a company called Elite Financial Marketing Ltd in which it was trying to source investors. Presumably, there is some kind of a broker house in the UK seeking investors in various stocks and shares. The letter stated in bold red letters “FACT: Dublin’s debt is expected to soar from 25% of GDP in 2006 to 110% in 2012, meaning the country will be officially bankrupt.” That is absolutely incorrect.

On the day the United Kingdom is contemplating legislation to give support to this nation, the Deputy Leader should make contact with the office of the British ambassador and ask that he raise this issue immediately with this so-called Elite Financial Marketing Ltd whose letter-head states it is regulated by the financial regulator and data protection commissioner in the United Kingdom. It is disgraceful in the extreme that anybody would preside over a direct mail shot of this kind at this time. To state that this country is bankrupt is fundamentally incorrect. For Deputy Burton to say this country is banjaxed, to call it an economic corpse or to use any such language is seriously damaging.

The people can justifiably look to the future with hope. I said many times that I have confidence in the resilience of this nation, irrespective of who is in government, and it is disgraceful in the extreme that this so-called Elite Financial Marketing Ltd is allowed access to the people and to put lies in writing. Will the Deputy Leader make contact today with the office of the British ambassador to raise this disgraceful abuse of access to the people?

Senator Fidelma Healy Eames: I felt sick to my stomach when I read this morning that more bonuses were to be paid to officials in the Department of Finance. I was on the train from Galway yesterday when a man from Ferbane in the Cathaoirleach’s county said to me that many people are hungry but are too proud to ask for help. We then see that this Government continues to work undercover and behind our backs. As Senator Fitzgerald asked yesterday, how much more of this sham is going on?

An Cathaoirleach: Is the Senator looking for a debate?

Senator Fidelma Healy Eames: What did these officials in the Department of Finance do to deserve these bonuses? Will the Deputy Leader ask the Leader to outline what specific tasks they did over and above their duties to deserve these bonuses? I will persist on this matter because it is very important. When others are going hungry, some people are selectively favoured. It is wrong and I am glad to hear Senator MacSharry speak against it. Until there is complete reform, there will be no trust.

Will we debate the IMF-EU deal? If not, why not? This deal defines our identity nationally as well as internationally. I fully support the Fine Gael position to renegotiate the deal within the parameters agreed when in government. We should renegotiate it for better terms for the people who are suffering at the hands of the Government.

An Cathaoirleach: The Senator has made her point.

Senator Labhrás Ó Murchú: Job creation and the protection of existing jobs will have to be our focus at all times because it is the only way we can lay down a foundation on which we can have further economic recovery. I accept the drip, drip revelations from the banks and

[Senator Labhrás Ó Murchú.]

other areas will occupy a considerable amount of our time. However, there is a danger that the job creation issue will get sidelined because of that. Nowadays it is big news if 100 new jobs are created.

Senator O'Reilly and Wilson raised a very important point in regard to Quinn Insurance and, by extension, the whole Quinn Group. We are not only talking about 1,400 jobs but possibly about 6,000 in all. At least with the Quinn Group, there is an infrastructure in place. Apart from the difficulties which arose, there is a track record and a huge loyalty among employees, the community and, in many ways, among customers.

If there is a plan in existence, it should be discussed and we should be seen to give our time to ensure it is fully examined. If, because of the extension of investment, the whole system collapses on us, as far as the Quinn group is concerned, what is the point of talking about job creation if we let 6,000 jobs slip through our hands? This would have been a priority for discussion in this House in the past but, unfortunately, because of the other issues, time is being consumed in other ways. I fully support Senator O'Reilly and Senator Wilson. It should be an immediate requirement of this House tomorrow to discuss the issue of the Quinn Group. Even though the House has a full schedule we have to find time to discuss an issue such as this.

Senator Jerry Buttimer: I propose an amendment to the Order of Business, that the House debate the EU-IMF bailout today and that the Minister for Finance would come to the House for the debate. This is the Upper House of the Oireachtas and it is incumbent on us to debate this matter and either oppose or pass it by vote of the House.

I also ask for the Minister for Finance to come to the House today. As Senator Fitzgerald said, the Christmas bonus payment for social welfare recipients was stopped and today it is reported in the newspapers that a bonus culture exists within the public sector at the higher and upper level. Can the payment of this bonus be justified at a time when the country is in an economic recession and when the House yesterday passed one of the most severe Bills ever, the Social Welfare Bill? It is extraordinary that the Department of Finance, the Department that got it so wrong with every single figure and which has presided over the demise of our financial institutions and our economic wellbeing, sees its officials being rewarded. Like Senator Healy Eames I ask why they are being rewarded.

The Deputy Leader in his contribution on the Social Welfare Bill suggested a debate on reform of the political class. Like Senator Boyle I believe the Minister did not go far enough in the budget. He did not inflict a severe enough pay cut on all of us. Ministers and the Taoiseach can afford to take a pay cut far more than can the ordinary citizen and so also can Members. The Government did not do enough in this regard and I would like to know why.

Senator Mark Dearey: I wish to record my abhorrence at the latest revelation about bonus payments. I commend Senator Coffey for his efforts in trying to get to the bottom of why such bonuses will be paid to people who are, after all, in the public service. The notion of a bonus payment being provided in the public service seems to me to be a dreadful contradiction, a kind of thinking that may have its place in the private sector and even there we have seen the dangers of such bonus culture. However, it is almost impossible to conceive of the two being linked, bonuses and the public service. I wonder if when the Minister for Finance was referring yesterday to the problems that partnership threw up, he was thinking of this particular arrangement as he spoke, although I know the revelations came later than that.

I ask the Deputy Leader to provide some certainty on the introduction of the construction contracts Bill. Senator Quinn was hoping it would be before the House by Christmas but it looks now as though that will not be the case as this is a congested period for legislation. This

morning on my way to the House I saw a picket on one of the new service stations on the M1 outside Dromiskin in County Louth. A subcontractor had been driven to desperation to the point that he blocked the entrance to the service station with his diggers and heavy machinery in an effort, I presume, to make the point that he had not been paid. I am curious to know if the Minister for Transport would be willing to comment on whether the contractor who built those service stations demonstrated a clear ability to pay before the contract was awarded. This issue must be addressed through the construction contracts Bill. Certainty of payment is critical and especially in contracts awarded by State agencies.

Senator Paul Coghlan: I second Senator Buttimer's amendment to the Order of Business.

We heard this morning and learned from the comments from both sides that the bonus culture is alive and well throughout Ireland and that it is particularly healthy in the public sector. This is very difficult to understand. I call for more transparency and accountability. I am particularly concerned about the NAMA bankers. I have spoken in the House on previous occasions about people employed in banks by NAMA on an agency basis. These are often senior executives who signed off on impaired loans and they are still managing these portfolios. However, now I have learned that NAMA is directly hiring senior executives of banks on extremely generous terms with bonuses and other incentives. There is significant comment in the industry about this practice. These people are managing to obtain two years' pension contributions for each year of service. This could be a further scandal. I ask that it be revealed what performance incentives and what bonus and pension arrangements are available for these people. We are all making a contribution, hopefully, to society and everyone is hard-pressed. What is happening is incredible. It needs to be corrected but there needs to be openness and transparency. This is scandalous and the Minister needs to lift the lid on these NAMA bankers. We need to know what NAMA and the National Treasury Management Agency are doing. They are excluded from the moratorium, they are allowed to do it but it should not be cloaked in secrecy. As another speaker said, if there is a genuine case for something, it is understandable but this is very hard to comprehend and appreciate.

Senator John Hanafin: The 1932 Fianna Fáil Government under Éamon de Valera came into power at the beginning of the Great Depression in Europe. What marked that Government out as successful was that Éamon de Valera started by saying that because of the financial crisis at the time, nobody should be paid more than £1,000 a year. This was a lot of money at the time. That Government went on to ensure that as much as possible there was fairness and equity. These times are not as bad as the Great Depression but this is the most serious financial crisis that this country has faced since then. It is probably not appropriate that bonuses are paid at this time. I ask the Deputy Leader to make a request to the Minister to see if arrangements could be made under the Croke Park agreement for an examination of the bonus structure.

I support Senator MacSharry's call in connection with Elite Marketing Ltd. This company has produced a document which states that Irish investment houses and advisers are being heavily incentivised to keep money in Ireland. This is a very serious statement. The company must back up that statement or else withdraw it because of the impression it gives abroad about this country. What it says matters. Things can take flight and words have meaning and they are damaging the Irish economy. I suggest that Elite Marketing Ltd. be brought to book for what it is suggesting about the Irish economy.

Senator Ivana Bacik: I support the call by Senator Buttimer for a debate today on the IMF and EU deal. It is extraordinary that we are not debating it in this House, given that it is being debated in the other House and all around the country. The parameters of the deal are well

[Senator Ivana Bacik.]

known to everyone but there has been some excellent critiques of the deal and it is very important that this House would have an opportunity to critique it. Those of us who oppose it and have argued for a renegotiation of the terms of the deal need to be able to put on the record of the House our concerns and why we think a better deal can be obtained elsewhere and what is wrong with this deal. I refer to an excellent paper from Afri which critiques the deal and which states that not only does it diminish Irish democracy, which it clearly does, but it also locks Ireland into a deflationary neo-liberal economic policy regime. Alternatives have been put forward by respected economists and I have put those alternatives on the record of the House. However, we need an opportunity to debate the terms of the deal today. Listening to Senator MacSharry, it is extraordinary also to hear the Government still accusing the Opposition of talking down the economy when it has brought down the economy and brought in the IMF and the EU. It has diminished democracy and locked us into this deflationary spiral about which representatives of Afri spoke so eloquently. It is wrong of the Government to continue to accuse the Opposition of talking down the economy in some ridiculous sense.

I ask for a debate early in the next term on the plight of the survivors of the Magdalene laundries. It is a month since the Irish Human Rights Commission issued its report and we have still not received a coherent Government response to the very serious call for redress for the survivors of Magdalene institutions. They have had no official acknowledgement by the State of the terrible wrong done to them as it was done to the victims of so much abuse in different residential institutions.

Senator Ann Ormonde: I am also concerned about the bonus culture that still exists. We all have a responsibility to ensure that our salaries should be the payment we get; bonuses should not be part of any arrangement in today's thinking. I support the call for a discussion on the bonus culture, which is wrong and should be eliminated from our thinking at present.

I support Senator Dearey on the Construction Contracts Bill. I have raised the matter many times and many subcontractors have contacted me to ask about the up to date position. I know Senator Quinn is working very hard to try to bring it on board very quickly.

Senator Paddy Burke: I ask the Deputy Leader to arrange a debate on agriculture. As we all know ICOS and the Irish Dairy Board have played a major role over the decades in promoting jobs, Irish products and Irish farm produce throughout the world. The recently published Food Harvest 2020 report warrants considerable debate in this House and I ask the Deputy Leader for a debate on it in early January. Included in the report is the piloting of new product streams and it outlines where we can put in resources to pilot new products in Europe and beyond. This is a growth area and one of the few areas in which we could see an expansion of products and jobs which are much needed at this time. It also proposes a smart research and development approach with the Government, the co-operatives and companies investing in research and development. This is a growth area for the country and could be the catalyst for the country to take off again. The co-operatives have played a major role and there is a bigger role for them to play in coming decades. I ask the Deputy Leader to impress on the Leader the need for a debate early in the new year particularly on the Food Harvest 2020 report.

Senator Feargal Quinn: I ask the Deputy Leader to find time in the coming session for a debate on the annual competitiveness report. This is very pertinent having listened to Senators Ó Murchú, O'Reilly and Wilson talking about the retention of jobs. The jobs will not be retained unless we are competitive and the report published this week is worthy of a debate here. If we are to succeed in increasing jobs, they will not be jobs that will be created but jobs that will develop because we are competitive. We will need to depend on being able to compete

with others. In recent months I have gone around the country and met owners of small and medium-sized enterprises who are determined to survive despite having a very tough job. Particularly with the bad weather of recent weeks a number of hotels, restaurants and shops will have considerable difficulty in surviving. However, the way for them to survive is through being competitive. We will not be able to solve our problems by creating jobs; we will solve them by being competitive and the jobs themselves will come from there. Let us have a debate on the report on the National Competitiveness Council, which contains proposals on which we can take action immediately.

Senator Dan Boyle: Senator Fitzgerald raised the issue of bonuses being paid to officials in the Department of Finance, on which she was joined by Senators Ross, Coffey, Hannigan, MacSharry, Healy Eames, Buttimer, Dearey, Coghlan, Hanafin and Ormonde. I believe there are two points that reflect the seriousness every Member of the House feels on the matter. First is the failure that allowed such a system to continue which, I believe, arose on foot of a 1994 agreement indicating that several successive Governments failed to tackle this culture. Second, there is also a failure on behalf of the people accepting such bonuses. In the present climate we should have a bonus-free environment. None of us can understand the circumstances in which bonuses can be paid or accepted in the current situation. Many Members made the comparison with the social welfare Christmas bonus having been stopped last year and not being paid again this year. Of course the principle is true but one does not replace the other. If we stopped all Civil Service bonuses it would only be a drop in the ocean towards replacing the Christmas bonus for social welfare payments. However, it is not possible to argue against that in terms of social justice and we need more information on the existence and payment of these bonuses. There needs to be a commitment on the part of all concerned — the State as the payer and those in receipt of them — that this is not a practice that should be taking place now.

Senators Fitzgerald, Prendergast and Hannigan brought up the question of the handling of the Social Welfare Bill yesterday. It is the practice that this House tries to debate in as much intensity as we can all legislation. The time pressures on current legislation are such that a decision needed to be made yesterday and it was made in the context that on Committee Stage ten sections were simply opposed and there was only one amendment proposing the publication of a report. The House is very circumscribed as to what amendments can be made to legislation such as the Social Welfare Bill. No less time was spent on this year's Social Welfare Bill than was spent in any previous year. Members of the House will have a further opportunity to talk about their ongoing concerns on social welfare decisions during the debates on the Social Welfare and Pensions Bill and the Financial Emergency Measures in the Public Interest (No. 2) Bill. I ask Members to use that opportunity if they wish to put further concerns in this area on the record of the House.

Senator Prendergast raised the issue of the HSE skills training fund, which is a matter of ongoing investigation. Many Members are concerned about the use of that fund and the involvement of State agencies and social partnership organisations which seem to have misused this money, and we await the judgment on that. She also asked for a debate on home carers to which the Leader has already acceded. I believe another Member also made such a request.

Senator Norris raised the question of the Taxi Regulator and the knowledge of taxi drivers in the area in which they are providing a service. This point will be brought home. I believe there is probably too much reliance on satellite navigation systems in cars and the actual knowledge of how to get from place to place seems to be lost on many new drivers in particular. That point will also be made known.

[Senator Dan Boyle.]

Senators O'Reilly and Wilson supported by Senator Ó Murchú raised the issue of job retention in Quinn Insurance. On this issue, we should be led by the experience of other changes that have taken place in insurance companies such as PMPA which was taken over by AXA Insurance or BUPA insurance which was taken over by Aviva. The idea that there should be a transfer of employment, as far as is practicable, in the locations where these businesses are based is an important economic point. The Financial Regulator is acting on the basis of the financial viability of particular organisations. In the past this is something that the Office of the Financial Regulator has not done particularly well. That particular balance needs to be got right.

Senator Callely spoke about the need for procedures for the taking of items of topical debate, which the Order of Business tends to be most days. He asked for a debate on the incidence of suicide, to which I believe we can accede.

Other requests for special debates included one from Senator Bacik for a debate on the Magdalene laundries, from Senator Burke for a debate on the agribusiness sector in terms of the Food Harvest 2020 report, and from Senator Quinn on the National Competitiveness Council report. We should try to fit the debates requested on all these areas into our schedule in the coming weeks.

Senator MacSharry raised the disturbing question of mailshots of the portrayal of Ireland from the city of London in terms that can only be described as economic sabotage, and his raising of it was backed by Senator Hanafin. The need to bring the concerns of the Members of this House to the British Embassy as to how these nefarious business practices can be stopped and put in a proper context is a point that was well made and one that will need to be followed through.

Senators Healy Eames, Buttimer and Bacik asked for a debate on the EU-IMF deal which will be debated in the other House today. The reality is that many aspects of that deal already required votes in this House. We would have dealt with legislation in recent days which included aspects of that deal and which were voted on. The vote in the Dáil is not a legally required vote but——

Senator Ivana Bacik: That is a matter of dispute.

Senator Dan Boyle: ——it is a matter that will have importance attaching to it. The reality is that when people are talking about negotiations, and I have no difficulty in having further debate on this in the House, I pose the question, renegotiations by whom? An impression is being given that somehow the people who have negotiated on behalf of the State, namely, the Governor of the Central Bank, the Financial Regulator, the chief executive of the National Treasury Management Agency and the Secretary General of the Department of Finance, will somehow be replaced by another group of people, perhaps political people who would debate differently and decide differently on behalf of the State.

Senator Ivana Bacik: A new government.

An Cathaoirleach: No interruptions, please.

Senator Terry Leyden: Senator Bacik is not there yet.

Senator Dan Boyle: The implication of asking for a renegotiation is, I believe, an implication of the vote of confidence in those very people. Those are the same people who would be negotiating on behalf of the State in any subsequent renegotiation.

Senator Terry Leyden: Exactly.

Senator Dominic Hannigan: We do not know that.

Senator Dan Boyle: People should be more honest about it. The idea is that this has been a politically controlled situation; it has not. This has been a technocratic, technical negotiation.

Senator Ivana Bacik: Is that all it was? Is the Deputy Leader seriously saying that?

An Cathaoirleach: The Senator is not allowed to interrupt. The Leader is replying to the Order of Business.

Senator Dan Boyle: The reality is that this country has to access money and if it does not do so by this means, the only other means is on international money markets at twice the rate secured, if not more. Any economic planning that is based on accessing money at twice the cost we are getting under this deal must be honestly admitted by those who are calling for a renegotiation.

Senator Terry Leyden: That is very wise.

Senator Frances Fitzgerald: It was bad deal.

Senator Dan Boyle: Senators Dearey and Ormonde called for debate on the Construction Contracts Bill which was introduced in this House by Senator Quinn. The Senator has advised the House that this is a Bill of increasing complexity and he is dealing with the Office of the Attorney General to try to resolve those difficulties and bring it back to the House at the earliest opportunity. There is one difficulty in terms of certain legislation, Private Members' legislation in particular. There seems to be an attempt to slow down the progress of such legislation too often by a requirement that a Bill must be examined in all its aspects before it is introduced in this House and the other House. It is not understood often enough by an agency such as the Office of the Attorney General that this is the place where those complexities should be teased out. The Bill does not need to be perfect before it is introduced. This is the Chamber in which there is an attempt to make it stronger and improve it. I hope that message can be got across, that any further unnecessary delay can be stopped and that the Bill will come to the House at the earliest possible time.

An Cathaoirleach: Senator Buttimer has moved an amendment to the Order of Business proposing that a debate on the EU-IMF programmes of financial support to Ireland be taken today. Is the amendment being pressed?

Senator Jerry Buttimer: Yes.

Amendment put.

The Seanad divided: Tá, 22; Níl, 27.

Tá

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Coffey, Paudie.
Coghlan, Paul.
Cummins, Maurice.
Fitzgerald, Frances.

Hannigan, Dominic.
Healy Eames, Fidelma.
McCarthy, Michael.
McFadden, Nicky.
Mullen, Rónán.
Norris, David.
O'Reilly, Joe.
O'Toole, Joe.

Tá—*continued*

Phelan, John Paul.
Prendergast, Phil.
Quinn, Feargal.

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

Níl

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Callely, Ivor.
Carroll, James.
Carty, John.
Corrigan, Maria.
Daly, Mark.
Dearey, Mark.
Ellis, John.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.
Keaveney, Cecilia.

Leyden, Terry.
MacSharry, Marc.
McDonald, Lisa.
Mooney, Paschal.
Ó Brolcháin, Niall.
Ó Murchú, Labhrás.
O'Brien, Francis.
O'Donovan, Denis.
O'Malley, Fiona.
O'Sullivan, Ned.
Ormonde, Ann.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Jerry Buttimer and Maurice Cummins; Níl, Senators Niall Ó Brolcháin and Diarmuid Wilson.

Amendment declared lost.

Question, "That the Order of Business be agreed to", put and declared carried.

Social Welfare and Pensions Bill 2010: Second Stage

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

An Leas-Chathaoirleach: I welcome the Minister.

Minister for Social Protection (Deputy Éamon Ó Cuív): Ba mhaith liom cur síos a dhéanamh ar chuid de phríomh ghnéithe an Bhille seo. I propose to outline some of the main provisions of the Bill which provides for some dramatic changes that will result in a significant development in services. The Bill provides for the full transfer of the employment services and community services programmes of FÁS from the Minister for Education and Skills to the Minister for Social Protection and for the integration of FÁS staff with the Department of Social Protection.

This process was initiated by the Social Welfare (Miscellaneous Provisions) Act 2010. As Senators will recall, the Act provided for the transfer of policy and funding responsibility for the employment and community services of FÁS from the Minister for Education and Skills to my Department. The practical arrangements to support this transfer of functions are now largely in place and it is intended to commence the relevant provisions of the 2010 Act with effect from 1 January 2011. From that date, FÁS will continue to provide employment and community services as it does now but under my direction and reporting to my Department. FÁS and my Department already work closely together and considerable progress has been made on a number of measures to enhance the delivery of services to people on the live register.

The Bill provides for the transfer of the relevant staff and resources such as buildings from FÁS and their full integration with the staff and structure of my Department. FÁS will also cease to have any role in the provision of employment and community employment prog-

rammes and will focus on the provision of training services. As a result, the Bill will enable one of the most radical realignments of social welfare provision in the history of the State. The employment and community services of FÁS will not simply transfer but will be integrated fully with the Department to provide an end to end service to customers. This will allow a transformational overhaul of service provision for people of working age. As well as income support, we will focus our interventions on assisting customers to find employment and prepare themselves for entry into the labour market by accessing training, career advice and work experience and job placement.

My Department is already working closely with the senior management of FÁS and the Department of Education and Skills to develop a new service vision and model for the integrated Department. While still at an early stage of development, the main outline of this vision is clear — it will be customer centric and employment focused. The main objective will be to ensure that everyone of working age is given the support he or she needs to find employment as quickly as possible or develop the skills and aptitudes required to progress towards employment by undertaking appropriate education, training or work experience. This objective will be supported by a case management approach allowing suitably trained staff to interact on a one to one basis with individuals on developing pathways to employment with clearly defined milestones and targets.

The integration of FÁS employment and community services with my Department marks an important step away from a passive model of income support to a proactive model which is clearly focused on progressing people to participation in the workforce. Such an approach not only makes economic sense but also allows our services to be tailored to meet the individual needs of each customer and respect and enhance their dignity as individuals. The restructuring of these areas is part of the Taoiseach's plan to deal with job creation, work activation and income supports in a better and more cohesive manner. This initiative is a tangible example of public sector reform facilitated by the Croke Park agreement.

At present, to qualify for jobseeker's benefit or jobseeker's allowance the jobseeker must fulfil a number of conditions, including being available for and genuinely seeking work. To fulfil these conditions jobseekers must at regular intervals make a declaration that they are still unemployed, available for and actively seeking work. This is what is known as the certification process or "signing on" and is currently carried out by the jobseeker visiting his or her local social welfare office.

One of the provisions I am including in the Bill will be to allow certain people who receive jobseeker's benefit or jobseeker's allowance to complete the certification process by electronic means. We will change the current signing process in our local branch offices to collect signatures via a digital signature pad. We are also exploring the possibility of using electronic channels for certification, such as on-line through the Internet or by using a mobile telephone. These new channels are being introduced to enable us to carry out the certification process more efficiently while at the same time delivering better customer service and maintaining the necessary levels of control inherent in the current manual process.

The Department is engaged in a project to examine the potential to develop an additional channel for jobseekers' certification via the mobile telephone. Before committing to full-scale deployment, the mobile telephone certification solution has to be evaluated by the Department from both a business process and technical perspective to test how it will work in practice to ensure necessary levels of security and control. Deployment will not proceed unless the solution offers a sufficient level of control in line with existing processes. The project is scheduled to conduct a live trial at the end of January 2011 in which a number of customers will be invited to participate. The selection of customers to be invited has not yet been finalised.

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The mobile telephone facility is intended to be made available on a risk assessment basis and will have high levels of control built in. Customers will be invited to use the channel and it will not be generally available on request. It is anticipated that cost savings will accrue from reducing the effort required to certify jobseekers at the Department's local offices. As a result, staff resources will be freed up which will enable the Department to concentrate on client, claim, payment and control issues. Furthermore, it is expected to reduce pressure on local office facilities and accommodation.

The Bill allows us, as a general facilitation, to have any activity performed by electronic as opposed to manual means. Rather than signing a form in a local office before a member of staff, jobseekers will sign a signature pad which matches their signature. This initiative is covered in the legislation. Unless we can use and experiment with electronics, we will continue to require an inordinate number of staff for signing on purposes. This involves having jobseekers sign a sheet of paper before a member of staff at a fixed time of the month.

I am introducing a provision in the Bill which requires that from 1 January 2011, before rent supplement can be awarded to new claimants, the landlord's tax reference number must be supplied to the Health Service Executive. Landlords of existing claimants will be requested to supply their tax reference number at the time of their next rent supplement review. The Government wants to ensure that where tenants are in receipt of the State's rent supplement, the landlords of the premises in question are fully tax compliant. If landlords are tax compliant, they should not have any difficulty providing a tax reference number.

The new rent supplement provisions also provide that a landlord will be obliged to provide his or her tax reference number or confirmation that he or she does not have a tax reference number in respect of each tenancy for which a rent supplement is payable.

As I indicated, where rent supplement is in payment immediately before 1 January 2011 and that supplement continues to be claimed immediately after that date in respect of the same tenancy and where the landlord has not supplied his or her tax reference number before 1 January 2011, rent supplements will continue to be paid until the review date for the supplement. At that stage, the Health Service Executive will request the landlord to supply his or her tax reference number. To avoid unnecessary hardship the Bill also allows for the further continuation of the rent supplement beyond this date to allow a reasonable time for the landlord to respond to the HSE's request to provide his or her tax registration number and avoid tenants being penalised by having to break an existing tenancy agreement. A rent supplement cannot be paid beyond 31 March 2012 in any case where the landlord has failed to provide his or her tax reference number. The Bill also makes it an offence where a landlord fails to provide the information requested.

While the Department is already involved in data matching, clearly it is much easier to data match when tax reference numbers are available.

The Bill also provides for changes to social welfare legislation arising from the provisions of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010 and for the transfer of the community welfare service of the Health Service Executive, which currently administers the supplementary welfare allowance on my behalf, to the Department of Social Protection.

Section 12 provides for the introduction of a partial capacity scheme. The purpose of introducing such a scheme is to begin to address a critical limitation of the current social welfare code which categorises people with long-term illnesses or disabilities as either "fit for work" or "unfit for work". The focus within the welfare system on incapacity rather than capacity carries negative consequences for people with disabilities and their families who may be

trapped unnecessarily in welfare dependency. The Bill also provides for the status of persons engaged in work experience pursuant to certain placements under the skills development and internship programme for the unemployed.

The Pensions Act is being amended to provide pension scheme trustees with an option of purchasing sovereign annuities which will have the effect of reducing their pensioner liabilities under the minimum funding standard. The National Treasury Management Agency, NTMA, will issue long-term bonds with a period appropriate to cover the funding needs of a typical pension fund. These bonds will be available for purchase by investors and the insurance industry who may issue annuities based on Irish yields, so-called sovereign annuities, which can be bought by pension schemes to match their pension liabilities. The nominated bonds underpinning these annuity policies can also be bought by investors or by pension scheme trustees who wish to pay pensions directly from the pensions fund. This gives an alternative to the existing situation whereby most pension funds invest in German bonds at a very low yield or in high risk equities. This scheme will give a higher yield bond, the Irish sovereign bond, and money invested in such bonds will be retained in the country. This solves the problem we have in regard to underfunding of pension schemes and also provides a potential solution in regard to raising funding for the State. It is a win-win situation. I hope the industry, which suggested this measure, will purchase the bonds when they become available in January.

The skills development and internship programme is an enterprise-led initiative aimed at those who are unemployed for at least three months. Participants on the programme will receive a 12 month placement with host organisations and will undertake a significant education and training component. The Government has made provision for up to 5,000 places to be supported under this programme. We received a great number of queries from people asking why we would not allow those in receipt of social welfare payments to work in private companies or with large community or voluntary bodies and at the same time continue to receive their social welfare payment, with perhaps a top-up payment from the body or company in question to cover the cost of getting to work. It appeared to be very simple but required a change in the law which is introduced in this legislation and deals with three sets of challenges. The first of these is that under social welfare law a person is means tested if he or she received a payment. The second relates to tax law, the third to labour law. The amendments being introduced deal with all these issues and in effect will allow the employer to pay €150 to FÁS, with €100 of that sum to be paid to the intern. In addition, we have defined for the first time who is an intern. These measures mean that interns will be able to work in private companies. We hope that many of those engaged in this way will be young people who will subsequently obtain full-time employment having proved their worth in a work situation. There will be training attached to the measure which will be operated between the Departments of Social Protection and Education and Skills.

Sections 15 to 26 of the Bill provide for the changes to social welfare legislation arising from the provisions of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010. These changes will mean the social welfare code will recognise same sex couples, both those who have opted to register a civil partnership and those who are cohabiting, in the same way that it currently recognises opposite sex married and cohabiting couples. Recognition of same sex couples for those in receipt of social welfare payments will have positive and negative impacts on the couples concerned depending on their circumstances.

The Bill also provides for the payment of contributions by public office holders. By definition, office holders are not bound by the arrangements of a contract of service as they are not employees. Furthermore, social insurance legislation had provided that the income derived from such office-holding was not liable to a class S social insurance contribution. However, in accordance with the solidarity principle of the social insurance fund it has now been decided

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by Government that office holders should contribute to the social insurance system at a rate of 4%. When people say Senators and Deputies did not take a cut in salary they ignore the introduction of this 4% deduction which was not deducted heretofore. It is only fair to introduce this provision and the deduction will be taken from the beginning of the individual's salary structure. It will entail a reduction in income and no benefits will accrue from this payment which was decided upon in the interest of solidarity. There is another reason for the introduction of this measure. If we had excluded office holders, leaving them as the only group not paying employee PRSI at 4%, there would have been an anomaly in the system. Self-employed people will now join employees in paying 4%. Civil servants who began work before 1995 will pay 4%. If there had been a little bonus for office holders there would have been considerable public outrage. Even though we will receive no benefit by paying the 4% and civil servants who commenced work before 1995 will not receive any significant benefit, people would have believed that yet again politicians had looked after their own interest. We will now pay but will not receive benefit. There would have been equal outrage if we had established the payment and offered, for example, entitlements to contributory pensions. People would say we already had a good arrangement with our Senator's or Deputy's pension and therefore it was thought this was the right way to proceed. We can debate this matter further on Committee Stage.

The Bill includes provisions to provide for the transfer of community welfare service staff, as civil servants, to my Department and, where relevant, the transfer of buildings to the Commissioners of Public Works. The policy reason for the transfer is to enhance the quality of services provided to the public. My Department is committed to developing and implementing a case management approach with a focus on the individual and the development of a tailored plan for each person. Such an approach produces better outcomes than the traditional transaction focused delivery of scheme services. The Department of Social Protection vision is one in which skilled and knowledgeable case managers will work with individuals in need to ensure they not only receive the appropriate income supports but are also helped to find a way in which they can participate to the fullest extent possible in the community, economy and workforce. The transfer of the community welfare service to the Department of Social Protection will strengthen the Department's capacity in that regard and will facilitate the achievement of that vision. Community welfare officers, CWOs, pay money from my Department in the main and it will be much better to have them within the Department. Directions issued henceforth will be to our own staff which will be a more coherent way of working.

In addition, we will bring in all the employment workers from FÁS and, although it is not mentioned in my script, we will bring redundancy payments within the Department. Fine Gael, in particular, argued there should be a single paymaster and a common means testing for many of these schemes. We are getting there. It is very significant. I have been in the Department for nine months and now three measures are to be introduced. Since 2006 there has been discussion about the deployment of CWOs. They move to my Department on 1 January on secondment, in nine months the final industrial relations issues will be resolved and they will become full civil servants. This is a long time coming but we can now see the end of the road. I thank the CWOs and the staff of my Department because change of this type can be difficult, with the different IR arrangements involved and so on. These are three different examples of the Croke Park agreement working for real at a time when it was said nothing was happening.

I now outline the main provisions of the Bill. Section 3 clarifies the provisions for the calculation of the duration of payment of illness benefit claims. This is tactical and is not a major amendment. Section 4 provides for the use of electronic means of making and capturing the declarations of unemployment that are required for the purposes of claiming jobseeker's

benefit and jobseeker's allowance. That covers any electronic means such as signature pads although much of the focus has been directed at the mobile telephone provision. Section 5 clarifies the calculation of entitlement to jobseeker's allowance where weekly means comprise earnings from insurable employment.

In determining a week of unemployment — three days of unemployment, consecutive or not, in any six consecutive days — the practice is to include a day only once in any computation where that day is part of a week of unemployment in respect of which jobseeker's allowance is paid. This section, which amends section 141 of the Social Welfare Consolidation Act 2005, ensures the Act is not ambiguous in applying this practice. It is quite technical and I am assured it is perfect and resolves an anomaly that has arisen.

Section 6 provides that the reduction in the basic rate of supplementary welfare allowance from 4 January 2010 for people under 25 years will not, of itself, lead to any reduction in rent or mortgage interest supplements payable to people getting other social welfare payments. This is also a technical provision.

Section 7 provides for a new condition for the rent supplement payable under the supplementary welfare allowance scheme which requires that, from 1 January 2011, before a claim for rent supplement can be awarded, the landlord's tax reference number must be supplied to the Health Service Executive. As certain landlords will not have such a tax reference number, for example, non-resident landlords, confirmation from the landlord to that effect is required to be supplied in those cases. This section also provides that a landlord will be obliged to provide his or her tax reference number or confirmation that he or she does not have a tax reference number in respect of each tenancy for which a rent supplement is payable.

Section 8 clarifies the position on the information to be provided by or in respect of a customer registering for a personal public service number. It is a technical matter in respect of the requirement of photographs. Public service numbers are required for newborn babies and dead people at times and it is not so easy to get a photograph in such circumstances. Section 262(3) of the Social Welfare Consolidation Act currently requires that a photograph and signature be submitted for any customer registering for a personal public service number. However, it is not practical to collect these items in all cases. For example, it is not practical where the customer is non-resident or deceased, and in probate cases. We give public service numbers to newborn babies. It is a challenge. Deputy Ring was very insistent on this matter but I told him there was a challenge and he accepted that.

Section 8 clarifies the position by only requiring that these items be submitted when required. We will require them for every adult. Obvious issues arise, however. The circumstances of a very disabled person would have to be taken into account, for example. This section also provides that providing additional security information will become a compulsory part of the registration process for the purposes of allocating and issuing public service numbers.

Section 9 is a technical amendment to change references in the Social Welfare Consolidation Act and in other enactments from "public service card" to "public services card" to reflect the *de facto* position. There is a reference to "public service card" in the Criminal Justice (Theft and Fraud Offences) Act 2001 and this section also provides for a textual amendment to change this reference to "public services card". Everyone calls the card the "public services card". Section 9 makes a number of changes to the current provisions relating to the public services card under section 263 of the Social Welfare Consolidation Act and the social services payment card under section 264, including clarifying that both the social services card and the public services card can be used for the purpose of paying social welfare benefits.

Section 10 amends the rules relating to the means test for the carer's allowance scheme to exempt any foreign social security payments, up to the appropriate level of the State pension

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contributory, that are paid to the carer or the spouse of the carer. This section also clarifies that a general income disregard for the purpose of carer's allowance under rule 1(5) for a single carer and rule 4(3) for a couple will not apply to income from a social security payment, whether it is an Irish social welfare payment or an EU or foreign social security payment.

Section 11 provides for technical amendments to the provision in regard to the supplementary welfare allowance. Section 12 provides for the introduction of a new partial capacity benefit. Section 13 clarifies the provisions in regard to restrictions on engaging in work while in receipt of injury benefit or disablement benefit. Section 14 provides for the payment of contributions by public officeholders.

Sections 15 to 26 provide for the changes to social welfare legislation arising from the provisions of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010. It also provides a definition of "cohabitant" for the first time in respect of heterosexual and same-sex partnerships.

Section 27 provides for the status of persons engaged in work experience pursuant to certain placements. Sections 28 to 35 of the Bill provide for the full transfer of the employment services and community services programmes of FÁS to the Minister for Social Protection and the integration of FÁS staffing into the Department of Social Protection. These sections also provide for a consequential amendment to the Labour Services Act 1987. Sections 36 to 39 provide for the transfer of the community welfare service of the Health Service Executive to the Department of Social Protection.

Sections 40 to 45 provide for approval of certain policies or contracts of assurance for discharge of benefits and for amendments to the Pensions Act 1990 and the Taxes Consolidation Act 1997. I refer to the so-called sovereign annuities.

Molaim an Bille don Teach and tá mé ag súil le tuaraimí na Seanadóirí a chloisteáil maidir leis na míreanna atá ann.

The changes being made in the Bill are quite seismic. One involves the consolidation of payments and services being provided and the transfer of staff. This is a major change. The second major change concerns the sovereign annuities. This solves two problems and it is very significant that this is happening.

The third change, on which we spent a lot of time yesterday, concerns the issue of income and fulfilment in regard to people with disabilities. It is a question of facilitating them. They can choose, rather than be compelled, to work in the longer term rather than be given a one-year derogation or exemption, after which they might be lucky to get another. Under the old system, one either jumped the ditch completely and was on one's own or one fell back totally into dependency on the system. The new provision allows a permanent arrangement whereby one can retain payments and work at the same time. The Department measured the capacity in this regard.

I hope this measure will be seen in five or ten years as the bridgehead by which we will have reformed the whole approach to disability, thereby maximising it to account for the individual's requirements, potential and wishes rather than having a prescriptive approach whereby one is deemed either fit or unfit to work. Under existing arrangements, if one is deemed unfit, one cannot work even if one can do a bit of work. This is very Victorian. We are in the 21st century and need more sophistication.

I look forward to hearing the views of the Senators. I hope we can have a good and constructive debate on the Bill today and on Friday. There are many ground-breaking measures in it.

Senator Nicky McFadden: I thank the Minister for a very comprehensive speech. This Bill, when published on 19 November, was said to include a number of important elements. Last night, the Bill passed through the Dáil and it included monumental and seismic changes, as the Minister said. Many of the changes are very important. We have had very little time to consider them and have had no briefing on some of them. On this basis, we will be opposing the Bill while at the same time welcoming some of the changes outlined.

I am focusing on two issues in my speech, namely, FÁS and rent allowance. Rent and mortgage aid has increased dramatically since September 2009. The *Sunday Independent* noted a rise of 50% in just 18 months. In all, 91,000 people now receive State aid to pay their rent and mortgages. There are 150,000 people, a massive number, claiming rent supplement. From 1 January 2011, there will be new conditions for rent supplement. For it to be awarded to the new claimants, the landlord's tax reference number must be given to the Health Service Executive. Landlords with existing claimants will be required to provide their tax reference numbers upon the claimants' next rent supplement review. Non-resident landlords will need to provide rent confirmation. It will become an offence if a landlord fails to provide this required information. This is to ensure all landlords are tax compliant. If they are, they should have no issues in providing the required information. Rent allowance was intended to provide short-term support for those living in private rented accommodation. However, in the constituency in which I live, it is the only failsafe mechanism people have in providing accommodation for themselves.

The Minister has referred to new plans he is discussing with the Minister of State with responsibility for housing, Deputy Finneran. I am interested in hearing what these plans are.

In 2009 €500 million was paid in rent supplement, from which there are 96,500 tenants benefiting. I welcome and support the requirement that landlords provide their tax reference number in respect of each tenancy for which rent supplement is payable. I also support the continuance of payment from 1 January 2011 until a review date for the supplement is made. That is fair. The HSE will request a landlord to supply the tax reference number for review.

There remain certain ambiguities that need to be addressed in the Bill. The first is that the scheme is said to provide short-term support. My primary concern is with the issue of short-term support and the long-term implications, in particular for those in private rented accommodation who depend on rent supplement to provide basic shelter. These individuals have insufficient means to meet their accommodation costs without the payment of rent supplement. Rent supplement for the needy could be jeopardised in the future if further revisions are made. They will begin to suffer when changes are made and the short-term benefits have been exhausted. The rent allowance scheme must be reformed.

Furthermore, the Bill states it will allow for the continuation of rent supplement beyond 1 January 2011 to allow a reasonable amount of time for a landlord to provide the HSE with the tax registration number, yet it is not clearly stated how long this time allotment will be. However, in no case will rent supplement be paid beyond 31 March 2012 if the landlord fails to provide a tax reference number. This issue concerns me because it makes vulnerable tenants almost responsible for ensuring their landlord complies with the legislation. How can those moving into privately rented accommodation after 31 March 2012 be sure that what they are told or what they see is valid? Will tax clearance certificates be given to allow those who depend on rent supplement to ensure they are not under the roof of a dubious land lord? The tenant will be the one left without a home and in a vulnerable position. As Deputy Ring has commented in the other House, steps must be taken to ensure those in need will not become collateral damage in this plan to ensure tax compliance by landlords. The issue is with the time allocated for landlords to provide their reference number and there should be no problem if a tax number is supplied. What will happen to those who are living under the roof of a landlord

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who has not or does not provide the necessary information? *The Irish Times* recently noted: “A payment of rent supplement would only be made to tenants renting a dwelling properly registered by a landlord”. I have serious concerns about the responsibility being placed on the tenant.

Poverty and exclusion have always been a top priority for Threshold which is concerned about some parts of the Bill. I agree that all landlords should be tax compliant; however, there are concerns about a minority of landlords who rent poor accommodation. Threshold points out that a landlord who is non-compliant in one area such as cleanliness or safety standards is most likely also to be non-compliant in other areas such as the failure to provide a tax registration number. We all know these landlords. Threshold has called on the Department to apply a withholding tax to rent supplement where a landlord has not established he or she is fully tax compliant. I am interested in the Minister’s thoughts on this suggestion. This would be a very effective way of ensuring tax compliance by landlords who receive rent supplement.

Threshold also calls for a more rigorous inspection of the accommodations of those who receive rent supplement. I have seen deplorable apartments in which people must live. I agree with Threshold that the Department should be solely responsible and liaise with the Department of Environment, Heritage and Local Government to ensure those who are in receipt of rent supplement are provided with good accommodation and obtain value for money. Every individual is entitled to basic shelter that is safe and well maintained. Individuals who depend on rent supplement are the most likely to be living in vulnerable conditions that require improvement by the landlord.

Like Threshold, I am concerned about the impact of the €60 million cut in rent supplement. It is beyond the 10% figure outlined and may have a detrimental effect on vulnerable persons in the private rental sector. Threshold has outlined its concerns about the myth that rents have reduced. That is not true in my experience. They have not reduced in the Athlone area.

Deputy Éamon Ó Cuív: That is because we are renting too many units. The State supplies half of the rental market and may be keeping rents up.

Senator Nicky McFadden: I am concerned there will be evictions and homelessness.

Deputy Éamon Ó Cuív: That is not the evidence we have.

Senator Nicky McFadden: I assure the Minister it is evident in Athlone.

Deputy Éamon Ó Cuív: We undertake detailed analysis of rent payable around the country.

Senator Nicky McFadden: I am interested in discussing the issue with the Minister afterwards. More detail is needed in order to determine whether resource-poor tenants will continue to benefit or if the new rules will simply be enjoyed in the form of increased tax amounts.

The other issue I wish to raise concerns FÁS and the transfer of its employment and community services programmes to the Minister for Social Protection. This also includes the integration of FÁS staff in the Department of Social Protection, in addition to providing for a consequential amendment to the Labour Services Act 1987. The Minister has stated the restructuring of FÁS is the Taoiseach’s plan to deal with job creation, work activation measures and income supports in a better and more cohesive way. Why has it taken so long to be cohesive and create work activation measures? The Minister and his colleagues are 12 years in government and I wonder what has taken so long to complete.

Deputy Éamon Ó Cuív: If the Senator was in government for 12 years, she would have done nothing more after ten years. As her party was never in government for 12 years, she would not know.

Senator Nicky McFadden: I did not interrupt the Minister. The integration of staff and resources from FÁS with the Department of Social Protection means FÁS will cease to have any role in employment and community employment programmes. Instead, it will be involved in training programmes. The transfer of powers from FÁS to the Department is welcome. The youth are the most vital and important resource the country has to recognise, utilise and invest in to rebuild the nation for the future. It is critical that they know that we have a positive outlook and a plan of action for them. Some 15,000 placements for internships, skills training and community employment programmes does not go far enough in addressing a serious issue. Fine Gael plans to have 37,000 second-chance education, community employment and internship places.

Deputy Éamon Ó Cuív: We already have 60.

Senator Nicky McFadden: I did not interrupt the Minister. The definition of an intern is one who works in a temporary position, with the emphasis on training on the job rather than employment. Our NewERA document will certainly provide for internship and confidence for our young people. Our youth are now more inclined to emigrate to Canada, America and Australia. We need to take measures to ensure our residents are not leaving like they did in the 1980s.

As the Department of Social Protection takes over FÁS, those employed will be solely responsible for training. This demonstrates that FÁS has failed miserably to show its ability to train and integrate. Interviews rather than action have been the predominant course of action. If FÁS is to be completely restructured, we need to ensure this pattern does not continue. Radical changes need to be made to battle unemployment. Will this change occur through innovative actions rather than rhetoric? I await to see what Tús will bring. New ideas and thinking are needed to do things that have not happened over the past ten years in FÁS. FÁS is coming under the aegis of the Department of Social Protection and the Minister has a duty and an obligation to ensure that what happened over the past ten years will never happen again. I am speaking about the waste of taxpayers' money. The money has to be spent wisely.

I look forward to speaking about partial capacity on Committee Stage. I regret we have not had enough time since yesterday to go into the amendments in detail. I have doubts about electronic certification. I understand electronic signing but I have serious concerns about fraud with regard to electronic text messaging and voice recognition. I welcome the idea of people being fit or unfit for work and the idea of partial capacity and how we can motivate people who want to work. I have questions on these which I will pose on Committee Stage.

Senator Lisa McDonald: I welcome the Minister to the House. I also welcome this reforming legislation. In the three Bills he has put before the House in the past eight months he has proven that he is a man of vision and someone who has an idea of where we need to go to reform the system in the places where it requires reform. This legislation is another example of this.

The Bill deals primarily with the transfer of the functions of FÁS to the Department of Social Protection. This is a tangible example of reform. I accept it is overdue and something that is so obvious it should have been done a very long time ago. Perhaps if FÁS had been in the remit of the Department of Social Protection, some of the waste that happened in FÁS would not have happened to the same extent because it would have been part of a bigger

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picture and a larger budget, but that budget would have been protected, as would have the people who required and continue to require assistance from FÁS. FÁS has had such a battering and hammering in the media that possibly we need to look at changing its name and changing some of its functions to modernise it. Now that it has been transferred to the Department of Social Protection, the next step will be to see what other reforms can be made to the organisation.

It is vital we look at the training programmes. I fully agree that not everyone can seek or wants to seek university or college training. At the same time, they can get value from the training provided by FÁS. This was shown in the last boom when the training of construction workers was hugely beneficial to our economy and played a very important role. We need to move to the next level and see where training is required and where people who do not want to pursue or are not suitable to university education can have a role to play in the island of Ireland, in our lives and in the economy. With all the quite necessary economic resolutions, Bills and debates, we tend to forget there are humans at the end and beginning of this who need to be taken into consideration.

I regret that Senator McFadden believes Fine Gael does not have enough time to make amendments and therefore she must oppose the Bill, because she has spoken very highly about many of the measures contained in it and has indicated support for them. I suppose it is fair to say that the Minister is a man in a hurry. He has much reform to make and the fact that this is the third Bill in eight months proves the Minister is someone who needs to get his ideas down on paper very quickly and get them into legislation. This strikes me as what is going on in his life and in his public service as a Minister. On the one hand, the Opposition states the pace of change is too slow and complains about the fact it took so long to make these changes in FÁS and in the rent supplement, but on the other hand it states not enough time has been given for amendments. One cannot have it both ways.

Senator Nicky McFadden: The wilful waste is quite extraordinary.

An Leas-Chathaoirleach: Senator McDonald, without interruption.

Senator Lisa McDonald: We need to acknowledge that change is now happening and is a good thing. We must go forward from here. Most of us have spent much time over the past year indulging in going over the past and wondering what went wrong and when it went wrong. The one thing we have to do from now on is move forward, make the changes that need to be made and make a better life for the citizens of the country. The Bill goes a long way towards sorting out some of the problems in the system.

Tightening up on tax compliance with regard to rent allowance is very good. I cannot believe it was not in place until now and that rent supplement was being paid out to landlords not registered with the Private Residential Tenancies Board. I have heard of landlords collecting from the State but not collecting from their tenants. This is all part of the problem of trying to diagnose whether rents have reduced. As the Minister has stated, it is very difficult. The State is providing half the rent payments so 50% of the market is the State. It is very difficult, therefore, to see whether we are complicit in keeping rent levels high.

It is very important to have contact between the Department of Social Protection and the Department of the Environment, Heritage and Local Government which has responsibility for housing. The standard of accommodation for many people in receipt of rent supplement in private rented dwellings is higher than in social housing. Even if one has to get windows done, make small changes or fix leaks, it is easier to do so in private rented dwellings where one

deals with a landlord rather than in social housing where one deals with a local authority. We need to look at this.

I came across a recent example in my constituency, whereby a pregnant mother living in social accommodation with her toddler had a yard full of vermin and a back door that was falling down. In the end, I had to write to the local authority and state the accommodation was so unsuitable that the local authority was effectively evicting the girl because it was giving her no choice but to move out. I had to do this to try to protect her from going back on the social housing list and put her into a private rented dwelling and get her on the rent supplement scheme. It took a long time to sort it out and it is these types of little things that will be the quirks in the system.

I suggest that as landlords, local authorities need to meet the standards of the Private Residential Tenancies Board. I know there is a difference between private accommodation and the State but we need to find some way of ensuring the standard of accommodation is correct and the same across the board. This is in line with Fianna Fáil policy and we need to ensure it is done.

The transfer of the staff to the Department is a good move, as is the provision in the Bill for means testing. These are welcome moves. I agree it is important to involve people in training and work experience, although I have concerns that we are, unfortunately, training people for emigration. We need to try to ensure we get these people back and provide jobs for them. I was very interested to hear what Senator Feargal Quinn had to say about a young architect or solicitor who offered to work for free and who within three months had become indispensable to her employer because she rolled up her sleeves and worked very hard. That is the kind of ethos that has built this country and which we must ensure survives. It is important to make a difference and encourage people to work rather than allow them get into a rut. I am very impressed by the number of young people looking for work and willing to work for free to keep their skills up. Please God they will get into the system. One of the problems regarding employment is not so much that the work is not available, rather that employers cannot pay their staff. I have heard many stories of employers working till 10 p.m. or 11 p.m. on a Friday because they cannot afford a secretary. When people are available to do that kind of work, progress is quicker. The proposals in this Bill make up an important part of our rejuvenation of the economy and will go some way towards providing it with a boost.

I agree with Senator McFadden who lauded the provision regarding partial capacity, which will help people on invalidity pension to work if they wish to. Dealing with the differentiation between fit and unfit is a worthy and welcome amendment to the current situation. However, I should warn against a situation that may follow on this. Some of those on disability are people who may have injured their backs at work. Many of these people have not much formal education as they are people who have been labouring all their lives. They need to be retrained and will need to start again at the beginning. It is important staff are compassionate in their dealings with these people because many of them may suffer from dyslexia or some other problem which was not caught when they were in school 20 or 30 years ago. If they were in school now, these issues would come to the surface and they would be helped and given the assistance they require, but back when they were at school such assistance was not provided, which illustrates the significant change that has come about in our education system.

I have in mind a very humble person who is constantly being called in by social welfare officials to see whether he is better and able for work. He has a contribution to make, but it is very difficult to find out what that contribution is and to find a suitable position for him. We need to be aware of the compassion required within what we are trying to achieve. At the same time, some people will be thrilled to discover they have the capacity to work. It is a

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positive language issue and is, as the Minister said, about capacity rather than incapacity. This makes a significant difference. People will not just be thrown on the trash heap any more, but we will examine how we can build something for them as individuals. That is a wonderful amendment.

The measure in respect of the sovereign annuities is welcome and will help keep money in the country and improve the solvency of pension funds. I hope it works and assists matters. I also welcome the amendments in the Bill that will assist the commencement of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act next year.

On the question of electronic certification, I understand this is a general facility in respect of the public services card. I would echo some of the concerns of Senator McFadden, especially with regard to voice control. I think of people like Oliver Callan, who can mimic voices, and wonder how the voice recognition will work. The Minister said that if people use the system by mobile phone, the system will recognise whether the phone is being used within the country. These provisions need to be fleshed out and we should not leave anything wide open. The measures in this respect are an important element in the fight against fraud, however, and must be welcomed. Another example of how the system might be defrauded is the example cited last year of Ballyconnell which had 747 residents according to the last census but approximately 1,000 social welfare claimants. I am not sure of the details on that, but I hope the new measures assist the Border counties in respect of social welfare claimants and the fact that our social welfare payments are higher than those in the UK.

I welcome the amendments and reforms being made through this Bill. It is a well thought out Bill and I look forward to seeing how it will work in practice. I commend the Bill to the House.

Senator Rónán Mullen: Cuirim fáilte roimh an Aire. Tá go leor sa Bhille seo a d'fhéadfainn fáilte a chur roimhe. Molaim an méid oibre atá ar siúl ag an Aire agus an cur chuige atá aige agus é ag dul i mbun oibre. There is much that is welcome in this Bill. The transfer of certain functions from FÁS to the care of the Minister and his office is welcome. I note and welcome the skills development and internship programme, which is an enterprise led initiative. It is appropriate that we focus on people who are at least three months unemployed and enable them to participate in placements with host organisations and to undergo significant education and training. The Government is making 5,000 places available for that programme.

While speaking of FÁS, I would also like to refer to Tús. It seems that going from “growth” to “beginning” says something about our economic position and suggests we are starting again. Tús, the community work placement, is welcome and it is worth noting some of its key features. These should be supported, especially the provision of short-term, quality and suitable working opportunities for people who are unemployed which will allow them do good work in their communities. I noted what the Minister said about the complexities in allowing people to receive social welfare while being involved in voluntary and community work. This sort of work is a social commitment which was lacking during the boom. People wondered whether people had lost sight of community realities. Now, sadly, owing to *force majeure*, many people will have or will require such opportunities to re-engage with community life and this work will be a means of facilitating their journey back to the world of work.

It is important this community work will have both an urban and rural focus agus tá sé tábhachtach agus ciallmhar go mbeidh Údarás na Gaeltachta i bhfeighil Tús sna Gaeltachtaí. It is also important that the role of the local development companies is underlined as it is they that will take the lead role in identifying community organisations that will be involved. When we think of this kind of local work, two things spring to mind. First, we think how important

this work is, and we are all aware of the benefits within our communities of the good work that has been done by those on FÁS programmes and courses over the years. This work is very visible, especially in my part of the country. When people think of FÁS, they think of that positive aspect of what has been done. However, people are also very aware of the potential for waste and duplication. The Minister stated that one of the criteria for the selection of projects would be that existing commercial activity would not be displaced or duplicated. People should also keep an eye on quality, ensure the contribution to communities is meaningful and that the voluntary concept is supported.

I noted what the Minister had to say about the relationship with social welfare payments and the appeals mechanism to the social welfare appeals office where payments were reduced or terminated unreasonably. We should pay tribute to the local development companies for the support they provide for rural development, social inclusion and enterprise and employment measures. The Minister is allocating a sum of €30 million in 2011. There is little doubt that the money will be taken up, but the question arises of providing minor sums for local development companies for the provision of materials. I understand the emphasis is on ensuring payments to the maximum number of people, but *cad é stair na ceiste seo? An mbíonn dóthain acmhainní ag na heagraíochtaí áitiúla chun an bun ábhar a chur ar fáil le haghaidh an obair?*

Deputy Éamon Ó Cuív: *Míneoidh mé sin nuair a thabharfaidh mé mo fhreagra.*

Senator Rónán Mullen: The Bill introduces changes to facilitate the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010. We did not have an opportunity to address these changes in detail during the debate on the Act. That the debate was guillotined was regrettable and a low point in the life of this House. The Government had recourse to dishonesty in alleging there had been a filibuster, despite Senators' tradition of making long speeches when attempting to tease out issues. One of the most dishonest approaches I have seen in my three years as a Senator was the Government's attempt to claim a logical rationale for guillotining the debate on such important social legislation. That was simply dishonest, just as it was dishonest of the Leader to claim that the use of the guillotine was justified by the Opposition's rejection of many dimensions of the legislation debated last night. The use of the guillotine is the last refuge of Governments which do not want to hear argument or debate. Sadly, that was what happened during the passage through this House of the 2010 Act.

The social welfare changes being made in the Bill were flagged during the debate on the 2010 Act. To that extent, the Government has, at least, done us a service by announcing its plans in advance. There is no doubt, however, that Fianna Fáil will be leaving government and, irrespective of the esteem in which the Minister is held for the way he does his job, he will lose votes at the next general election for a number of reasons. One group, in particular, will not vote for his party because it is seen as having abandoned its traditional commitment to the promotion of the institution of marriage in society. The Government went missing on the issue from the moment tax individualisation was introduced a decade ago. A balance must be struck in social welfare legislation between the way we would like society to be and the reality of people's lives. That is why, for example, it is difficult to build social welfare and protection legislation in the context of cohabitation. On the one hand, a cursory study of social data will demonstrate that it is in the interests of the State and children to promote lifelong and stable marriages, while, on the other, many heroic and selfless individuals are bringing up children outside that structure. We must find a balance to protect and cherish all of the children of the nation equally, while also promoting what works best for children in the longer term. The Government has failed that test. It has given money to marriage counselling and preparation organisations, but, in general, it has given in to political correctness. Even the British Secretary of State for Work and Pensions, Mr. Iain Duncan Smith, recognises the problems his society

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faces and is, therefore, much quicker to promote marriage as an institution that works well for children. In Ireland cowardice and political correctness prevail among those in power, whether in the media or government, as reflected in the 2010 Act.

Not all Irish people vote according to their pockets. However, those who want to see a socially protective environment in Ireland and a degree of social vision were let down. The Minister is not particularly to blame for this because he is not long in his current role. However, he is not the Minister for social approval. He does not have responsibility for deciding the relationships that will be socially approved. He is the Minister for Social Protection; therefore, he should not discriminate against those who are not sexually or romantically involved when he considers social welfare measures. Marriage is being targeted from two directions. In one direction it does not receive enough support under the tax code and in the other, other relationships are being made equal to it in the eyes of the legal and social welfare code.

Deputy Éamon Ó Cuív: In many cases, it is being levelled downwards. Traditionally, two individuals of the same sex received individualised payments, whereas a married couple only received one and two thirds.

Senator Rónán Mullen: I have no desire to level upwards or downwards any relationship. My concern is that the institution of marriage is entitled to particular social protection and should have been kept as a separate case. It was hurt by tax individualisation and by making other relationships equivalent to it.

Senator Jerry Buttimer: No, it is not.

Senator Rónán Mullen: This is the budget in which carers have been forgotten. I have previously outlined an example of a carer who lives in the same house as the person for whom he or she cares. The fact that they are not romantically involved does not make them any less caring or mutually dependent. The Minister should ensure they are not disadvantaged compared to a couple who come within the State's recognition system.

Deputy Éamon Ó Cuív: They are better off.

Acting Chairman (Senator Paul Coghlan): Please allow Senator Mullen to continue.

Deputy Éamon Ó Cuív: The Senator should check his facts. The carer would receive his or her individual payment, as well as a half-rate carer's allowance.

Acting Chairman (Senator Paul Coghlan): The Minister should not interrupt.

Deputy Éamon Ó Cuív: I am trying to help.

Senator Rónán Mullen: I am aware of what carers receive.

Acting Chairman (Senator Paul Coghlan): I am trying to help the Senator because his time is nearly up.

Senator Rónán Mullen: I have raised the issue because it would be wrong to let the opportunity pass as if it was of no importance. The philosophical vacuity of the Government is on display in this regard.

I welcome the changes being made in respect of the use of electronic certification. The Minister is a strong proponent of human dignity. In this regard, I welcome the reference to the need to respect and enhance people's dignity as individuals. Electronic certification is presented

as something which promotes efficiency, but the issue of human dignity must also be considered. While we must find a way to avoid fraud, we should uphold human dignity by not subjecting people to unnecessarily humiliating procedures at a time when they are in need of social protection.

Senator Dan Boyle: The Bill contains many valuable and necessary changes in regard to the organisation of social protection. The main provision in the Bill, the transfer from FÁS of employment and community services, is probably long overdue. The extent to which FÁS outgrew itself as an organisation and the loss of direction which resulted from that has meant that many of these changes are necessary. The better housing of these functions in the Department of Social Protection will benefit all those who need to access these services.

There are many innovations in this Bill. The budget of the Department of Social Protection is, of necessity, being reduced and, therefore, the need to innovate is essential. The use of electronic certification will help people access social welfare payments and will account for that in a better way than heretofore.

The changes to rent supplement are necessary. I have long argued in this House, and when I was a Member of the other one, that the concept of rent supplement has rarely achieved what it was meant to achieve. It is less about an assist to housing aid and is more about a subsidy to those who own property and make it available for social housing. In further
1 o'clock reducing reliance on rent supplement, there is a need to introduce alternative methods. My preferred option has always been housing benefit rather than rent supplement whereby a payment is made directly to a social welfare recipient. The stigma of applying for housing through a rent supplement method is removed and the market performs more rationally in that people can negotiate without having to identify themselves as a social welfare recipient. That is a better method which exists in other jurisdictions. As we wean ourselves off a system which has not been as effective as it should have been, we can move towards a better and different way of doing things, and I believe the Minister is moving in this direction.

It shocked me to learn that the State is, in effect, the largest tenant by virtue of paying 40% of all rents.

Deputy Éamon Ó Cuív: It is 50%.

Senator Dan Boyle: The fact we allowed such a situation to develop was far from sustainable. I welcome the further reduction and the moves to rationalise this area.

Senator Mullen pointed to the necessary changes in this Bill which were promised by the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010. Whatever about the concerns people have about the debate on the Social Welfare Bill 2010 yesterday — I said on the Order of Business today that we have a further opportunity to talk about those issues here — my recollection of that Act is that no legislation over the past three and a half years was the subject of as much debate in this House. There was extensive debate, in particular on Committee Stage. There was a whole week of debate and I regret the use of the record of the House to portray something which, in reality, was not true. No legislation was the subject of as much debate as that Act. In fact, it was the subject of more debate in this House than in the other one. When it came to decisions, we were well and truly informed of the various issues. These are necessary reforms and it is a fulfilment of a promise. I hope these provisions and those which will follow in the finance Bill, which I hope will become an Act, will allow people to register their partnership at the earliest possible opportunity.

[Senator Dan Boyle.]

There are a number of other technical measures in regard to sovereign annuities and associated bonds which will help pension funds to protect the liabilities of their members. The Minister has been very much responsible for moving towards and enhancing the skills development and internship programme. It is a good innovation and is one of the tools we need to help us to train people and provide employment opportunities. We would all like to see how those measures could be further developed to achieve their desired aims.

The Bill refers to PRSI arrangements for holders of public office which will affect income levels by between 4% and 5%. That is a necessary measure. At one stage there was a special tax provision for Members of the Oireachtas which was abolished in the late 1970s or early 1980s. Some 50% of tax liability was not paid because of the low level of wages. We must move to a situation, in terms of taxation and social insurance payments, where Members of the Oireachtas and those in the public sector are not treated differently from other employees in this State.

I understand this change will also affect many local government representatives. The principle of contribution will be extended in that area. That is an important contribution which also needs to be made because large payments are made in local government. When I was elected in 1991, the system of payment was that one was given £10 for every meeting one attended. The culture at the time was that one tried to invent as many meetings as possible to try to justify the money paid. I am glad that system has changed and that the payments made to local government representatives will come under this particular category.

The other major aspect of the Bill is the transfer of the community welfare service, which has been very contentious over the past number of years. The Minister has dealt with it well in that the main concern about the transfer of community welfare officers from the HSE to the Department of Social Protection was that their flexibility to operate would be affected but the discussions over the past two and a half years have alleviated many of the concerns. In the current situation where people can find themselves in changed economic circumstances very quickly, it is important that flexibility remains with community welfare officers.

Unlike the Social Welfare Bill 2010 reducing the rates of social welfare payments, which we had to introduce with great reluctance as a result of the circumstances in which the country finds itself, there is much to welcome in this Bill. It will bring about necessary changes and I look forward to its adoption.

Senator Phil Prendergast: I welcome the Minister. There are some excellent initiatives in this Bill. We are largely supportive of these measures, although I hope the transfer of functions from FÁS to the Department of Social Protection will not delay the improvement of jobs and training initiatives. We have made the point many times that there has been a slowness in this regard but we look forward as best we can. A very large number of people are unemployed and our economy is not in a good place. Therefore, greater priority should have been given to progressing this type of initiative.

We all condemn the shenanigans at FÁS, in particular as the real victims of the self-interested management of the agency are the unemployed. Good work is being done on the ground by FÁS and the transfer of functions from the agency to the Department of Social Protection is welcome. What steps are being taken to ensure training courses are properly targeted to meet the labour market need? The demand for construction skills will be down for many years but there is likely to be increased demand for skills in the fitting and maintenance of green energy machinery and devices, such as solar panels, wind turbines etc.

An electronic monitoring system for social welfare recipients is to be welcomed. I have heard stories in my clinics and much of what one hears must be taken with a grain of salt, depending on who is telling the story. It is not appropriate to comment on these stories. I have heard blanket statements about people not normally resident in the country who are working in many places. I do not comment on those reports which are spurious chatter but it would be important to have a means of properly identifying people to avoid fraudulent social welfare claims, such as claims being made in more than one place.

The home care scandal highlighted this week should focus all relevant minds on the need for providing the unemployed with the skills to enter into these and other community-based services. It is not acceptable that people with no skills are working in home care. There must be a recognition of the limitation of the skills of such individuals for providing services to people in need of a carer or a home help. In many cases it can be sufficient to measure out medication into separate containers per daily dosage but often it is necessary to take medication either before, during or after meals as this determines the way in which the body absorbs the medication. Carers would need to be trained in the administration of medication. I suggest that care assistants in hospitals are sufficiently trained to allow them to provide a reasonable level of good nursing care short of being a qualified nurse. I ask the Minister to comment in his concluding remarks.

I ask the Minister to outline the steps being taken to ensure that people are assisted back to work now that FÁS is being brought under the remit of the Department of Social Protection. My colleague, Deputy Róisín Shortall, referred to the tokenism that existed with just 67 job facilitators to deal with 400,000 unemployed people. The Croke Park agreement could have a role in addressing this in any number of ways but the Minister has been vague in the general details of the overhaul and reform. I ask him for some specific details in that regard.

I recognise and welcome the long lead-in period with regard to rent supplement. The Bill puts an obligation on landlords which could have negative consequences for tenants. I have in mind a particular cohort of tenants. Senator Boyle said he would prefer the tenants to be given the money rather than direct payment to landlords and I hold the opposite view but not in all situations.

Deputy Éamon Ó Cuív: It is the case that the tenant owns the money. The tenant has the choice and can chose to have the Department pay the landlord directly. We always leave the tenant in control because he or she is the person who identifies and procures the accommodation. The tenant may pay the supplement to the landlord or else the Department can pay it to the landlord. The tenant chooses the method and the Department follows those wishes.

Senator Phil Prendergast: I acknowledge this is a person-centred policy but I also know that some people would not chose to have the landlord paid directly but would prefer to go somewhere else with the money.

I have in mind a particular cohort of tenants, older men in their late 60s living in flats in the city centre who are very content with their arrangements and would not wish to go into accommodation supplied by the council. They are content with their independent accommodation. In such cases where there may not be a tax compliance certificate available, will such tenants living happily in perfectly adequate accommodation be required to move?

Deputy Éamon Ó Cuív: The Labour Party were looking for tax certificates. We are only looking for PPS numbers.

Senator Phil Prendergast: Perfect. I thank the Minister as this was not quite clear. Like Senator McFadden, on many occasions I have been called to visit people who are living in very

[Senator Phil Prendergast.]

unsuitable accommodation. I called to see a young mother with a two-year old child. She accessed her flat by means of an iron stairwell at the back of a premises. The lower ground level window was broken and rats were running around the yard. There should be a system in place to prevent the council giving a rent supplement for use in that kind of accommodation.

Section 10 of the Bill amends the rules relating to the means test for the carer's allowance so as to exempt any foreign social security payments from the income disregard. This will disappoint some people whose allowance will be reduced but it brings equity to the scheme in so far as those with no foreign income are allowed less under the means test.

The Minister will have the opportunity to address the habitual residency rule that is leading some Irish people returning from abroad to care for elderly or infirm loved ones being refused a carer's allowance. I ask him to comment on whether he has done anything about this problem. The welfare tourism argument is largely spurious but some form of system for assessment of the merits of a claim from a non-habitual resident should have been provided for in this Bill. This section is about saving money in the social protection budget but these carers save money for the health budget by reducing the need for home or residential care.

I refer to a specific case where a person returned home over a year ago——

Deputy Éamon Ó Cuív: Where is the person from?

Senator Phil Prendergast: From Tipperary.

Deputy Éamon Ó Cuív: The person is Irish.

Senator Phil Prendergast: Yes.

Deputy Éamon Ó Cuív: Did the person return for good?

Senator Phil Prendergast: Yes.

Deputy Éamon Ó Cuív: Then there is no problem.

Senator Phil Prendergast: No, there is a problem. That person came back because her father became infirm. She has not received a carer's allowance. An appeal is pending which was to be heard in October. I spoke to the gentleman in the Department who is very nice. He told me they would treat the matter with urgency but it is now nearly Christmas.

Deputy Éamon Ó Cuív: I have asked the Department to conduct an urgent habitual residency claim appeal because there is no supplementary welfare payable. The problem is quite simple. Refusal for habitual residence happens in most cases because the person states he or she is returning temporarily. If the person returns permanently there should be no problem. I will examine the case.

Senator Phil Prendergast: I will speak about this case outside the House.

Deputy Éamon Ó Cuív: We cannot interfere with the appeals office. There is a lot of misinformation. I cannot discriminate between anybody of EU nationality coming here temporarily to care. However, when I invariably look at the Irish cases which are refused it is because they have stated they are returning temporarily to look after a relative. That is the problem with regard to the habitual residence claim as they do not qualify in such cases. A person must state the return is permanent and then there is no problem.

Senator Phil Prendergast: This person is returning permanently.

Deputy Éamon Ó Cuív: Then the full record must be checked.

Senator Phil Prendergast: I am quite sure I have checked it. I have done it properly.

The Bill has quite a number of positive provisions. I have raised some points of concern and I await the Minister's response. I am aware of the personal situations of people who have contacted me for help and I see a system that is not exactly dealing with cases in the best way. Perhaps there is an opportunity in this Bill to deal with my concerns.

Senator Martin Brady: I welcome the necessary changes provided for in this Bill. I refer to a point raised by Senator Prendergast relating to landlords and tenants. She is quite correct that there is a stigma attached to being a recipient of social welfare. Some landlords regard social welfare recipients as being different and troublesome. It is stated there are 150,000 claims for rent supplement and only 31,000 landlords registered. While I could be wrong in this, I understood a landlord was required to supply the necessary information on his or her annual tax return. I have come across cases where auctioneers were involved and a prospective tenant would ask the auctioneer how much rent was being sought. The auctioneer would say the amount sought was €650, but would tell the landlord he or she could only get €550. I have come across a number of cases where tenants were in arrears. At present the tenant gets the cheque directly, cashes it and squanders it. In one case it was on drink, resulting in the tenant being in arrears. I made a call to a welfare officer on behalf of a landlord and the welfare officer advised that the tenant was getting €650 but the landlord was only getting €550 from him. At the time the HSE advised me that it does not want to get involved because it does not want to become a landlord. I believe it is still the case that the tenant can make an arrangement with the landlord for direct payment to the landlord but many of them do not want to, which is a problem.

As Senator Prendergast said, I have also encountered people who are housed in inadequate accommodation because they are doing dickey-up jobs with landlords and both are getting a few quid out of it so everyone is happy. They are living in hovels that are completely unsuitable and in addition they are not keeping the place right. Neighbours are complaining about the poor state of the rented accommodation. Is the example I have given legal? Is there a way around it? Does the Bill deal with that issue adequately from the landlord's point of view? The landlords tell me that everything is weighted against the landlord and in favour of the tenant.

I welcome the transfer of responsibility for FÁS to the Department of Social Protection. It is popular to bash FÁS. While many things happened that should not, in general FÁS did considerable good work. I know instructors in FÁS and I also know people who came through courses in FÁS and were very satisfied.

There are myths about non-Irish nationals in receipt of social welfare. For example, I was told about a non-Irish national who used a social welfare cheque to buy a second-hand car for €3,000. I asked my informant if he could back it up but he did not want to give more information. When I checked it out, it transpired that the cheque related to arrears. Other myths were that they were getting mobile phones and other things for free. I would like the Minister to clarify whether that is the case because it is a pain when I have to explain this to people morning, noon and night.

Deputy Éamon Ó Cuív: And they were baptised in the same church on the same day. We do not work on baptism certificates, rather on birth registration, so it is irrelevant if they were baptised 15 times in 15 different churches on the one day. It does not make a blind bit of difference, but we hear this story again and again. And everyone knows the priest who did it and found out who happened to be at the two churches in the one day and all the rest of it.

Senator Jerry Buttimer: And they left the buggy in the train afterwards.

Deputy Éamon Ó Cuív: I think we could write a book on all these.

Senator Martin Brady: There are babysitters as well. Overall the Bill is very welcome and considerable work went into it. It is well thought out and I look forward to its adoption.

Senator Jerry Buttimer: Cuirim fáilte roimh an Aire. We had a very good debate last night when he made a comment about being a reforming Minister for Social Protection. I would love if we could have a debate, devoid of partisan politics, on social protection and on the role of the Department that was once the Department of Social Welfare.

Senator Mullen was partly correct in saying the individualisation introduced by the former Minister for Finance, Mr. McCreevy, did considerable damage. The biggest attack on marriage and family has not been the passage of the Civil Partnership and Certain Rights and Obligations of Cohabitants Bill or the inclusion in today's Bill of the provisions relating to that legislation. The biggest attack on family life has been the economic policy pursued by the Government. There are families today in which children are hungry, parents are idle, and there is fear and concern. In some cases, when they walk up the stairs they are afraid to go to bed. That is the biggest attack on family life. It is not civil partnership, gay marriage or divorce, but the Government's economic policies.

I welcome the change being made in FÁS. I have immense time for the people on the front line in FÁS, the community and enterprise supervisors, training instructors and those working in the front and back offices in the agency. They provide a very sound service and I know from my dealings with FÁS people in Cork that they are fantastic people with whom to deal and work. Part of the problem we have is the malaise with the top tier where leadership is lacking. The issues regarding certification for some of the courses need to be addressed. While I may appear to be piggybacking, although I do not mean to, perhaps it is time we changed the name of FÁS and rebranded it to give it a new start. The Minister used the phrase, "Tús maith, leath na hoibre". In this case that is what needs to happen. When the people hear of FÁS they think of expensive excursions abroad and the bad courses that have not been certified.

I am concerned about the integration process. The Departments of Enterprise, Trade and Innovation, Education and Skills, and Social Protection are all involved, which indicates that joined-up thinking is needed and I hope that happens. I believe the Minister said it needs to be customer centred and employment focused, and I hope that is what we will see.

We face an enormous housing challenge with thousands on housing waiting lists. Senator McFadden made some very good points in her excellent address on which the Minister should focus and I suggest he work with her. If I took her up right, she made those points in a non-partisan manner. We have a job of work to do regarding landlords. I will walk with the Minister every step of the way in this regard. I have appeared before the Private Residential Tenancies Board, PRTB, with residents who were taking on landlords. If the figures indicating there are 150,000 tenants but PPS numbers for only 31,000 are correct, it is an indictment of how badly we are doing our business. We have landlords in every university town and elsewhere who are appalling. They have no regard for the communities in which they live or for the people to whom they let their houses, and they need to be brought to task. I am in favour of a radical review of the rent supplement scheme but are the houses of the landlords participating in the scheme fit for habitation, are the landlords registered, are they tax compliant and are they looking after their tenants' needs? I fear they are not. I could bring the Minister to houses not too far from my constituency office and my house in Cork where landlords are not doing so. They do not give a damn.

I wish to deal with the partial capacity benefit provision in section 12. I am concerned about the manner in which there is a differentiation in this respect. The Minister is bringing out a model based upon on a medical evaluation rather than a social model. I am concerned about that. I spoke about this during the debate on the Social Welfare Bill last night. This will have a detrimental effect on people with disabilities.

Deputy Éamon Ó Cuív: It will not.

Senator Jerry Buttimer: I believe it will. I have listened to what people working in this area have said about this. I am prepared to listen to what the Minister has to say and he can argue with me on it. We must have a multifaceted approach rather than being reductionist in our approach. I am concerned we are basing entitlement to benefit on a medical evaluation or orientation rather than a social model. In doing that, we are moving from the objectives of the national disability strategy, although I hope we are not doing so.

Deputy Éamon Ó Cuív: We are not.

Senator Jerry Buttimer: The Minister can come back to me on that point. The objective of the rent supplement scheme is to provide short-term income support to assist people to meet reasonable accommodation costs. Senators Brady and McFadden referred to this. I despair at times in this respect. Last Saturday I canvassed people in a Cork housing estate of more than 100 houses. The houses in the front row of the estate, which are four bedroom detached houses, are all owner-occupied, but 80% of the terraced townhouses further into the estate are rented the majority by non-nationals, a term I do not like to use but I am not sure about the correct one. Senator Brady made an interesting comment in this respect. I ask the Minister to nail a perception that pertains and tell the people what the Department provides in social welfare benefits for the citizens of Ireland, citizens from other EU member states and for non-EU citizens. Those of us who canvass hear the perception that prevails that we are looking after the foreigners but are not looking after our own.

Deputy Éamon Ó Cuív: That is not the case.

Senator Jerry Buttimer: That perception must be nailed on the head. The Minister has an obligation to end the growing apartheid that exists in communities in Ireland. Not a day goes by that I do not hear this, whether while canvassing, at my clinic or when I meet people. We are building a new Ireland where all people are equal and where all people are included, be they black, white, Jew, Asian, Irish, Polish, Lithuanian or African and be they from the four corners of the world. I want to prevent a growing divide between people of different orientations. That should not be way. We all live in Irish communities. I hope the Minister will address that concern because we need to guard against such a divide. There is an undercurrent of tension that is becoming volatile and vocal and I am genuinely concerned such an undercurrent will explode.

I very much welcome the provision in sections 15 and 16 of measures to commence sections of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act. The legislation providing for that was the best legislation enacted in the Oireachtas in this calendar year. It recognises same sex couples who have opted, as the Minister said, to register their civil partnership. It is important we recognise that. I listened to what Senator Mullen said about this and I heard his drum beat. That legislation was progressive and it is to be welcomed.

Minister for Social Protection (Deputy Éamon Ó Cuív): Gabhaim buíochas leis an Seanadóirí ar fad a labhair ar an mBille. Dúradh go leor rudaí péisiúla.

[Deputy Éamon Ó Cuív.]

I thank all the Senators who contributed. I am sure they do not want me to go back over all the points they raised but there are a few issues on which I wish to touch. There is much talk about emigration. I checked outward migration figures, which I do not have with me but which I can provide to the Senator. The reality is that the net outward migration figure was 27,000 Irish people last year. There is quite an outward migration of non-Irish nationals, which is to be expected. However, there is no huge haemorrhage of citizens. For many years the number of Irish people returning exceeded the number of Irish leaving the country. In 2009 the figures were even and in 2010 there was a net outward migration of people. However, the figures are not as alleged. It is simple to take the total outward migration figures and say that there are a great number of people leaving the country. People are leaving the country but many of them never intended to stay in the first instance because they are not Irish, their roots are not here, their families are in their home country and they came on a temporary basis to work here, and regardless of whether the tiger economy had continued, they would have returned home.

There is a phobia at times among a certain section of our population regarding non-Irish people. No matter what I do or how often I disabuse people of some of the greater myths in our society, I hear the same myths again the next day, such as buggies being handed out like Smarties, that we buy cars for people, and that we feed dogs. I was also told the myth by a person that every Nigerian here is claiming for ten people, to which I replied that was fantastic news because that means there are only 264 Nigerians claiming jobseeker's allowance in the country. The actual figure is 2,600. That is the position if one were to check the facts.

There was also the famous ash cloud. We provided all the information on the number of applicants who did not claim benefits at that time. The information indicates that more than 80% of the people who did not claim on that day were the same in terms of those who do not claim every week of the year and they happen to be Irish. When one does an analysis and includes British nationals and other nationalities living here in receipt of social welfare benefit, who could not be flying here on cheap flights from Pakistan, Australia or whatever, one finds that the number of eastern Europeans was minuscule and was no different from the number any other week.

I asked a social welfare officer why they tolerate such applicants not turning up, and he said these are people in receipt of unemployment payments who are not greatest for turning up on time. He said they knew these people were not working and were in the country but were the type of person who would always forget their appointment and one had to have a benign view and believe nothing untoward was happening. The officers call in these applicants and sort them out. The myth continues to be kept alive, however, and all I can say in this debate is that we do not pay money for buggies, we do not buy cars for people and everyone in the system is treated equally.

This goes to the heart of the issue concerning the habitual residency clause, HRC. Under EU law it is not possible to treat a citizen of Ireland any differently from a citizen of any other member state of the EU. If an Irish person comes home permanently and gives the correct information, there should not be a difference in terms of the HRC. Invariably I find in such cases that a person has come home to care for a relative and the person says that he or she has come home for a year or two, will return to where they came from or that his or her family is there. There is a problem in this respect in regard to the HRC, but in trying to address that problem, which I recognise and for which I have empathy, I must do so on an EU-wide citizenship basis, and that is the dilemma. We are rewriting the rules and I must do that consistently and within EU standards. I am willing to debate this issue to ascertain whether there is a way of resolving and improving it.

We have made a significant improvement in the process, without in any way compromising the HRC, in terms of the safe home programme. We helped those concerned to get us all the information we needed and we got an extra certification from them that they were satisfied that these people did not have any resources in any other country and that they were coming home permanently. The people who come home on the safe home programme are vulnerable emigrants who hit the hard times and came home to stay. They were very happy because we had told them exactly what was the required in terms of paperwork and showed them how to get the information needed to help us make a decision. Sometimes first time around people provide insufficient information.

With regard to rent allowance, it is true that traditionally we received relatively few personal public service, PPS, numbers, although the position has improved recently. That is not to say those in receipt of rent allowance were not tax compliant; we give all of the names and addresses of those receiving rent allowance from the Department to the Revenue Commissioners. Surveys are conducted and 70% to 80%, or even higher, are tax compliant. We are doing something basic as a first step in asking for PPS numbers. It will be very easy to send such numbers to the Revenue Commissioners and carry out data matching which should get us to a position where there will virtually be 100% tax compliance.

There was an issue raised in the Dáil concerning tax clearance certificates, which, for a number of reasons, should possibly be included in the next phase. There are a number of issues to be dealt with. If a person produces a tax clearance certificate for a property that is to be rented, all it will state is that taxes have been properly paid up to that date. It will not prove that the person concerned will pay tax on the rent received for that property. There are certain issues to be dealt with in that respect. If the Revenue Commissioners know a person is renting a certain property, on which we provide information such as PPS numbers, it will be very simple for them to ensure the property in question is accounted for in a tax return. I cannot see how that is not foolproof in regard to personal income.

I have spoken to the Minister of State, Deputy Finneran, about reforming the sector. There are cases in which people refuse two or three offers of accommodation from the local authority, either under the rental accommodation scheme——

Senator Nicky McFadden: That does not happen in County Westmeath.

Deputy Éamon Ó Cuív: No, as nothing wrong ever happens in County Westmeath, but it happens in the rest of the country. The issue must be dealt with. There is no point in having local authority houses empty and the State paying on the double. We must tackle the problem.

The payment of rent supplement interferes with people's ability to take up jobs because of the way the scheme is structured. It should only be a temporary measure. I favour the social integration for which rent supplement sometimes provides, rather than having everybody segregated in housing estates. We have seen the problems which have been caused as a result in certain cities. Rent supplement facilitates social integration, which is one of the good points of the rental accommodation scheme. We are not putting less well-off persons in a single place which has created problems in the past.

There is a peculiar arrangement in place with regard to the Private Residential Tenancies Board which the Minister of State, Deputy Finneran, and I want to address. Currently, a tenancy begins before the Department informs the PRTB with which the landlord is then obliged to register. It is a little like getting guests to stay in a hotel before obliging it to register with Fáilte Ireland. It seems a very bad way to ensure the process is correct. Rather than registering the tenancy with the PRTB, the first obligation should be to register the property with the board which should, in turn, inform the local authority which should then inspect the property

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to ensure compliance with standards, including the building energy rating standards. Despite popular myth, the level of fuel poverty is higher in rented accommodation than one-off housing.

Senator Nicky McFadden: Absolutely.

Deputy Éamon Ó Cuív: There is a lot of potential for reform and the Minister of State, Deputy Finneran, and I are dealing with the issue. We hope to produce a headline agenda. I hope the House will consider the small changes to be made with regard to PPS numbers as one small step in introducing a comprehensive set of reforms. I have always believed in the jigsaw approach, with many small pieces forming a coherent big picture. If one opts for a big bang approach — producing the picture in one step — one will often get nowhere because a single piece might hold back the effort made. I am committed to completing the process.

Senator Mullen referred to Tús. My colleague, the Minister of State, Deputy Connick, has provided materials for small coastal works. That will not be of much use in County Westmeath, but it will prove beneficial in other counties. We will provide the labour. There is a lot of State money available that could be used to much better effect in availing of schemes and using materials from relevant front-line Departments, including those responsible for the Gaeltacht and arts, sport and tourism. We will consider such issues.

I keep hearing the myth that there is double claiming, in respect of which certain sectors are always accused. Some are indigenous such as the Traveller community which is always accused of this by the public at large. Certain residents from other countries who have come to live here are also accused of it, with certain nationalities attracting the accusation like a lightning rod. The evidence I have is that such claims are untrue. There are only 35,000 Travellers. As such, some of the myths are out of kilter with reality. The production of the card will help to sort out the issue and if there is such a practice, it will be stopped as a result. It will also put the debate to bed, while protecting people's good name. In fraud control we must separate myth from fact. With better control systems, sections of society can be protected from allegations.

Senator Nicky McFadden: True.

Deputy Éamon Ó Cuív: If we have a system that makes such practices nearly impossible, we can be almost sure they will not be followed. Assisting people to get back to work and return to education in order that they will not sit on jobseeker's payments is very important to me. All of the medical and sociological evidence indicates that unemployment is very bad for people, for whom it is not a natural state. In the budget we announced the creation of 15,000 places; the constraint is not money but rather that it takes time for such processes to be put in place. This morning I met people who were interested in getting the unemployed onto schemes in a hurry. They made an interesting point which confirmed my experience. They said it could not be done in a hurry because a result of the requirement to seek Garda clearance and to engage in selection processes, etc. we would be talking about a period of three or four months to get people into position. I fully recognise this, but if we start today rather than in a month's time, we will get there one month earlier. However, it will still take time. When we came up with the figure of 15,000, it was not considered small; we wanted to be realistic about what would be achievable in a period of one year. Community groups will identify jobs and there are other processes required to be followed to get people into jobs. This takes time. I stress that it is wrong to have people engaged in mindless work. It should be meaningful for the participant, host and community to ensure we get something practical out of it.

There are 22,000 participants in community employment schemes, with 5,000 participating in the rural social scheme and the community services programme. There are 23,000 in receipt

of the back to education allowance, which brings the total close to 50,000 people. There are approximately 10,000 participating in work activation schemes, bringing the total to 60,000 and there are the 15,000 places announced to be added. There are also training schemes.

Senator Phil Prendergast: Deputy Mattie McGrath secured the extra 15,000 places.

Deputy Éamon Ó Cuív: If he did, he did not speak to me about it. I thought I mentioned in September the approximately 10,000 places which many believed had disappeared. People said I had forgotten about them, had not succeeded or was in trouble. I love to say when people have given up that I have got something. We should now fill these places.

I was a little surprised by the comments made on the disability issue. There must be a system in place with clear criteria if money is being paid. One of the challenges is to ensure the provision of a flexible system that is fair, open and understandable with regard to the terms and conditions to be applied. We can consider the current position on the issue of invalidity. At present, a person on invalidity or long-term illness benefit can apply for an exemption to do rehabilitative work for one year for a maximum of 30 hours per week. If, as is often the case, not everything worked out perfectly over the year, a further exemption of one year is possible. At the end of this period, the person must choose either to work full time without the invalidity benefit or cease employment and continue to avail of invalidity benefit. The former option presumes the unlikely scenario that a person whose capacity to work was so limited that he or she was approved for invalidity benefit will, by virtue of work, be able to overcome his or her underlying incapacity and suddenly be able to compete, on a stand-alone basis, in the commercial economy. The theory behind this option is that the person will be cured by work. While I do not have any doubt that employment makes a major contribution to well-being, irrespective of whether one has an incapacity, it requires a stretch of the imagination to believe work cures underlying physical or mental incapacities. Without being facetious, let me take an extreme case of a person who has lost an arm. Working will not give such a person his or her arm back. The theory behind the current scheme is that this is precisely what work would do. One would be recapacitated, as it were, to the extent that one could participate in full employment.

I have been contacted by individuals who had been granted a one year exemption. After the year elapses, they point out to me that they secured employment and retained their payment but must keep the payment as their job does not provide sufficient payment. For this reason, they want to continue to work and retain their payment. They wake up in the morning with a smile on their faces because they have a job to go to. The current scheme forces people who are in this position either to continue to work and lose their invalidity payment or leave their job and retain it. Is that not how the system works?

Senator Nicky McFadden: Yes.

Deputy Éamon Ó Cuív: These are the circumstances experienced by real people, those who visit our clinics, and they do not conform to some sociological theory.

Under the proposal, a person will be able to avail of an exemption for one year for training and so forth. If, at some point during this year, he or she wishes to work, a medical assessment as opposed to a social or other form of assessment will be done. We must bear in mind that the person will have been awarded an invalidity payment for medical reasons. If the person has an 80% capacity to work, he or she will then work.

Senator Nicky McFadden: Who will conduct the medical assessment?

Deputy Éamon Ó Cuív: It will be done by the Department. I have asked the Joint Committee on Social Protection to invite the chief medical officer of the Department, who is an expert on occupational medicine, to come before it to explain in detail how the medical assessment is carried out. Senator McFadden should note, however, that the Department already makes a fine call when deciding whether an applicant is entitled to invalidity pension on medical grounds. Its decision is based not on the applicant's condition but on his or her ability to work.

Senators will have encountered cases of people being refused invalidity pension and disability allowance on the basis that while their disability or invalidity is recognised, questions arise as to whether it is such that they are deemed unfit for work. Members have made submissions on decisions to refuse invalidity and illness benefit claims. Given that doctors who certify an applicant focus on the medical condition, applicants are often outraged when a payment is declined. This is based, however, on a misreading of the law. The legislation does not provide that the condition is the overriding factor. Instead, the issue is whether the condition prevents a person from working. To give a notable example, a Member of this House who has a severe disability is fully able to function. However, he would not be able to work as a road worker or plasterer.

The proposal refines the current position by allowing people to continue to receive a full invalidity payment, if they so wish. Those who wish to work will be allowed to work, depending on their capacity to work, and receive the full dependent adult allowance, full child dependant allowance and a proportion of the personal payment. Persons in such circumstances will be allowed to work not for one or two years but for as long as they wish, subject to periodic medical assessment to ensure they have not been miraculously cured. This novel and improved approach needs to be tried.

When I explain the proposal to people who have had exemptions they tell me the new mechanism is brilliant and will solve their problem as they will no longer be constrained by the 30 hour requirement or the level of income they earn. Even if the payment amounts to only half of the personal rate, they will be free to work without questions being asked. We should give the new system a chance.

As far as I can ascertain, this approach is being adopted by other European countries. From my dealings with the chief medical officer, I believe the Department has carefully examined how the proposal will work in practice. It will work well and improve the circumstances of a significant number of individuals. The legislation must be passed to allow me to pursue this option.

Senators should note that the proposal will not prevent a person from receiving a one year exemption under the rehabilitative model — that provision remains — nor does it force anyone to avail of the new mechanism. It provides an additional choice and does not involve any compulsion. When I spoke about this matter previously someone alleged compulsion would be involved. This is an extra weapon in our armoury and it is one that does not involve any compulsion.

As I stated, having been somewhat sceptical about the proposal when I was appointed Minister, I have become an enthusiastic proponent of this model and have driven it as quickly as possible. It is the beginning of a much better way of doing our business for those with disabilities under social welfare legislation.

Question put and agreed to.

Committee Stage ordered for Friday, 17 December 2010.

Sitting suspended at 2 p.m. and resumed at 3 p.m.

Business of Seanad

An Leas-Chathaoirleach: I ask the Acting Leader to suspend the sitting, as there is a vote in the other House.

Senator Diarmuid Wilson: With the permission of the House, I propose that the sitting be suspended for the duration of the vote.

Sitting suspended at 3.01 p.m. and resumed at 3.10 p.m.

Financial Emergency Measures in the Public Interest (No. 2) Bill 2010: Committee and Remaining Stages

SECTION 1

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

Senator Joe O'Toole: I welcome the Minister of State at the Department of Enterprise, Trade and Innovation, Deputy Kelleher, who will hardly be surprised to hear I will be opposing vehemently this legislation on the national minimum wage. There will be very little agreement from this side of the House. We will be explaining to him why it is absolutely disgraceful that those on the lowest pay rates should have their salaries cut again.

I want to raise an issue of some significance, on which the Minister of State may agree with me but do nothing. It pertains to section 1 which concerns the pensions of officeholders and politicians. As I am not seeking re-election, none of these matters will affect me in any way.

I want to raise a few important points. It would be very useful if members of the Cabinet read the debate on the Ministerial and Parliamentary Offices Act 1938, in which the reasons for paying ministerial pensions were considered. I will refer to some of them.

Let me refer to an issue with which one of the Minister of State's advisers will be very familiar. When he and I used to discuss matters across the table, he always argued with me that a pension was no more than a deferred salary. That is an important point. The term "pension" may be an incorrect description of what Members are paid in addition to their normal salaries when they return to the backbenches having been Ministers. I would be happy if the system of payment was the same as in the private sector. When people are promoted and act for a number of years in a significant capacity and acquire expertise, experience and knowledge, it should be recognised that their future contributions will be more enriched than they would otherwise be. In many places, in the public and private sectors, after a certain period people maintain some of the allowance or increase received when acting in a promoted capacity. In that regard, I ask the Minister of State, having considered the question of deferred pay and what was said in the initial debate, to say that what Ministers receive when they return to the backbenches should no longer be called a pension. It should be called something else. What is driving the population wild is that people draw a pension while still being paid a salary. It is almost an oxymoron. It is a contradiction in terms, but that is not to say there is no justifiable argument to support the case that people who are no longer in their promoted role but who continue to bring added value to their contributions in Parliament and elsewhere should not have this recognised. This has nothing to do with me and it will never involve me in any way, but it is an important issue.

The former Minister for Finance, Charlie McCreevy, introduced a new system of pensions for public representatives, whether they be Ministers, Taoisigh, Presidents, Deputies or Senators. Under the latest scheme, a person is not entitled to collect a pension until he or she is 65 years of age. I will use as an example the Minister for Health and Children who entered

[Senator Joe O'Toole.]

the Houses at 23 or 24 years of age. Whether one agrees or disagrees with what she has done, no one will deny that Deputy Harney has given excellent service. I disagree with many of her policies, but that is not the point I am making. She was elected by and has represented the people for whom she has worked for over 30 years. If she decides not to run in the forthcoming general election, she will have spent 30 or 35 years as an elected public representative and contested possibly 14 elections. If she had started under the new system, she would not be entitled to receive any payments until she reached the age of 65 years. I do not know what age she is, but I think she is in her mid-50s. I would like someone in the Cabinet to think about this and explain how it could be ethical, just, morally correct or good in a democracy. I had this argument with Charlie McCreevy before he introduced the system. I have given the example I have provided for the House because he knew about it as well as I did. I would say this in front of him if he was here: he had to concede that I was correct in my argument. He said he was off, that it would not affect anyone for many years into the future and that someone else could change it. These were his final words in our one-to-one discussion. We should re-examine the issue.

We are introducing legislation, much of which is necessary, to tidy various aspects in the payment of pensions. Undoubtedly, the matter needs to be dealt with, but we are leaving ourselves with a major problem. If someone in their 40s stands for election, spends ten or 12 years in the Houses and decides he or she is finished in his or her late 50s, there will be no prospect of an income until he or she reaches 65 years of age. Can someone explain to me why this is a good idea? Is it because Ministers are afraid to explain to the people that this is bad for democracy?

One of the many things for which I am held responsible is negotiating the arrangements for teachers elected to the Dáil or the Seanad. Effectively, they provide a safety net to enable them to go back to work as teachers when they leave the Houses. Every time the issue is raised with me, it is raised by journalists. I would like the following point to be drawn to the attention of the Cabinet. In a democracy citizens have duties and responsibilities. Every citizen has a duty and a responsibility to act properly. One of his or her duties is to vote in an election. The highest contribution a citizen can make is to stand for election as a public representative and represent the people in the national Parliament. If that is the case, should we not make it easy for them to do so? Rather than criticise or question the arrangements I negotiated for teachers, should we not demand that anyone elected as a public representative have the same level of protection as a woman who is breastfeeding? The jobs of such women must be held open for them; they cannot be sacked or denied promotion. Surely that is logical in a democracy. Should we not encourage people to engage in politics and ensure they can make a contribution without having to worry about their responsibilities to their family or children? However, this debate is not happening because the Government is afraid of the people.

Public representatives always take a hit at the end of the day. They are the only group in the entire public sector which is deprived of long service increments. Why is that case? What is the logic behind it? The Minister of State's officials should be well able to answer this point. Why was one group singled out? There are over 200,000 working in the public sector, but only one group was singled out for such treatment. Is there not something inequitable or unjust about this? If we are to get rid of long service increments, should they not be denied to everyone?

The service of members of the Cabinet should be recognised in their salaries once they leave the Cabinet and if they continue in politics. That should take the form of an allowance, not a pension. It should not be called a pension because that is not what it is. One cannot draw a pension and be paid to do the same job at the same time. There are variations, but we could

use this as a base. I have deliberately picked something that seems to be remote from the Bill, but that is what happens when one passes such legislation. There are ripples in a pool spreading from an earlier decision. In many ways, this little section could have an impact on the quality of persons who will serve our democracy as public representatives in the future. I would, therefore, like the Minister of State to address this point. I will not table an amendment because it would not be listened to. It is clear that we are in a cul-de-sac in promoting public representation, democracy, involvement, participation and attracting fresh faces into politics and we will eventually pay the price.

Senator Marc MacSharry: These points are general rather than specific to the Bill. However, I am supportive of the points made by Senator O'Toole. The issue is being examined, but clearly it is not sustainable to have pensions at such levels. That is where reductions are necessary, but I fully agree with the Senator on the context set. He used as an example the Minister for Health and Children, Deputy Harney. These measures do not apply to me because I am a member of the class of 2002. The Minister of State, Deputy Calleary, is an example of someone who must reach 67 years of age before claiming any entitlements.

I am one of the people to whom Senator O'Toole refers in discussing the payment of increments. The system is unjust. Public sector pay levels must be cut because we cannot sustain current levels, but it is unjust that 23 individuals in the entire public service are denied increments. I would have no difficulty in accepting a lower salary — I advocate it — but it is unjust that just over 20 individuals are penalised. A senior Cabinet Minister who shall remain nameless said to me at the time that they did not consider being a Member of the Seanad to be a job. On that basis, the Minister questioned how increments could be paid. That is reprehensible and I said so to the person concerned.

I may not contribute to the debate on other sections, but obviously I support the Bill. While it is painful in the extreme that we must contemplate a reduction in the minimum wage, it is just to do so at this time. Consumer prices have returned to 2007 levels. The various joint labour council agreements and the minimum wage were set at a time when circumstances were very different. Circumstances now dictate that we have had to move to different levels. While these levels were set to protect employees in the past, in my view the minimum wage as it stand and the joint labour council agreements set at the levels they are have become impediments to employment and certainly have become issues which threaten the sustainability of certain jobs. As a result, the minimum wage reduction is necessary — I know an amendment has been tabled — and as a result I commend the Bill to the House.

Senator Liam Twomey: Much of what Senator O'Toole said is correct but we should probably have a wider debate on this issue. In Germany, people who lose their jobs keep a substantial portion of their income which decreases over time rather than going from one's full income to social welfare which represents an immediate massive and dramatic drop in income. Many people who have lost their jobs will not be able to draw down their entitlements from their defined benefit or defined contribution pension with the company for which they used to work, assuming the pension fund survived a company collapse. There is merit in having a longer discussion, taking into account people other than those mentioned in this section of the Bill.

Minister of State at the Department of Enterprise, Trade and Innovation (Deputy Billy Kelleher): The subject of salaries and the broader issue of encouraging a turnover of public representatives in the Dáil is slightly straying from the import of the Bill. I spoke at length on this issue a number of years ago, opposing the changes primarily because I view it as important that people can afford to retire from the Houses. It is critical that there is a turnover of Oireachtas Members during elections and that we do not have a situation whereby in years to

[Deputy Billy Kelleher.]

come people may have full service. I entered this House at the age of 23 and this will not affect me either. However, when I am a citizen at some stage in the future, one should know that the Members of the Oireachtas representing one are there for the right reasons and not sitting on seats because they cannot afford to step down. This is something we should debate.

I know we speak a lot about electoral reform and the need to reform our institutions of State, especially the Oireachtas, including the make up and content of and numbers in the Dáil. A proposal to abolish the Seanad has been made by some political parties. This is fine, but the difficulty we have, as always, is that very few voices advocate for public representation. It is probably the one profession where there is no uniform voice defending public representation as a profession and as an important requirement in any democracy. Given the politically charged climate in which we live, we spend more time doing each other down rather than advocating the importance of having democratic accountability and the importance of having Houses of the Oireachtas that are representational and a mirror image of the public. It is a debate for another day but the views expressed by Senator O'Toole are important.

If in the future we have Members of Parliament who have given a lengthy period of service but who cannot draw their pension until they are 65, they may sit in the Houses of the Oireachtas for a number of years, taking up valuable space and not making a contribution because they cannot afford to retire. I have 18 years of service and I am 42 years of age. It will not affect me but in the future it will be very difficult to encourage young people who will have to make decisions early in life on whether they will stand for public office, whether they will be able to make a contribution and, more importantly, if the career does not work out or they decide to step down, whether they will be able to afford to do so. While those in all political parties and none speak about attracting young people into politics, I am quite sure that at the very least the present arrangements will not encourage people to stand for election at an early age. As Senator O'Toole is not standing again, he can be bolder and braver in saying what he believes.

We must be very conscious of the fact that the Bill also proposes a reduction in the minimum wage of €1 per hour and we must be sensitive to the broader public. However, the debate on public representatives is one for another day at another time. We should not rush headlong into abolishing the Seanad or Dáil and winding down democracy because it might be popular without thinking through the consequences of it. The same is true of diluting the representation which has served the country well given where we came from with Civil War politics and all that flowed from independence. The institutions of State have weathered many serious challenges since 1920 and 1921 and they have served the country well. We should not lightly abolish them without genuine concerted debate as opposed to thinking on the hoof. I take on board the views expressed by Senator O'Toole but I know he is not referring to it in the context of the Bill.

Senator Joe O'Toole: I thank the Minister of State.

Question put and agreed to.

Sections 2 to 12, inclusive, agreed to.

SECTION 13

Question proposed: "That section 13 stand part of the Bill."

Senator Liam Twomey: We oppose this section which deals with the minimum wage. It was an easy option for the Minister to cut the minimum wage by €1.

Deputy Billy Kelleher: It was very difficult.

Senator Liam Twomey: I am sure the Minister of State is well aware of many of the regulations and complications that exist in the labour market at present, as this is his area of responsibility. Much concern has been expressed to him about various regulations, about the National Employment Rights Authority, NERA, and the complications they cause for employers. Much of this is very useful but I have had considerable representation from companies who say that even the most minor infringements on rotas and payments can create a huge amount of administrative hassle within a company. They feel it is much easier for companies which are not as rigid in their processes.

When looking at the issue of the minimum wage in particular, we must do so from the point of view of existing workers and the potential to create jobs. Where do the people on the minimum wage work? Essentially they work in retail and in the entertainment industry. They are the big sectors in which one finds people on the minimum wage, where people come in and out quite a lot. Other concerns have also been expressed to the Minister of State from within these sectors, such as with regard to double time and the huge cost to employers of taking on casual staff for weekends, which is when the retail and entertainment sectors operate mainly. They find their cost base is very high. There do not seem to be any solutions coming from the Government to deal with these issues. Removing €1 from the minimum wage has cut the income of those on it. Other taxation and social charges will also hit these people quite hard. A different approach could have been taken by the Government to help improve the efficiency of these industries, make it easier for employers to take on people and help them to control their costs while at the same time not penalising the very lowest paid workers in the sector.

Senator Jerry Buttimer: It is difficult to understand why the Government is proposing this cut. Is it to create employment? Is it to penalise the most those in casual low-end labour?

Deputy Billy Kelleher: The former, to create employment opportunities.

Senator Jerry Buttimer: Is it to appease the Government's new masters in the IMF and the ECB? The issues of PRSI and the minimum wage are interlinked. If we are serious about creating jobs we should reward the entrepreneur who creates employment and we should entice people on low incomes to stay in work. The consequence of this Bill and the measures taken by the Government will be to drive people further into poverty. I discussed this issue with the Minister for Social Protection last night and earlier today and pointed out that the Government will make it more rewarding for people to remain on social welfare. I have always understood that Fianna Fáil preferred the Lemass economic model and that it was a pro-enterprise and employment party, although it has abandoned that model through its appeasement of the electorate over the past 13 years by throwing money at it. That has been its *modus operandi* and it has adopted the Bertie Ahern model of economics, which was to canvass from a lorry and throw money like confetti at different interest groups. Unfortunately, the rainy day has come.

The Minister of State has been very involved with employment and with workers and their rights in both his previous and current Departments. I do not believe that members of Cabinet sat down and reasoned out the issues when drawing up the four year plan and putting this Bill together. It seems to me a bit like the plan the Green Party had the morning it decided to announce its departure from Government. It seems like its members had a rush of blood to the head and decided to leave Government. A similar thing seems to have happened to Fianna Fáil and it has decided that because it cannot do A or B, it will do this. It has taken what it sees as the path of least resistance, but it is not the best path. Take, for example, the city of Cork and the nature of employment there. In many industries people are in lower end jobs,

[Senator Jerry Buttimer.]

work on a casual basis, are predominantly young and come from a socioeconomic class which requires them to work. Their work is mainly manual, unskilled and often in the service industry. We are creating a new tier of poverty in this area. At the same time, we are telling employers a different story.

The Government has it back to front. The Minister of State is someone who is very much in touch with what is happening on the ground and I am sure he has got the message from the people. In the context of workers, this Bill, and this section in particular, is not pro-employment. The Government funk'd political reform and did not have the bottle to go further. It took the path of minimum disturbance and took a certain amount from the Taoiseach and another amount from Ministers but forgot about their entourage and about what the political class has been doing for the past 13 years. Yesterday, the Minister for Finance, Deputy Brian Lenihan, came out and condemned social partnership. He sat at Cabinet and voted in the Dáil on all the social partnership agreements. If he was so disturbed by what was agreed, why did he not speak up or vote against the measures agreed by the social partnership? The problem with social partnership was that we forgot about the pillar that is the Houses of the Oireachtas and bypassed it. I am probably in a minority in my party on the issue of social partnership, but I believe it was good.

I saw the Minister of State on television recently speaking about what Fianna Fáil has done over the past two years in putting the people first. It never put them first and that is the problem. If we did an analysis of the position from 1997 to 2002, 2007 and 2010, we would see that the only maxim Fianna Fáil works from is based on how it will win votes. That is its maxim. Its maxim should not now be that it has done well for the country because it has put it first for the past two years. That is a terrible indictment of its standard.

Senator Niall Ó Brolcháin: Has Senator Buttimer ever voted against his party?

Senator Jerry Buttimer: Yes, when I was a member of Cork City Council.

An Leas-Chathaoirleach: Senator Buttimer, without interruption.

Senator Niall Ó Brolcháin: That was a long time ago.

Senator Jerry Buttimer: Thank God I was elected to this House. Senator Ó Brolcháin may talk about voting against Government or party, but he has sheepishly come in here with his colleagues time after time and pressed the “Tá” button because he cannot vote against them because he is too afraid to.

An Leas-Chathaoirleach: We are on section 13.

Senator Jerry Buttimer: Fianna Fáil is either for the people and the national interest or it is not. However, it has not been for them. It has made a hames of the boom, its policies have come to the end of the line and the waterfall of money has dried up. Now, instead, the Government is a bit like Fagin in “Oliver!” and will have to pick a pocket or two. It will pick the pockets of the poor people on the minimum wage, those who need employment and whom we should be looking after.

The job of Government is to protect the most vulnerable and those in need. Its job is social protection, but it has lost sight of that. At least a former Taoiseach, Charles Haughey, had the courage to say he would look after those on social welfare. I remember that when I was young he gave out free toothbrushes. Fianna Fáil is doing the equivalent of taking them back now.

Senator Maurice Cummins: The smile has gone from the faces of Fianna Fáil members now.

Senator Liam Twomey: People cannot get their teeth sorted out either.

Senator Jerry Buttimer: That is the point I am making. I love the term used in the title of the Bill, “financial emergency measures in the public interest”. This Bill is not in the interest of workers who are most in need. Why did Fianna Fáil not bring in real reform on budget day? Senator Boyle spoke last night about the political class, but why did the Government not introduce real reform of the political class in the budget? Instead, it has decided to cut the minimum wage and to penalise those who are most in need. The cuts to those on the minimum wage are of the order of 12% compared with cuts of 6% for politicians. The Taoiseach and Ministers can well afford the cut they took, but ordinary workers, the people we should be looking after, cannot afford the cuts they must face. These people are not on Grafton Street getting hairdos or buying executive gifts for Christmas. They are people we all know who are worried about how they will survive. They are trying to manage their bills and trying to balance one against the other. When they cannot manage or balance them, they are going to the credit union or to moneylenders for a loan. This is my concern.

I pointed out earlier that the Fianna Fáil-Green Party economic policy is the most serious attack on family life today. It has scared husbands, wives and children and they go to bed at night too frightened to talk about the future. Family life is being destroyed and a wedge is being driven between husbands and wives and parents and children. Parents are being forced to make choices and people are being condemned to a level of poverty they should never have reached. Fianna Fáil must forget about politics and think of people and quality of life. The issues should be quality of life and a decent standard of living. This Bill is an attack on our Constitution and on the rights of citizens. We are condemning people to poverty and that will be the Fianna Fáil legacy after 13 years in power. Fianna Fáil can point to new roads, the Luas and so on. While these are grand, they can be replaced. People’s lives cannot be replaced. The quality and value of life have been degraded and denigrated by the policies pursued by Fianna Fáil in Government over the past 13 years, especially over the past two years. This was exemplified yesterday with the €40 million bonus to AIB workers. It took the Minister for Finance five days, from Thursday to Tuesday, to say that could not be allowed. Then, this morning, we discovered that people working at the higher level in the Department are being looked after. The cosy cartel continues.

Senator Niall Ó Brolcháin: There are real concerns with regard to the minimum wage which is to be reduced by 12% through this legislation. Social welfare payments are to be reduced by 4%. We need to be careful about poverty traps when considering the reduction in the minimum wage.

The Bill provides for certain safeguards, such as giving the Minister the power to vary the minimum wage. I would love to hear a commitment from Fine Gael that it will reverse the measure when it gets into power.

Senator Jerry Buttimer: It is in our pre-budget submission.

Senator Liam Twomey: Perhaps Senator Ó Brolcháin should read our policy documents.

Senator Niall Ó Brolcháin: I do not always read Fine Gael’s pre-budget submissions.

Senator Jerry Buttimer: I will quote it for the Senator.

An Leas-Chathaoirleach: Allow Senator Ó Brolcháin to continue without interruption.

Senator Liam Twomey: He is always asking us to come up with solutions but he will not read our policy documents.

Senator Niall Ó Brolcháin: I am concerned about the potential for poverty traps. Clearly the minimum wage cannot be reduced for people who are currently at work.

Senator Maurice Cummins: It is happening.

Senator Niall Ó Brolcháin: It actually cannot happen.

Senator Maurice Cummins: It is happening.

Senator Niall Ó Brolcháin: I would like an assurance from the Minister of State that people who are currently in employment will not suffer a reduction in their wages.

Senator Joe O'Toole: They will simply be sacked and replaced by people on the lower rate, for God's sake.

Senator Niall Ó Brolcháin: The minimum wage will be reduced by €1 to €7.65. I want to be absolutely certain that the effect of this reduction will be monitored. As I am not completely convinced by the argument that reducing the minimum wage will lead to increased employment, I want to see evidence of the impact of the decision. Reducing the minimum wage will bring it closer to the money one would receive from social welfare allowances. It will not be worthwhile for the primary earner in a family with two children to seek work rather than stay on social welfare.

Senator Maurice Cummins: That is the key point.

Senator Niall Ó Brolcháin: I agree it is the key point.

Senator Joe O'Toole: Why is the Senator doing it then?

Senator Jerry Buttimer: He should sit beside me.

An Leas-Chathaoirleach: No interruptions.

Senator Jerry Buttimer: I will mind him.

Senator Niall Ó Brolcháin: As it will be within the Minister's power to vary the minimum wage rate, the safeguards built into the Bill will not be as important as the decisions made by Governments. Ireland has the second highest minimum wage in Europe, after France. It was put in place to safeguard the lowest paid workers in our society and reduce poverty levels. The minimum wage is important and I am glad it was not simply abolished but it should be considered in the context of wider efforts to remove anomalies that create further poverty traps.

We should also introduce a maximum wage which is linked to the minimum wage. This budget attempts to introduce a maximum wage of €250,000 in the public service but a considerable amount of work remains to be done on wage structures in this country. Benchmarking was a serious mistake and the Croke Park agreement is unsustainable. This Bill fails to address the country's wage structure in a holistic fashion.

Senator Maurice Cummins: I will be brief because we have debated these matters at length on the Order of Business and the Social Welfare Bill 2010. Senator Ó Brolcháin hit the nail on the head. We must give people incentives to work. The shrinking gap between social welfare

and the minimum wage means there is no incentive for people to get off the dole and their medical cards to join the workforce on a wage of €7.65 per hour.

IBEC did not call for a €1 reduction in the minimum wage. The unions certainly did not demand a cut. Where is this policy coming from and has the Government put any thought into its decision? It is ludicrous to cut the minimum wage by €1 at a time when people in the higher echelons of the public service are getting bonuses of up to €200,000. There is no fairness in a system that allows this to happen. Senator Ó Brocháin's party is allowing Fianna Fáil to reduce the wages of the poorest workers while at the same time offering massive bonuses to higher civil servants who do not need them. That is why we will be voting against this section.

Deputy Billy Kelleher: I could have anticipated Senators' comments because the matter has already been debated on several occasions and their parties' views are well known. No Government wakes up with a rush of blood to its head and decides to reduce the minimum wage. Evidence supports the decision to reduce it at a time of rising unemployment. Nearly 300,000 people are unemployed and a further 150,000 are on the live register and receiving social welfare payments while, possibly, in part-time employment.

The minimum wage cannot be viewed in isolation from labour activation measures, the tax system and social welfare payments. Many of the sectors to which Senators referred are governed by collective bargaining arrangements rather than the minimum wage and a wide range of low paid jobs are governed by employment regulation orders and joint labour committees. The change introduced in this Bill will not have an impact on these arrangements. Over the coming months, we will be conducting a review of the collective bargaining arrangements of the joint labour committees with a view to streamlining them. Even though people are blaming the EU and the IMF or the Government as it suits them, many of these measures have already been announced in the context of amalgamating the joint labour committees.

Approximately 52,000 people are currently employed at the minimum wage. Our legal advice clearly states that if an individual is working under contract at or above the minimum wage, that contract will continue to obtain. It has been brought to my attention that certain employers have already begun to lay off staff. That is a breach of contract and the National Employment Rights Authority is the statutory body charged with enforcing contracts and terms and conditions of employment. When the order is signed under this section, the new national minimum wage will be €7.65. Those who worked under the old system will have contracts and agreements with their employers.

Employers are obligated to pay that unless there is an agreement between the employer and employee to reduce the rate.

I refer to the comments of the wise old sage, Senator O'Toole, in regard to the remuneration of public servants and public representatives. That should not cloud this. Regardless of what happens with one group, we cannot deny people on social welfare the opportunity to find employment even if it is at a reduced rate of remuneration. That is, effectively, what Senators are saying.

We know the economy is struggling, there are competitiveness problems and people on the lower end of the scale are losing their jobs. By reducing the rate, we could get employers to take on a extra employee or retain employees. For every employer who would like to undermine the terms and conditions of his or her employees, there are multiples of decent employers. The National Employment Rights Agency's figures also suggest that to be the case.

[Deputy Billy Kelleher.]

There is a difficulty retaining people at €8.65 per hour. Forfás produced a report which I am sure is available to Senators. There is statistical data in regard to high unemployment. This must be flexible. There is a need to try to shift as many people from social welfare into employment.

Senator Maurice Cummins: What is the incentive?

Deputy Billy Kelleher: If the minimum wage is not reduced, employers will not be able to afford to take people on. The Senator is looking at this the wrong way. The idea is to ensure that an employer who has a number of employees can take on another employee or two employees.

Senator Buttimer spoke about walking around the streets, and we all do a bit of that from time to time. We are quite conscious that numerous businesses are struggling. They cannot sustain these wage rates, or if they want to take somebody else on, they cannot do so currently. There are also other pressures and burdens on employers, such as rates, local authority charges and other costs. We are trying to shift a cohort of people who are currently on social welfare into employment by employers creating more jobs due to the reduction in the minimum wage. That is what is behind this measure.

This legislation allows for the minimum wage to be adjusted upwards or downwards. I am very proud of the fact my party introduced the minimum wage legislation in 2002. The minimum wage has increased quite dramatically over the years, of which we are very proud. However, we are now living in a very difficult and different time. People have suggested it will force more people into poverty but I would argue the exact opposite. A number of employers would be able to retain or create additional job opportunities on the new minimum wage.

Senators talked about the minimum wage in isolation but perhaps they should look at the social welfare legislation, at family income supplement and at the other supports which are available. If they are not aware of them, I will circulate the information to them but perhaps they conveniently forgot they exist.

In regard to unscrupulous employers, the National Employment Rights Agency is a statutory body to ensure terms and conditions are adhered to.

The legislation provides for the reduction in the minimum wage but also states the Minister has the authority to increase or decrease it. Looking at our competitors in the eurozone and in other EU countries, we must be conscious that we have difficulties in several sectors of our economy in which we are not as competitive as we would like.

I spoke about registered employment agreements in the Dáil last night. There are registered employment agreements across the construction industry and yet we all know what is happening. People are being employed under C2 certificates. Rather than being paid the registered employment agreement rates, people are tendering on a contract basis on a C2 certificate. The registered employment agreements are being circumvented because they are not sustainable in the current climate.

Senator Joe O'Toole: That is a complete red herring.

Senator Jerry Buttimer: That is not the reason. The Minister of State is not giving the House the right information or rationale behind this.

An Cathaoirleach: The Minister of State is replying and Senators will have the opportunity to come back in if they so wish.

Deputy Billy Kelleher: I am making a point on what is happening in industry. If Senators are not aware of it, they should be.

Senator Jerry Buttimer: We are very aware of it.

Deputy Billy Kelleher: Across industry, the C2 certificate is being used to circumvent paying the registered employment agreement rates in various sectors. That has been brought to my attention on numerous occasions by people tendering as self-employed contractors and not charging the rates under the registered employment agreements. That is a fact.

When wages are out of kilter with what the economy can support, there is the issue of the black market and the cash economy. That is also quite evident in the construction industry. A new tax incentive was announced in the budget to improve energy efficiency in homes and tax relief is available on expenditure up to €10,000. That was to try to encourage people to stay in the legitimate economy. That issue is causing difficulties.

No government walks lightly into the national parliament and asks it to support a reduction in the minimum wage. However, it is necessary because of the circumstances in which we find ourselves. We hope it will allow people currently on social welfare to be employed. It will also allow students or those seeking part-time work to find a few hours work here or there which heretofore they may not have been able to do because employers were unable to pay €8.65 per hour as has been stated in numerous debates in the Dáil and, I am quite sure, in this House recently.

Many Members pointed out that rates of pay were too high, including double time on a Sunday and so on. They all highlighted that employers could not afford these rates of pay. The Government has taken some action to try to address that and we are now hearing a different story from Senators.

Senator Joe O'Toole: The Minister of State's reply had nothing to do with the minimum wage. What is worse is the argument being given to his parliamentary party members who are peddling that line and trying to create a connection between registered employment agreements, joint labour agreements and the minimum wage. I listened very carefully to the Minister of State but I could find no logical connection. I look forward to him proving me wrong on this.

I would like to know how the Minister of State's figure of 52,000 people on the minimum wage was calculated. His officials obviously gave him that figure. I would say it is closer to 90,000. Approximately one in 20 of the workforce is on the minimum wage. The Minister of State can work out what 20 into 1.8 million is. That figure is wrong for a start.

The Minister of State said people are getting out of the registered employment agreements through C2 certificates and I have no reason to doubt him. However, I defy him to tell me how many of those C2 agreements are at minimum wage level. I guarantee him none are at that level. They will all be above the minimum and completely disconnected from it. That is why it is not part of what we are saying today.

The Minister of State mentioned the construction industry and keeping people in jobs. How many people in the construction industry or in the black market economy in the construction industry are being paid the minimum wage? That is not happening. These are the kinds of red herrings being brought into this argument time and again. I agree with the point the Minister of State made about registered employment agreements but I completely disagree that they have anything to do with the minimum wage. I will sit here until I hear him make a connection but I have heard many people in his party make the points he made. If he had dealt with the registered employment agreements and various aspects of them, I would have had great difficulty opposing him.

Deputy Billy Kelleher: Senator O'Toole was not listening. He should read the official report.

Senator Joe O'Toole: I listened to every word the Minister of State said.

Deputy Billy Kelleher: The Senator was certainly not listening.

Senator Joe O'Toole: I would like to know what kind of businesses are struggling because of the minimum wage. I have not come across such businesses. I have asked for information about them but I have not found them. Perhaps the Department has the information and it would be very helpful if this information was shared with us.

The people on the minimum wage are people without a voice. They have no connection with registered employment agreements or joint industrial council agreements because none of these people on the minimum wage is likely to be a member of a trade union. They are people without a voice and without protection. The trade union movement is opposed to the reduction of the minimum wage, not because it affects their members but rather because it affects people who are poorer than that and who are outside the protection of the trade union movement, outside of any protections. The registered employment agreements do not deal with minimum wage levels, the reason being one does not have to have a registered employment agreement to pay people at the minimum wage. Why would one go to the trouble of negotiating for months or a year to register an agreement at minimum wage levels? There is no connection between these two and they are completely separate.

I would like to hear how jobs are to be created. This Bill introduces a disincentive, a measure which will take money out of the economy because the one certainty about people on the minimum wage is that they spend every cent. It all goes straight back into the economy. A reduction in the minimum wage is taking money out of the economy. This must be causing small businesses to struggle even more. For instance, the local shop will suffer because people will not buy a cake at the weekend or some other little extra they might try to put on the table. The Minister of State's point is unreasonable but I agree with him that anyone who is contracted under the minimum wage is protected. The Minister of State has dealt with labour law for the past two years and he knows it better than I do. I do not have any worries about his capacity but rather I am focusing on the issue. People at the end of their contract or those without contracts are sacked and replaced by people at a lower level. This does not create one extra job nor does it protect any job. All it does is put more money back in the pocket of someone up the line.

It is very significant that this is the direction we are taking. I could not believe it when I heard the boss of IBEC state on the record that IBEC had not sought a reduction in the minimum wage. IBEC made it clear it was not its suggestion. It was interesting to hear that Mr. Chopra made it clear the IMF did not demand a reduction in the minimum wage. There is no condition relating to the minimum wage in the agreement. The suggestion did not come from any of those bodies.

The National Competitiveness Council is the Minister of State's adviser on competitiveness and he is still offering the view that competitiveness can be improved by reducing the minimum wage but I would ask to see the evidence for this. I do not see any evidence to prove that point. People on the minimum wage are not working in the area of competitiveness. None of the jobs we are trying to create in global industries and international business depends on the minimum wage which belongs to a different place altogether.

The minimum wage rate does not affect the members of trade unions. I cannot find any trade union members who are earning the minimum wage. The National Competitiveness Council did not look for a reduction in the minimum wage nor did IBEC or the IMF. The Government is

the only body looking for a reduction. Why is it is being reduced? Despite the efforts of decent people such as Senator MacSharry who has made efforts on behalf of people whose homes are threatened by repossession through an inability to pay their mortgages, we have failed to protect them. I am not saying I could do any better but while we have failed to protect those people, we then reduce the minimum wage and make a certain class of people even worse off. The public note we have managed to put structures in place to save the banks. I supported the Government on every single one of the measures on this issue. I have disagreed quite regularly with my Fine Gael colleagues on some of the Government measures. Why then turn around and, having looked after the banks, go to the opposite end and hammer people on the minimum wage? What does this achieve? We need to re-evaluate our decisions.

I am not being high-minded when I say this is ethically and morally wrong. I do not wish the Minister of State to think I am preaching. I am no more ethically or morally correct than anyone else and I have made more mistakes than most along the way. This measure is ethically and morally wrong. I know the Minister of State, Deputy Kelleher, well enough to know that we would share many of these views and this measure is not necessary.

In reply to Senator Ó Brolcháin's point, people in his party took a stand in Government on issues such as stag hunting where lives were not threatened. It was an issue of principle. I did not agree with it but I understood the Green Party's position. I cannot understand hurting small people at the bottom of the pile. Most of them probably do not even vote so they are not a threat to anyone. I do not understand why we cannot stand up for them.

We must focus on the issue of the gap between the rates of social welfare and the minimum wage. This was raised by Senator Buttimer yesterday and he touched on it again today. Senator Cummins, among others, has also raised the issue. I have been listening in this Chamber for years about the problem of the gap between welfare and the minimum wage, that it was not worth people's while to go off welfare and onto the wage. We are now narrowing the gap so this must surely worsen the situation. I remind the Minister of State it is to do with the percentages of smaller amounts. I am talking about the actual money figure.

The provision in section 11(1) provides that the Minister may vary the rate by order and this aspect of this issue sent shivers down my back. This means the Minister will sign a ministerial order in his or her office and it will be introduced without any discussion. This is very regressive. I applaud my colleagues in Fine Gael who, most creditably, have said on the record of the House that they will restore the minimum wage if and when they get into power. At least then we can get some good out of this legislation because it can be done by ministerial order when that time comes. This is a classic example of Fine Gael outmanoeuvring Fianna Fáil on the issue of fairness in wages. It has made a very fair argument during the years which I believe people will support. It will be a big issue for ordinary people who look at decisions taken, what was said and done and three or four decisions such as this are absolutely appalling.

Senator Ó Brolcháin talked about monitoring, but I do not know what monitoring in which we need to engage. When the new jobs are created, I will want to know where they are and in what industries. The Senator should indicate where he expects them to be created. I cannot figure out what new jobs on the national minimum wage will be created. Will they tend to be created in areas of the services industry? Even in good restaurants where one would expect the national minimum wage to be paid, the reality is staff are all being paid more than it because that is what is required to hold on to them.

I thank the Minister of State for at least not being sucked into the trap of saying the national minimum wage is the highest in Europe because we all know that when purchasing power is taken into account, it is far from being the highest in Europe; it is more like the sixth or seventh

[Senator Joe O'Toole.]

highest. I appreciate the argument was not tossed out, but it is one that has been made by others, which is an issue.

Senator Ó Brolcháin told us benchmarking was a huge mistake, which I would like to hear explained. I put my hands up: I led the negotiations on establishing a national minimum wage and on the establishment of benchmarking. It appears I have much to answer for. However, I would like to hear what exactly was wrong with either of them. According to today's *Irish Independent*, it cost €1 billion, but this sum was divided among the 250,000 people who worked in the public service. As one of the officials accompanying the Minister of State will know off the top of his head, it worked out at a figure of 7.5% on average. Some have said benchmarking wrecked the country, but we are talking about a country that is in a hole for the €85 billion we have had to get from the European Union. People can still stand up and point to a group of public servants and claim it is their fault that the country is where it is because they were paid too much. What does Senator Ó Brolcháin think should have happened in 2002? Should all of the public servants and others who profited from wage increases have stood back and let even more go for even larger helicopters and more millionaires to build bigger houses in more vulgar places? What was it that we should have done at that stage? Should ordinary workers have stood aside and watched the flow of wealth being created — faux wealth as it turned out — move in another direction? Perhaps they should have said: “We will be good here. We don't want this.” That is exactly where we find ourselves in terms of the decisions made. It is utterly irrelevant to suggest benchmarking has anything to do with the national minimum wage. Those on the Government side have run out of arguments; there is none left.

Deputy Billy Kelleher: The Senator certainly has not run out of them.

Senator Joe O'Toole: The Minister of State is right; I could continue for some time yet, but I will take a break at some stage to hear a little of what is coming back to me.

We are making the inequality in our society even worse and I do not believe it will create an extra job or save any industry. I ask the Minister of State to come back and contradict me with hard evidence. I am not talking about a shop here or there; what industries does the Government believe will be resuscitated by reducing the national minimum wage? Where are the new jobs to be created by the reduction in the national minimum wage? What is the assessment of the loss to the economy by reducing the national minimum wage? What is the balance to be struck? There are the issues to which we need to give long and hard consideration. At a minimum, the Government's case on reducing the national minimum wage is not proved. Even if it were not ethically and morally questionable, even in pure financial and economic terms, it has not been shown or proved to me that any jobs will be saved or created as a result of this.

Senator Jerry Buttimer: The most important point the Minister of State made was that as a consequence of the budget and the Bill, the black economy would flourish even more. Senator O'Toole is correct in stating it is more like one in 20 people are on the national minimum wage. The Minister of State spoke about C2 agreements, etc., but how many of them are at national minimum wage level? He also spoke about businesses struggling, but I suggest very few are struggling as a consequence of the level at which the national minimum wage has been set. Let us consider two segments with many working on the national minimum wage: retail and hospitality. I talk to people in Cork city who advise me that they are struggling not because of the national minimum wage but because consumer confidence is low and they are not spending. In addition, credit for small businesses is being frozen by the banks. There is also

employers' PRSI, on which my party made a proposal. There is the issue of VAT on labour-intensive activities. None of these is part of the national minimum wage argument.

The reduction in the national minimum wage equates to approximately €2,080 per annum. I will outline to the Minister of State some statistics and if I am missing something, I will happily vote with the Government. The level of male unemployment is 16.7%, or one in six. Men aged under 25 years account for one third of that number. Some 6.5% of the workforce are long-term unemployed, five times the 2007 figure. Some 84% of the job losses affected people under the age of 35 years, 55% of whom are under the age of 25.

I return to my core point which concerns the philosophy in which I believe. The job of the Government is to protect the vulnerable, particularly those in low income jobs. The Minister of State's argument makes no economic or social sense. Even the Republicans in the House of Congress are not voting to cut the minimum wage. They signed a deal with President Obama last week to keep the middle-class tax cut alive. However, the Government works from the mantra that if we fix the deficit and the banks, everything will be okay, but it forgot one ingredient — the people. What is money? Why do people need money? The problem is that the 18 or so people around the Cabinet table are so cocooned that they have lost sight of the ordinary common person who struggles.

Senator Niall Ó Brocháin: It is not 18.

Senator Jerry Buttimer: I do not know how many there are in the Cabinet; I was never a member. They change the number nearly every week. Is Senator Ó Brocháin's party still in government or has it left?

An Cathaoirleach: Senator, please. We are on section 13.

Senator Niall Ó Brocháin: I will check and get back to the Senator.

Senator Jerry Buttimer: The Green Party is like a three-wheeled bicycle; half of it is on stabilisers.

An Cathaoirleach: We are on section 13 of the Financial Emergency Measures in the Public Interest (No. 2) Bill.

Senator Jerry Buttimer: I am talking to section 13. The Minister of State spoke about activation measures and supports. However, the most important aspect the Government has failed to address in the budget or the Bill is that people must be better off in work than on social welfare. As a result of this measure, they are not. The Government has reduced tax credits, revised tax bands, brought in a universal service charge and cut the minimum wage. The end product is that these measures have been targeted at those on middle to low incomes. Where is the incentive to provide employment, for a person to take up a job or for the ordinary person to spend? Consumer confidence is at an all-time low. It is to be hoped it will pick up by Christmas and people will go to Cork city and other cities to shop and support local industry.

The Minister of State spoke about businesses struggling. Our party proposed the abolition of the 8.5% rate of employers PRSI for staff earning below €356 per week for at least three years, which would have the effect of reducing the cost of employing a person on the minimum wage level for 40 hours per week. The Government did not even do that.

Deputy Billy Kelleher: That is not Exchequer neutral. It involves a cost for the Exchequer.

Senator Jerry Buttimer: We are talking about people. In the Minister of State's matrix, this is about a cold computer printout of analysis of a budgetary figure. He is not trying to keep

[Senator Jerry Buttimer.]

people in jobs. When account is also taken of the people who have emigrated, the position has become a great deal worse. If we are serious about incentivising work, the minimum wage should not be cut.

Senator Liam Twomey: I wish to make a few brief points. The Minister of State made some comments, not related to this matter, about C2 contracts being abused in order that employers, especially in the construction sector, would not have to take on employees. Over recent years a similar accusation was made about general practitioners who took on locums for their holiday cover. The locums were not self-employed. Revenue made it clear that it would charge the general practitioners employers PRSI and make them responsible for the tax obligations of the locums and then that work practice changed overnight. Now locums are considered to be employees and tax and PRSI are paid accordingly. Apart from a very small percentage of people, that old work practice has essentially disappeared. The Minister of State could make a recommendation that Revenue would examine the number of C2 contracts that have been issued by people in the construction sector, issue a warning on this issue similar to the one they issued to the general practitioners, dentists and pharmacists and perhaps that would have the effect of changing work practices fairly quickly.

Mr. Liam Griffin, a hotelier in County Wexford, has expressed his view on this issue on local media. Knowing the type of person he is, I assume he has also contacted the Minister of State about it. Mr. Griffin said it is not sustainable to pay a student €22 an hour to collect glasses in any of his hotels on a Sunday afternoon. I do not believe he was talking about cutting the minimum wage. The minimum wage may impact on the cost per hour of employing a student, but I do not believe his approach would be to hammer everyone on the minimum wage in order that he could deal with specific problems in the hotel sector, entertainment business and throughout the services sector. What is at issue is the need to deal with some anomalies that exist that cause problems for employers in terms of retaining workers, developing their businesses and creating more jobs.

The Minister of State must acknowledge that the way the Government went about this has had the effect of hitting the lowest paid workers in our society. All workers have been dealt a blanket punch when action should have been taken to deal surgically with the problems in this area. This measure was an easy option for the Government. The Minister of State knows all the problems in this area which have been highlighted by people like Liam Griffin, other hoteliers, restaurant owners and service providers, not only in Country Wexford but throughout the country. They have been in contact with him. Rather than saying it would examine different policies and mechanisms such as joint labour committee agreements, the Government took the easy option to keep it going for a few months.

Deputy Billy Kelleher: I advise Senator O'Toole that I can only go by the official statistics. The number of people on the minimum wage is 52,000 according to the CSO's last quarterly household survey. This equates to 3.4% of the working population being paid at or below the minimum wage. Two reports have been published on this area. One is a Forfás report and the other is an OECD report which recommends that the minimum wage should be readjusted in line with falling wages. Those are two reports that address this issue for fear the Senator might think we make things up on the hoof.

I clearly said that this legislation had nothing to do with those who are paid by collective agreement in context of joint labour committees or joint industrial council agreements. That is exactly what I said. I went on to elaborate that in terms of these issues there is pressure because C2 certificates are undermining the position. For fear the Senator thought I was interpreting that this legislation would impact on the others, as it were, clearly it will not. In the context of

joint labour committees and employment regulation orders rather than registered employment, at the lower rates of pay in the hospitality sector and other areas where the rate of pay is a few cent above the minimum wage, the minimum wage has an impact on those areas. There is talk of the effect being 1.5 times the number who are on the minimum wage. We accept this will have no impact on registered employment agreements and other areas that are at the higher end of collective agreements in the context of hourly rates of pay.

There is a definite issue in terms of wage adjustments in economies where jobs are being shed at a high rate. There are two ways of addressing that issue. We could take a simplistic view, which has been propagated, that rather than taking the difficult decision of reducing wages to try to introduce competitiveness, by continuing to increase wages, we would trade our way out of our difficulties. That is not a credible argument for anyone to put forward. It was said that people on the minimum wage will spend their money, that because they have very little disposable income, they spend it on the essentials such as food and heat that people need to live. That is an accepted fact. The argument that were we to increase the minimum wage, people would spend more of it is not credible. Any economist from any ideological background would say that if one continually inflates wages, one will run into difficulties at some stage.

I want to clarify the position regarding a reference to the views of the Minister for Finance on social partnership. First and foremost we operate a collective Cabinet responsibility in government. Decisions are made in that context and collective Cabinet responsibility pertains on that matter. If the State did not make the adjustments in the context of pension levies and other revenue raising measures to fund services, we would have a very unsustainable position. As of now, we probably would not even be able to deliver on the rates of pay currently provided for public servants and civil servants or to provide services.

I do not want to go into the broader debate on the IMF-EU support mechanism which took place in the Dáil today and on which there was a vote that was passed. Bandyng about the figure of €85 billion as being the amount we are being forced to take from the IMF and EU is not the case. This funding is available in overdraft form. If the State can go back as a sovereign entity to the capital markets and borrow at a lower interest rate than that which has been provided of 5.8%, there is no obligation on us to draw down the €85 billion. It is a contingency fund to allow the State to plan its way out of its current difficulties and in the meantime for it to be able to pay public servants, civil servants and provide services the public needs. The EU-IMF fund does not mean we are being forced to borrow €85 billion. It allows us the facility to do so in the event of our needing it. More importantly, if we can get back into the capital markets at an earlier stage than we anticipate, it is up to any government to decide to do that.

It is not cast in stone that any government must follow the diktat laid out in the four year plan. Any government can decide to draw up its own four year plan and fund it accordingly. People will have to be conscious, however, that if they decide to tear up the four year plan, they had better ensure they can access the international markets somewhere else before they do so. People must be honest about this. We have to pay our public servants and provide services and no other avenue is available to the State at this time other than the EU-IMF support fund. I could argue this forever and a day. I know there are ideological views on this also and no matter what statistics I provide, some people will not support the emergency legislation to reduce the minimum wage. We cannot see the minimum wage in isolation as there are social welfare supports available for people on the minimum wage with larger families, including family income supplement. People are also forgetting that we had to make a very difficult decision recently in reducing the jobseeker's allowance for people under 25, which has been dramatically decreased. People who were previously on jobseeker's allowance at a high rate have seen payments reduced also.

[Deputy Billy Kelleher.]

The minimum wage is being reduced by €1 per hour from €8.65 to €7.65 and there is still quite a deficit between what a person would receive on jobseeker's allowance and what people get with the minimum wage while single and living at home. People should consider the whole social welfare code, labour activation measures and the minimum wage. I accept that no Government would want to reduce the minimum wage but there are some reports supporting our views. Considering the issue rationally, we are hoping that people bring to the National Employment Rights Authority or other agencies evidence of exploitation from the reduction in minimum wage or breach of contracts.

There is a cohort of people who cannot take on extra employees because they cannot afford the present rate of €8.65 per hour. If there is a shift of a number of people from social welfare, where they cannot achieve any form of temporary work, to being able to enter the labour market, it will be positive. I have heard the comments of Members and I know they may not listen to what I have said because there are strong views on the matter. The Government has taken a decision, based on evidence and reports, in order to try to shift a number of people currently on social welfare. Businesses will be able to retain or take on extra staff because of this measure.

This will primarily affect the services area, including the hospitality and retail sectors. Some of these areas are also governed by employment regulation orders established under joint labour committees. I am not confusing the two of these and understand the differences but I did make the point that other areas of the labour market have collective agreements at the higher end; they are also under pressure because of the way the C2 cert system is operating.

Senator Joe O'Toole: I thank the Minister of State for his comprehensive reply and accept the point about employment agreements. He did not deal with the issue of where the jobs would be created and where they would be lost. He half dealt with the issue of the gap between welfare and minimum wage by dealing with jobseeker's allowance. That does not take from the force of the argument I made previously.

I have said what I had to say and I do not intend to carry on with this discussion. I got caught up in my own argument on the question of benchmarking. People should be aware of the following point when discussing benchmarking. It costs €1 billion per year and the Minister, in his last contribution on this issue in the Dáil a couple of weeks ago, indicated that the amount which the public sector has paid back over the past two years is €1.8 billion. That includes Deputies and Senators, as well as everybody else.

It is important to note that benchmarking has been reversed and the Croke Park agreement has an objective to save another €1.2 billion. By the end of next year the public sector will give back €3 billion per year. That disposes of any argument about where we are with benchmarking or what it has done. We should look at the people who got us into the hole for all those billions and I completely agree with the Minister of State on his point about the €85 billion. I have said myself that it is a draw-down facility. We can forget that example but we can use the €35 billion for Anglo Irish Bank or the other bits and pieces that can be added. I can put another set of figures in front of the Minister of State but I took the €85 billion in a rhetorical flourish. Although I agree with the Minister of State's comments, it does not take one iota from my argument. How much have these people paid back?

It sticks in my craw when people point to the public sector, benchmarking or the Croke Park agreement and ask how it will work. We will discuss it later and people appear to find it complex. It will save more than 20,000 jobs and over €1 billion per year. I do not know what part of this people do not understand or find unsustainable. I hear people saying that we cannot

afford the agreement, insinuating that we cannot afford to save 20,000 jobs or €1.2 billion. That is illogical. I will listen if people argue that the agreement is not working or delivering, as it must be made to work and deliver. There is an idea that we cannot afford it but we cannot afford not to have it. If we did not have it people would be on the streets fighting but this is an agreement which can deliver for the people. We will discuss it later today. I will oppose the section.

Question put.

The Committee divided: Tá, 27; Níl, 19.

Tá

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

Leyden, Terry.
MacSharry, Marc.
McDonald, Lisa.
Mooney, Paschal.
Ó Brolcháin, Niall.
Ó Murchú, Labhrás.
O'Brien, Francis.
O'Donovan, Denis.
O'Malley, Fiona.
Ormonde, Ann.
Ross, Shane.
White, Mary M.
Wilson, Diarmuid.

Níl

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Cannon, Ciaran.
Coffey, Paudie.
Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Fitzgerald, Frances.

Hannigan, Dominic.
Mullen, Rónán.
Norris, David.
O'Reilly, Joe.
O'Toole, Joe.
Phelan, John Paul.
Ryan, Brendan.
Twomey, Liam.
White, Alex.

Tellers: Tá, Senators Niall Ó Brolcháin and Diarmuid Wilson; Níl, Senators Maurice Cummins and Liam Twomey.

Question declared carried.

Question, "That section 14 stand part of the Bill," put and declared carried.

Question, "That Schedule 1 be Schedule 1 to the Bill," put and declared carried.

Question, "That the Title be the Title to the Bill," put and declared carried.

Bill reported without amendment.

Question, "That Report Stage be taken now," put and declared carried.

Question, "That the Bill be received for final consideration," put and declared carried.

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

The Seanad divided: Tá, 26; Níl, 21.

Tá

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Callely, Ivor.
Carroll, James.
Carty, John.
Cassidy, Donie.
Corrigan, Maria.
Daly, Mark.
Dearey, Mark.
Ellis, John.
Feeney, Geraldine.
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Keaveney, Cecilia.
Leyden, Terry.
MacSharry, Marc.
McDonald, Lisa.
Mooney, Paschal.
Ó Brolcháin, Niall.
Ó Murchú, Labhrás.
O'Brien, Francis.
O'Donovan, Denis.
O'Malley, Fiona.
Ormonde, Ann.
White, Mary M.
Wilson, Diarmuid.

Níl

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Cannon, Ciaran.
Coffey, Paudie.
Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Fitzgerald, Frances.
Hannigan, Dominic.

McFadden, Nicky.
Mullen, Rónán.
Norris, David.
O'Reilly, Joe.
O'Toole, Joe.
Phelan, John Paul.
Ross, Shane.
Ryan, Brendan.
Twomey, Liam.
White, Alex.

Tellers: Tá, Senators Niall Ó Brolcháin and Diarmuid Wilson; Níl, Senators Maurice Cummins and Joe O'Toole.

Question declared carried.

Minister of State at the Department of Enterprise, Trade and Innovation (Deputy Billy Kelleher): I thank the Members who contributed on Committee Stage. It is obvious that very difficult challenges face us. This is a financial emergency measures Bill and those who read the recitals on pages 3 and 4 will understand the reasons it was before both Houses of the Oireachtas. There was a division in this House. I could not bring about consensus, although I tried by force of argument, but I understand many Senators had alternative views.

Senator Joe O'Toole: I look forward to the discharge of the commitment given by the Fine Gael Party to reverse this appalling measure as soon as it gets into government. I thank the Government for making it easier for Fine Gael to do so because the reversal can be effected by ministerial order rather than by legislation. All could be well in the future.

Sitting suspended at 5.20 p.m. and resumed at 5.30 p.m.

Fish Quotas: Motion

Senator Denis O'Donovan: I move:

That Seanad Éireann supports the Government in their endeavours to improve fish quotas for Irish Fishermen in light of the annual review due this week; and supports the Minister and Government in their negotiations in the review of the common fisheries policies.

In order to facilitate Senator Carroll I propose allowing him to speak first and I will use my 12 minutes at the conclusion of the debate.

Senator James Carroll: I welcome the Minister of State, Deputy Connick. He has had a hectic few hours and I thank him for his hard work on this issue. Quota for the fishing industry has been a hot topic for the past number of decades because there is a sense we are missing out on a potentially great opportunity going back to when we acceded to the European Union. In many respects, that ship has sailed and we must deal with the reality of how the Minister of State is dealing with issues. Senator O'Donovan has a wide variety of issues he wishes to raise.

The final agreement that was announced will deliver quotas that are a substantial improvement and a substantial investment in local economies around the country. The prawn industry is a major one for many people. Many other elements are concerned. I wholeheartedly welcome the 10% increase in quota for the mackerel industry and the two thirds share of the boarfish industry for Irish fishermen. I have been in the House for 12 months but the Minister of State has been a Deputy for three years and is now doing a very good job as a Minister of State. I can imagine how difficult it is to negotiate with hard-nosed negotiators across the Continent. It has never been a more pertinent issue. The agriculture and fishing industries can make a difference to the economy and can set in place the foundations for the economy to turn around. These two areas, coupled with tourism, cannot be copied anywhere else in the world. They are unique to Ireland. We must work with our colleagues in member states but we must be selfish on this point and focus on where we are going in the future.

I welcome the increase in haddock and whiting stocks in the Celtic Sea. In many areas there is grave concern about the reduction, as outlined in the recovery plan, for these stocks. We must consider where we are going as a country and how we will market these. I have met fishermen in Clogherhead, County Louth and one of the issues they raised with me, which is linked to the IFA and the farming community, is the feeling we have that the Irish product is a good quality product widely respected throughout the world. However, this is not necessarily the case. I discovered this through some international dealings I have had. It will be key for the budget and the national recovery plan to make an effort to market ourselves with our best foot forward across the world. This is a matter for beef farmers and others who regard themselves as sellers of food stock on the export market. This will make a difference to the economy.

I am sure the Minister of State will be able to articulate the various issues that arise. It is good to highlight the good news about the boarfish and the difference it will make to the economy and the industry. Other elements will affect where we are going with allowable catch and where this can be achieved. So much science is now brought to bear on this compared to the early 1970s and the 1980s in respect of what our fleet can catch and what it is possible to achieve. The scientific research by the industry and other elements focuses on this. We have an opportunity to open a new fishing stake in this industry, particularly in respect of boar fishing, as referred to by the Minister after the successful outcome of the negotiations. Any new revenue stream is good news and we must focus on this.

In this House we are talking about job creation and job retention day in, day out and it is the number one objective for all of us as we approach the general election next year and as we are laying out the plans for the next four or five years. The Minister of State, Deputy Connick, is building on one element of this and it is key that we build a sustainable fishery based on this stock.

When talking to different fishing communities, different plans are being drawn up around the country. The Louth economic forum is focused on a nine-point plan on job creation in County Louth. One of the points concerns agriculture and fisheries, which will involve close work with the Minister of State, but also the marketing end of things to attract people to fishing

[Senator James Carroll.]

communities. Last August, the Clogherhead prawn festival took place and there was a great marketing aspect to it. We attracted a major number of visitors to sample the local quality food produced, harvested, brought ashore and sold in the community. We should focus on this as a tool for the fishing industry all around the country. One element is catching fish and selling it but also marketing it to communities. This is particularly true when one sees the major sales pitch made in Europe when particular cities are designated the main port or heartland for a particular country or part of the Continent. This is something on which we, as a nation, a Government and a community, can focus. It is a development I would welcome throughout the country.

There are issues in Carlingford and at Port Beach in the north east. I have had dealings with fishermen who have struggled in the past 12 to 24 months because of the catch allowed and the costs involved in being a fisherman compared to a number of years ago. They consider they are being regulated and chased out of employment. This is the key issue I would like the Minister of State to address, if he can. They consider competition from fishermen from other countries is not as tightly regulated and there are not as many obligation on them. They have significant quotas and are eating into the market. Issues also arise in the case of non-EU countries.

I thank the Minister of State for coming to the House after such a long day. I know he could have sent somebody else and appreciate the fact that he has taken the time to come. I look forward to listening to Senator O'Donovan's contribution and formally second the motion proposed by him.

Acting Chairman (Senator Cecilia Keaveney): I call Senator Bradford.

Senator Paul Bradford: Senator O'Donovan may speak now, if he so wishes.

Senator Denis O'Donovan: I thank my colleagues for being so magnanimous. I also welcome the Minister of State and express my sincere thanks and gratitude to him for the successful outcome of the negotiations in Brussels. It is an annual event and when our Ministers go they carry the goodwill of the fishing industry, the Federation of Irish Fishermen and all those living in coastal communities. In this instance, the Minister of State did himself and the fishing industry proud. He mentioned various measures such as the increase of 15% in haddock and whiting quotas which is very good news for the south west, as Castletownbere is the largest whitefish port in the country. He also mentioned the prawn quota which until recent years was a non-quota species. Although a substantial reduction was suggested by the Commission, he secured a 3% reduction. He succeeded in obtaining a 10% increase in the mackerel quota, which is important because it is a valuable asset. He also succeeded in obtaining a substantial bore fish which must be recognised. He has, therefore, done extremely well.

The fishing industry is a natural indigenous industry which can act as a catalyst in the creation of jobs. As the Minister of State is well aware, I have an issue with the divvying out of the mackerel quota throughout the country. He has inherited a cumbersome and most inequitable system, whereby 87% of the mackerel quota is allocated to fishermen in the north west, primarily in the general area of County Donegal, with the remainder, 13%, being allocated to fishermen in the southern half of the country, from Galway along the coastline of counties Kerry and Cork and on to County Wexford and up to County Dublin. The undertones are not great. I have spoken to the Minister of State about this issue and know he is seriously examining the various sections.

I know section F was abolished in recent weeks, but there are anomalies. A father and son in Castletownbere both have trawlers and are dedicated pelagic fishermen. One of them will

be entitled to an increase of 160 tonnes, while the other will be entitled to 36 tonnes if the figure of 10% is divided fairly north and south. The big crib of mackerel vessels — I stress this predates the term of office of the Minister of State and his predecessor — is that in 1999, in the famous section F, four dedicated pelagic vessels had a quota of 1,000 tonnes of mackerel. Because of their dedication, prior to the latest increase, they built this quota to a figure of approximately 7,500 tonnes which will probably rise further. When whitefish vessels were being renewed and substantial grants were available, they were told they were not entitled to receive any grants. However, they stuck to their guns, went out and caught fish.

A most important point is that these vessels were always aligned to onshore processing facilities. Until five or six years ago, we had 13 pelagic fish processing factories throughout the country. Now, there are four — one in Rossaveal, one in Dingle and two in west Cork in Castletownbere and Baltimore. Processing mackerel and herring onshore adds value. It is unfair and unpatriotic that more than 75% of mackerel is landed in either Scotland or Norway because the bigger vessels can travel that distance. It is admitted that they receive an extra amount per tonne, which is important if one has a quota. However, in landing our mackerel raw in Scotland and primarily in Norway onshore jobs are created there. I utter a word of caution because if we do not protect the factories in Rossaveal, Dingle, Baltimore and Castletownbere, they will eventually close because they need a continuity of supply. The four vessels I mentioned, with other smaller vessels, because of the famous and perhaps now redundant section F, landed fish on a weekly and monthly basis to ensure continuity of supply and processing in the factories.

If the Minister of State had his wish, he would tear up the mackerel quota system and start afresh on a new playing field. He may not be able to do so. I do not want to hark back to those who went before him, but approximately seven or eight years ago the four boats mentioned had a mackerel quota of between 900 tonnes and 1,200 tonnes each. Other boat owners had no interest whatsoever in it. These four vessels now have quotas of less than 400 tonnes. In other words, despite the increase, their quotas have been reduced by one third, which is regrettable. Their argument is that to be viable, they need a quota of approximately 800 tonnes per vessel. That would be less than what they had seven or eight years ago, but they need such a quota to be financially viable to keep their boats, pay insurance and make repayments.

I am aware of boats that are mortgaged to the hilt. Many of those involved in the industry are in serious trouble. I know we have our issues with the banks, but recently I spoke to two fishermen who told me that they were grateful to the banks in west Cork which were doing their utmost to provide interest only loans and trying to sustain them through this very difficult period. There was a notion in the 1970s and 1980s — it might have been true then — that fishermen were multimillionaires who were doing extremely well. I know very few such fishermen now. Those who are fishing — I speak in particular for those in west Cork and County Kerry in the south west — are fighting for survival and working extremely hard in a difficult climate to try to make a living.

I have a view on the Cawley report and the issue of decommissioning which I know is foremost in the mind of the Minister of State and subject to finance being available in the kitty. I am aware of a number of smaller vessels in the 15 m to 18 m category, perhaps mainly in the Minister of State's territory of County Wexford, west Cork and County Kerry, some of which are 35, 40 or 45 years old. The notion of spending €30,000, €40,000 or €50,000 doing up these vessels probably makes economic sense. The Cawley proposal was to decommission a particular number of vessels and the first tranche of decommissioning was reasonably successful. There is a niche here the Minister of State might look at, subject to finance being available, and I am sure he will fight this cause. I am aware of at least half a dozen of these smaller vessels in my area of west Cork and I am sure there are more that fish out of Dunmore East and places like Rossaveal and Kilmore Quay. The sensible thing for the industry would be to decommission

[Senator Denis O'Donovan.]

some of these vessels. For instance, I am aware of a family that is not allowed take its vessel to sea because it has not got its certificate of compliance. The family is not in a position financially to borrow the money to do the work required. The vessel is old and one would wonder whether it would make economic sense to refurbish it, even if the family could borrow the money. I know of another man who told me he had started the work and had spent €20,000 on his vessel to comply with the Marine Survey Office, but unfortunately the banks would not give him the extra €15,000 he needed to complete the work. He is caught in a bind. The work is half done because he thought there was a future in the industry and he wanted to invest in it. Will the Minister of State touch on this issue in his response? Perhaps he may not be able to respond today, but I ask him to take on board my views in this regard.

I have been looking for a debate on the fishing industry for the past 18 months and would like to raise another issue now that I have the floor. This issue concerns the small number of fishermen who fish for crayfish. These are expensive fish and most of them are exported live to Spain. Currently, the Sea Fisheries Protection Authority, SFPA, requires that landed crayfish must be a minimum of 110 mm measured across the back. The minimum in Europe is 95 mm. I have been told that if the same rule applied here, that would create extra jobs and allow fishermen retain more of the fish they catch. Currently, they must throw back fish less than 110 mm and cannot land or export them. One small operator with a 36 ft. vessel told me he was boarded four times last year and checked and scrutinised to ensure he had no illegal fish. I am concerned we do not have a level playing field in this area and it would be important to deal with this.

By their nature, fishermen are slow to credit the Minister of State for the work he has done in Europe in recent days. I have never attended the negotiations but I have no doubt it is a Russian roulette type of situation trying to carve out the best deal possible for Irish fishermen. The overall increase in quota of 2.5% for whitefish is exceptionally good in these difficult times. The Minister of State has to balance the scientific data — on which I compliment the Marine Institute in Galway — and the ever-growing lobbying by Europe to curtail fishing. There is an element, including among elected Members, that would love to put the handbrake on the fishing industry. The Minister of State, in working with the scientific data, for example, the closing of the Celtic Sea for herring, has proved that the herring stock has recovered. This is good and it is vital this is sustained.

We can always look at the negatives and I have touched on some of those, especially the situation with regard to mackerel. It is ludicrous how the mackerel quota is allocated. I have also mentioned decommissioning and cray fishing and could mention several other areas. However, I compliment the Government on tabling this motion and the Minister of State on what he has done. I am sure my colleagues on the other side of the House will point out the deficits in this area, of which there are some, as I, who grew up in a coastal area, know better than most. I know the hardships encountered by those living off the sea. I am prepared to listen to my colleagues and will take the opportunity to wrap up on this issue at the end of the debate.

Senator Paul Bradford: I wish to share my time with Senator Paudie Coffey.

Acting Chairman (Senator Cecilia Keaveney): Is that agreed? Agreed.

Senator Paul Bradford: I welcome the opportunity to say a few words on this important issue. I join my Government colleagues in congratulating the Minister of State and his officials on the work they have done to achieve a reasonable outcome to the Brussels negotiations.

This motion is probably an action replay of similar motions we have had over the years. It is the norm at Christmas time for the fishing negotiations to take place in Brussels. Sometimes the news from Brussels is reasonable, but other times it is disappointing. The response from fishing organisations to what has been agreed this time is reasonably balanced.

It is interesting that there are fishery negotiations annually, unlike the broader talks on farming issues and the reform of the Common Agricultural Policy which take place on a much more irregular timescale. We have an annual opportunity to argue for and secure the best possible deal for Irish fishermen. No matter who is Minister or the composition of Government, however, our hands are fairly tightly bound by long-standing agreements and, in a sense, by the core agreement of Ireland's original entry into the then European Economic Community in 1973. Obviously, the horse bolted long before the stable door was locked and anytime one speaks to people involved in the fishing industry, they bemoan the fact that during our accession negotiations in the early 1970s, farming seemed to get strong political and economic protection while the same did not apply to the fishing industry. As a result, our coastal communities, which are strongly represented in this House by Senator O'Donovan, feel disadvantaged and marginalised. Therefore, any time we have an opportunity to try to bring about some degree of change and progress, we must try to do so. For that reason, I welcome the little baby steps forward the latest agreement allows us take.

The comments made by Senator O'Donovan on the issue of processing are pertinent. Every sector, Department, agency and policy must seek to have job creation at its core, because if we are to recover from the current economic crisis, jobs must be created. We must consider, therefore, how we can use our restricted fishing quotas to produce jobs and create economic activity. Processing in the fishing industry is very important in this regard. Senator O'Donovan has pointed out the need to ensure processing facilities are available, expanded and developed in order that we have the opportunity for the maximum processing onshore of fish caught by Irish fishing vessels off our coasts. Grant aid must be made available where possible, along with technical support for both fishermen and processors. This must be encouraged because we are not in a position to make any dramatic or radical changes to the parameters of EU fishing policy. We can certainly try to ensure the fruits of the sea caught by Irish fishermen are, as far as possible and practical, processed onshore in the Republic of Ireland and that the maximum economic activity is generated from them.

I thank the Minister of State for his efforts in the fishing area. The longer term review of the industry and the various agreements will be very much the business of the next Minister and Government. I hope we will try to ensure the fishing industry gets a reasonable crack of the whip in this regard. There is broad, all-party political support for the fishing industry. Sadly, for 30 years or more our hands have been tied.

Now the question of review and change will be up for debate. We must do our best to secure an improved facility for Irish fishermen. Fine Gael will not oppose the motion and I think everyone in this House would wish the Government well in its efforts to support the fishing industry. I commend the Minister of State on the progress he was able to make but we have more to do. The next Government will have to pay heed to the concerns of the industry.

Acting Chairman (Senator Cecilia Keaveney): I draw the Minister of State's attention to the fact that a vote has been called in the Dáil.

Deputy Seán Connick: I will be called if I am required.

Senator Paudie Coffey: I thank Senator Bradford for sharing time and welcome the Minister of State to the House on his return from stiff negotiations in Brussels on behalf of the fishing

[Senator Paudie Coffey.]

industry. I acknowledge Senator O'Donovan's efforts to keep fishing on top of the agenda in this House. As someone who comes from a coastal community in County Waterford, I try to do likewise.

Fine Gael supports the motion because we share a common interest in achieving what is best for the fishing industry. This is an island nation and the fishing industry has the potential for making a major contribution to Ireland's economy. Food production and exports of fish can play an important role in our recovery.

For several years I have consulted extensively with Waterford fisherman based in Dunmore East, Helvick Head and Boatstrand. I recently had the pleasure of meeting fishermen in Killybegs and learning about their concerns and frustrations regarding fish quotas and the agreements to which Ireland has been bound in the past 30 years. I also met a lady in her early 30s who is skipper of a vessel for which she has mortgaged her entire future. These negotiations are important in terms of giving young skippers and fishermen hope that the industry will sustain them over their careers. This is why it is important we increase our fish quotas by the greatest extent possible. We are all agreed that past quotas have decimated the fishing industry.

I acknowledge the increase in quotas for whitefish and shellfish and the huge potential of aquaculture. Senator O'Donovan spoke about mackerel quotas, in respect of which significant concerns have been expressed. Ireland should not be made to suffer for the activities of countries such as Iceland and the Faroe Islands. The Minister of State is fighting for the Irish fishing industry with the able support of his officials and the scientific evidence supplied by the Marine Institute. Our MEPs have also played an important role at European level. The Fine Gael MEP for Munster has been particularly active in this area.

Turning to the bigger picture, the review of the Common Fisheries Policy offers the Government a great opportunity to renegotiate the restrictions referred to by other speakers in order that we can fully exploit the potential for the Irish fishing industry. It is in our interest to do our best in these negotiations.

I wholeheartedly agree with Senator O'Donovan that fishing is a labour intensive activity. In addition to fisherman, onshore jobs can be developed in processing and transporting fish and preparing and serving seafood in restaurants. If Fine Gael gets into government, we will do the best we can to restore confidence in the future of Irish fishing and enhance our economy as an island nation.

Senator Cecilia Keaveney: I commend the Minister of State on his ongoing efforts on behalf of the fishing industry. This is an extremely important industry in my area. I am sure he has heard about the need to complete the harbour in Greencastle. I encourage him to take the right option by completing the harbour breakwater and restoring the historic shore walk which was closed during the harbour's reconstruction.

I acknowledge the recent deaths of two fishermen, Eddie Doherty and Robert McLaughlin. The trauma that has been visited on fishing communities around the country is only partially helped by the efforts of the Irish Coast Guard and volunteer rescue services. The co-operation in evidence for several weeks is testament to the closeness of people in fishing communities. It would be encouraging if a mechanism could be found to speed up marine accident investigations, which often take up to three years.

My area has seen the loss of onshore jobs as well as employment in fisheries. The change in the salmon regime has had a significant impact on fishing. When I was first elected the major issue for the industry was the fact that boats were 15 to 20 years old. We successfully fought for the renewal of the whitefish fleet but unfortunately many of these boats have had to be

sold due to the change in quotas. The retention of what we have is thanks to the efforts of the Minister of State. The week before Christmas was always the period I hated most because I was inevitably hauled in by the fishermen of Greencastle to be told what was wrong about the conclusions to the negotiations. This year I suspect I will be lectured about the 25% reduction in the Irish Sea quota.

Our decisions must be based on scientific data. Fishermen will admit that much of the small fry caught in the past should have been allowed to escape. However, anecdotal evidence suggests the situation is better than some would claim. It is important that we are able to adapt to new scientific information as it becomes available. If fish were not there they would not be caught but the issue of discarding catches has to be addressed. It is a scandal that dead fish are being thrown back into the water to be fed to nothing.

The current quota will be worth €223 million, of which €116 million will be for the whitefish quota and €54 million for prawns. That money will benefit my area. The 10% increase in the mackerel quota will probably benefit Killybegs more but I hope there are opportunities for local boats to draw down days at sea for research activities with the Marine Institute.

Responsibility for the marine is spread across six or seven Departments and agencies. How is the co-ordinating group managing these functions?

I see great potential for the industry. People who have been laid off from the construction sector have great skills for making things and they want to work outside. McDonalds, a company which has built boats in Greencastle for several generations can offer employment opportunities to people who are skilled with their hands. We should give them these options and support them. There is Leader funding for this but how do we awaken this interest in people that there are jobs there?

There is twining project potential. Recently, someone showed me a Norwegian explorer's boat. It was absolutely identical to boats built by McDonald's in Greencastle during the years. There must have been some connection at some point. We should try to link up different countries in mutually interesting projects.

I refer to added value on shore. Many industries have closed in my area. I do not believe it was due to a lack of potential. Perhaps the reduction in the minimum wage will change things in terms of competitiveness. However, we are still sending too much raw material abroad and are not adding the value to it in our own area and getting the economic return from it.

I mention the management plans, supporting fishermen and listening to their advice. We have talked about industry-led research. In the coming years, the Clipper Race will stopover in the north west. There will be another stopover prior to that on the Foyle. There is much potential in terms of marine tourism. I could talk to the Minister of State about marine tourism potential but he might say that is for the Minister for Tourism, Culture and Sport or the Department of Tourism, Culture and Sport. We need to tie up the potential because it is considerable. We will not be thanked in the future if we do not try to maximise our potential.

I could speak for half a day on the Foyle Fisheries Commission. It is very important we try to expand the facilities and capacity it has and revamp it. There might have been a submission to the St. Andrews Agreement review. Currently, even if we give aquaculture licences, the Crown Estate can potentially make a claim on who gets a licence or who does not. All activity on the Foyle, whether planning permission or otherwise, should come under the remit of one agency so there is continuity, co-ordination and a realistic approach.

I commend the Minister of State and do not underestimate the tough time he has. I agree with Senator Coffey that we should start to see increases in our quota at some point given that this is an island nation. The Common Fisheries Policy will have to yield that to Ireland. I could

[Senator Cecilia Keaveney.]

say so much more on the topic. Although it seems only a limited number of Senators are interested in this topic, those who are here recognise that this is a vital cog in terms of our economic potential which is unrealised in many respects.

Senator Michael McCarthy: I welcome the Minister of State back from Brussels. I heard him on “Morning Ireland” this morning. I say well done to him. We must praise the bridge as we cross it. Significant and important work was done. Nobody underestimated the task the Minister of State faced when embarked on the trip, I presume, on Sunday.

The news is good. It is very important we state we are happy with developments and initiatives. Much has been said about this industry. As I have done, Senator O’Donovan has spoken consistently about our area of the south west and communities which depend on fishing and marine activity for survival. I have said consistently in recent years that in terms of the economic challenge and the unemployment crisis facing this country, this is one of the areas that can actively encourage local, rural and coastal economies in particular. There is a tie in there in terms of marine tourism. From Kinsale to Dingle right along the south western seaboard, there is a huge natural resource on our doorstep and we need to maximise our potential.

The Minister of State will be very well aware of the Bord Iascaigh Mhara seafood development unit in Clonakilty. It is a wonderful facility which seeks to establish a very high quality product. It seems to diversify from the general perception of what is available in terms of the fish market and it looks at ways to promote and develop this area in conjunction with marine scientists, food scientists and those involved in the area. It is indigenous and local and it provides jobs. It also establishes a brand. Unashamedly, I will name a few brands such as Bantry Bay Premium Seafoods and Union Hall Smoked Fish.

I refer to the manner in which it subscribes to tourism activity in the area and the high end product that goes into restaurants and is exported abroad. We have built up a very good reputation in terms of an industry which is serious about what it does, job creation and the standards provided in our eateries and restaurants, etc.

A number of points were made about the Sea-Fisheries and Maritime Jurisdiction Act 2006. One Member of this House would be more experienced than others on that and probably paid an electoral price as a result. The severity of the penalty was the issue. Nobody disagrees that we must preserve fish stocks and nobody agrees we should actively encourage illegal activity in any area. However, we must consider the offence proportionately. I did not use the word “crime”, although under the interpretation of the Act, it would be criminal activity. However, one should consider what has happened in this country, including the cocaine haul off the west Cork coast in 2007. The drugs would probably never have been detected if somebody had not poured the wrong type of fuel into a generator. We should consider the criminality in the banking sector and ask how many people have been brought through the justice system. One can rightly understand the huge issues people have in regard to this.

We discussed this at the committee and considered the idea of administrative sanctions. What is the advice available to the Minister of State? Can other areas be considered? Is there a ray of light for people in the industry who have campaigned on this issue in recent years? In terms of violations of the Act, how many prosecutions and detections have there been? It would give the debate a bit of balance if we knew.

I welcome the quotas for whiting and haddock. In many respects, that was good work. It is very positive that Spanish fish like monkfish and hake have been unaffected. I very much welcome the increase in Celtic Sea herring. I believe that is as a result of efforts made by the Department, the Minister, the officials, people in the industry who have been working very

hard to sustain an industry which has gone through very difficult times in recent years and the huge efforts made by fishermen in terms of rebuilding a stock and minding it.

I welcome the development in regard to mackerel. Has a decision been made on distribution? There has been good news but will it all go to massive operators in one part of the island to the detriment of others? We must bear in mind that many people depend on this industry who are on middle and low incomes. To win the first stage of the battle is very positive and welcome but if we do not distribute it properly, the extent of the success will be diminished. It is very important to make that point.

I express appreciation to the Minister of State and his officials who met a group of us in the last week of May prior to a trip to Brussels to the EU fisheries committee to discuss the Common Fisheries Policy, the imminent deadlines, reforms and the next stage of developments. It was very important to be briefed and to acquire knowledge.

I always found people involved in the fishing industry to be great educators. They are very passionate about what they do. Many of them believe the industry has been offered a very bad deal, particularly in recent years. Nonetheless, if we do our business properly, we can keep the industry alive. The results achieved in the past few days were achieved because of that joint effort and initiative.

I draw the attention of the Minister of State to the issue of administrative sanctions and ask for information on the numbers of violations and prosecutions. What template will be used to ensure a fair distribution of the mackerel quota?

Senator Paschal Mooney: I welcome the Minister of State, Deputy Connick, and endorse everything that has been said in congratulating him on his efforts. The fishing industry owes a great debt of thanks not only to the Minister of State but also to his departmental officials who participated in the late night negotiations. The Irish seem to produce their best in the early hours of the morning, while those in the rest of Europe are wilting. This is another example of the Minister of State working to his last to ensure a good deal for Ireland. The sum of €223 million is not to be sneezed at, but in the current economic climate it is a remarkable achievement.

While some Members might be surprised by my contribution, I have strong family links with Castletownbere through my wife, Sheila, and I am a regular visitor to the town. I am familiar with the fishing industry and its impact on the community. My wife's family relied on the fruits of the industry during her upbringing. As such, I am acutely aware of its importance to regional economies and now in the national context as a result of the value-added product provided by means of small to medium-sized enterprises across the country. While County Leitrim is not known for its involvement in the fishing industry, it is a maritime county. While I cannot suggest there is a flotilla of fishing vessels moored at Tullaghan, at the same time we are very proud of our two and half miles of coastline.

Senator McCarthy referred to the imposition of sanctions. I understand from talking to those involved in the industry in the south west and also to a colleague of ours, Councillor Danny Crowley, who lives not far from where my wife's family comes from that the imposition of sanctions has had an adverse impact on the local community in Castletownbere. What astounds me is that in instances of overfishing, where the quota is exceeded, not only are fishermen dragged through the courts but their excess catches are also dumped. I cannot understand the reason in this day and age an administrative decision is taken which ignores its consequence — the dumping of fish. Somewhere in the world children are crying out for food. I read a horrendous report from the St. Vincent de Paul which indicated that children in Kilkenny were

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scavenging for food in the rubbish. I cannot square this with the image of people in uniform or an administrator monitoring a fishing vessel coming into Castletownbere, checking its catch and deciding it is in excess of the quota by two or three cases and dumping the excess. There has to be a more equitable solution. I understand a way forward would be for departmental officials and representatives of other relevant Departments and the fishing industry to sit around a table to work out an equitable solution which would not result in the dumping of fish. I will not labour the point too much, but it is a valid one. I know the Minister of State is aware of the position, but I would be grateful if he said something in that regard.

A reduction of 17% in the prawn quota was originally sought, which would have had a significant impact, but a reduction has been negotiated to a figure of 3% which will be welcomed by those who rely on the prawn industry. As Senator O'Donovan knows, the south west relies to a large extent not only on the whitefish fleet but also on the prawn industry. Senator Carroll referred to the importance of the industry on the east coast, particularly around Clogherhead. By one of life's coincidences, wearing my other hat, I was invited to act as compere at this year's revived prawn festival in the village which was officially opened by our colleague, the Minister for Tourism, Culture and Sport, Deputy Hanafin. Many local elected representatives attended on the day. For a small village with which people outside County Louth might not be familiar, thousands attended the festival on what was a lovely sunny evening. It was a splendid community effort and I wish those involved continued success. This is an indication of the importance of the prawn industry to coastal communities.

Senator Coffey referred to the Faroe Islands and Iceland. I ask the Minister of State to clarify what the problem is that is affecting our fish stocks and whether a solution to the problem is imminent. While I appreciate there will be a 25% reduction in the cod quota, it seems there are differing scientific views on the threat posed to the cod industry. The Minister of State referred to the Irish scientific survey being carried out by the State's research vessel, *Celtic Explorer*, the results of which will indicate whether the threat is imminent. I ask him to say why cod, in particular, seems to be under a major threat. Is it because it is the most popular fish on the table and is being overfished? I have noticed a number of lesser known fish species appearing in the shops such as dab.

Deputy Seán Connick: It is a substitute for cod.

Senator Paschal Mooney: It seems to be selling very well. The Minister of State also referred to boar fish. Does this indicate that scientific studies are suggesting such fish species suit the Irish palate? I note that sole is among the other fish stocks which seem to be under threat. It is a particular favourite of mine. Is this species under threat and will I have to find a substitute?

I pay tribute to my friend and colleague, Senator O'Donovan, for tabling the motion at this time, considering that the Minister of State has just returned from the negotiations in Brussels. It highlights yet again the all-party and Independent Senators agreement on the importance of the fishing industry to the economy. Senator McCarthy is correct; since 1973, when Ireland joined the European Common Market, the fishing industry has believed it has been regarded as the poor relation. This is an island nation with a fishing area ten times the size of the country. This statistic gives us some idea of the importance of the industry and its potential. There is a growing realisation, as confirmed by the successful outcome to the negotiations yesterday, that it is an exceptionally important indigenous industry. I applaud and support the call made to the Minister of State to ensure this good news trickles down in terms of added value. It means stability for the industry which can now see a way forward to secure its economic future. All

those who are developing a value-added food chain and selling our stocks internationally in a variety of guises should be further encouraged and supported as needed because I see no difference between IDA Ireland supporting a manufacturing industry from abroad and a local entrepreneur, as has happened around our coastline, who has developed a particular product line as a result of our fish catches and is selling effectively and successfully to other markets around the world. I again commend the Minister of State.

Senator David Norris: This is a very positive day. We usually have confrontation in this House and very silly nitpicking amendments are tabled. I congratulate Senator O'Donovan for having the foresight to table this important motion which gives us an opportunity to welcome the Minister of State's work. I also compliment Fine Gael because I am sure there must have been a temptation to play the usual game. However, its Members have shown generosity and broadness of spirit. The only thing I would say is I would be inclined to amend the motion which reads:

That Seanad Éireann supports the Government in their endeavours to improve fish quotas for Irish Fishermen in light of the annual review due this week; and supports the Minister and Government in their negotiations in the review of the common fisheries policies.

We have happily been overtaken by events. I would, therefore, change the wording to "congratulates the Minister on the success he and his team have had in Brussels". It is not an unqualified success, as there are small areas around the edges in respect of which some questions can be raised. It is very good to achieve this kind of result. I heard the Minister of State speak on the wireless this morning and took the opportunity to congratulate him in the corridor earlier. It was remarkable that the representative of the fishing industry, Ms Eileen O'Sullivan, was very clear in her view. One tends to expect confrontation in these areas also, with the emphasis on what we did not get and on the fact that things should have been better. However, she was very measured and positive and supportive of the the Government on the position it had taken.

I will give one example which may have been given already. Senator Mooney spoke eloquently about his enjoyment of sole, a very nice fish but nothing against the prawn, one of the great ornaments of the Irish marine world and the plate in good restaurants. What we achieved in that area was remarkable. I understand the initial proposal was that there be a 15% decrease in the prawn catch which has been whittled down to 3%.

Deputy Seán Connick: The reduction was from a figure of 17%.

Senator David Norris: That is even better. However, my memory is roughly accurate from what I heard this morning on radio. I very much welcome the revised reduction, particularly because I do not believe there is a significant threat in this area. However, perhaps the Minister of State might enlighten us on the matter. My selection of the prawn is not just a matter of personal taste, there is also a commercial aspect involved. There simply is no other prawn species on the planet that can come near the Atlantic or Dublin Bay prawn. It is succulent and exported to Paris. A couple of years ago in a brasserie in Paris — it was not even an upmarket restaurant — I remember spending €15 for two prawns which had been flown in from Ireland.

Senator Paschal Mooney: Did the menu specify that they were Dublin Bay prawns?

Senator David Norris: It specifically stated they were Dublin Bay prawns, which is what attracted me and why I asked. Senators who take any interest in food will know the extraordinary difference between Dublin Bay prawns and the waterlogged insipid little rubbery things

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dragged halfway across the planet from Asia and that revolt any civilised palate. I have believed for some time and have said in the House that we have something here that could be cultivated because nowadays, thanks to the DIT School of Hospitality Management and Tourism in Cathal Bruagh Street, the Shannon College of Hotel Management and other institutions, we not only have the best raw materials in the world, we also have the talent, expertise and knowledge to cook them. Why are there not more specialist seafood restaurants around our coastline? I would certainly be more than happy to patronise them and blow their trumpet to promote them. This is an area that can be expanded. I know there have been some efforts made in this regard. I was very much heartened approximately a year ago to see on one of the very good RTE programmes — either “Nationwide” or “Ear to the Ground” — coverage of a Bord Iascaigh Mhara facility that undertakes initiatives and assists people involved in the fishing industry in terms of processing, packaging and marketing in order that they can get fresh or frozen fish to the appropriate niche market in the best condition and in circumstances that alert the suppliers, consumers, restaurants and so on.

I very much regret that approximately ten days ago I could not travel to Galway to see the Marine Institute in operation as I was supposed to. I was in Dublin Airport, but my flight was delayed three times and eventually cancelled not because of the snow but because of freezing fog; therefore, I need to reschedule my trip. On a previous flight I sat next to the director of the institute who was an absolutely fascinating man. He offered me the opportunity to go and see the institute’s premises and learn about the research it was doing and also to be given an inspection tour of the large and remarkably well equipped ship I had seen docked in Galway Harbour. I believe it is called the *RV Celtic Explorer*.

Deputy Seán Connick: The institute has two ships.

Senator David Norris: I saw one, a large ship that appeared to have sophisticated sonar and radar equipment which I presumed could be used to locate shoals of fish and also to explore other resources. I understood from my brief conversation on the aeroplane that the research was not just confined to fish.

The positive news we have received from Brussels thanks to the Minister of State is an indication of the seriousness with which the Government is taking the fishing industry. Would that it had always been so. We disastrously sold our fishing stocks in the early days of our negotiations on accession to the European Union and the contribution we made almost inadvertently has never been significantly quantified. While I do not expect him to reply off the top of his head, I ask the Minister of State to communicate with me to give me an estimate of the value of the particular resource. We need to bear this in mind when we are negotiating, as we are, on complicated economic matters with the European Union.

I express my admiration for the fishing community because they and their families are people of considerable courage. They go out in very difficult circumstances and have been badly treated. I was half listening to the earlier part of the debate on the monitor downstairs and believe I heard we had this ludicrous situation where large portions of the catch needed to be dumped, which is insane in a world part of which is starving. That must be reconsidered because it is intolerable. In addition, if they are dumped back into the sea, it is a form of pollution, which is appalling. I ask the Minister of State to ensure we stop this noxious practice which is utter stupidity and must be so disheartening for fishermen who I understand have to have fish weighed in their own ports. Some of our Community brethren are not subject to the same

scrutiny and examination at our ports. Why not? There should be a level playing field. What is sauce for the goose is, or at least should be, sauce for the gander.

If anyone in RTE is listening to this debate — we have a good contact in Senator Mooney — I ask that they let us keep “Seascapes”, a marvellous programme.

Senator Paschal Mooney: It has a lovely signature tune.

Senator David Norris: It is a wonderful signature tune and person identified with the programme, whose name I cannot remember——

Senator Paschal Mooney: Mr. Tom McSweeney.

Senator David Norris: I very much regret that he was axed from it. It was done simply by the imposition of an arbitrary age limit, which was wrong. He had the perfect voice and attitude. I am not attempting to undermine the current presenter who is doing a good job, but there was plenty of life left in Tom McSweeney who could easily have continued on. I very much hope the wisdom of somebody who knows so much about the sea and seafaring folk and gave somebody like me who has virtually no knowledge of the sea and never fished successfully in his life, with the single exception of catching a pinkeen in Herbert Park pond——

Senator Paschal Mooney: I caught a few more than that.

Senator David Norris: ——an understanding of some of the complexities of the fishing industry will not be lost. The programme is a valuable resource for the national broadcaster.

I compliment the entire House because this is a good day. We are not involved in the silly schoolboyish and schoolgirlish wrangle that usually characterises the sitting on a Wednesday night. We have a little success story. In these grim days is it not good to be able to say to a Minister, “Well done,”?

Senator Liam Twomey: I compliment Senator O’Donovan on tabling the motion. He is a great champion of the fishing industry. He always brings these issues to the forefront of the Seanad. As someone who thought his children to fish in Bantry Bay, I am sure he is well acquainted with most of the good fishing spots there. He has shown that he has a great interest in the industry.

I thank the Minister of State, Deputy Connick, and his officials who appear to have been successful in what they have achieved in this round of negotiations on fishing quotas in Brussels. It is always a difficult task because the European Union is constantly pulling towards a reduction in quotas and monitoring the sustainability of the fishing industry. It can be difficult for a Minister to return home from such negotiations, especially if there have been significant cuts in quotas.

As the Minister of State and I are both based in County Wexford, we very much understand the importance of the fishing industry not only to that county but to the rest of the country. It is important, therefore, that we look after the interests of fishermen, those dependent on the fishing industry and protect the sustainability of the industry into the future. I hope a balance has been struck in Brussels on this occasion and that we will continue to have a successful fishing industry in County Wexford and other coastal communities into the future.

A number of issues raised every time we discuss the fishing industry remain outstanding. They relate to how other countries implement EU law on fishing. A number of Senators have said fish caught in excess of the quota or included in the protected species list are often dumped

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by fishermen at sea to avoid having to face penalties and fines. That is a waste of a significant resource and there must be another way around this problem. The European Union must accept that if one throws a net from the back of a huge trawler, one cannot selectively direct fish in and out of it. There must be a fairer way of addressing the issue. This is one of the few countries in which fishermen found to be fishing illegally are liable to criminal prosecution. We constantly need to return to the issue of fairness in this respect. Fishermen can be fined for catching fish in excess of their quota.

As the Minister of State well knows, the fishing industry is probably one of the most regulated. I do not believe there is a boat that comes into Kilmore Quay or any other port in the country which a fisheries protection officer does not board to check the logbook of its skipper. There must be other ways to deal with an extra box of monkfish or a protected species rather than by way of the draconian measures currently applied.

We are lucky to have a great fishing industry in County Wexford where there are fantastic fish shops and fish restaurants. One need not restrict oneself to having sole on the bone or cod. I have often found that if one is prepared to be adventurous, one can obtain outstanding value when purchasing fish in shops in County Wexford. I am sure the same applies to shops in the rest of country. We can promote the eating of fish, but we should also promote diversity in the fish species available in our shops and restaurants in order that people will be encouraged to eat fish which is both healthy and tasty.

I say once again to the Minister of State, "Well done." I hope in the years ahead we will continue to have a successful fishing industry.

Minister of State at the Department of Agriculture, Fisheries and Food (Deputy Seán Connick): How much time do I have? Is my time restricted?

An Leas-Chathaoirleach: The Minister of State has 15 minutes.

Senator Paschal Mooney: He will have enough time.

Senator Liam Twomey: He need not hurry.

An Leas-Chathaoirleach: The debate is not due to conclude until 7.30 p.m.

Deputy Seán Connick: Members have raised a number of issues. I will read my speaking notes and then address the issues raised.

I thank Senator O'Donovan for tabling the motion and Senator Carroll for seconding it. The cross-party support it has received is very welcome. This was very noticeable when I travelled to the European Union on my first and second visits when I had the opportunity to meet the MEPs of the various parties. It is important that any actions we take or any discussions on the fishing sector receive cross-party support and are in the national interest. I, therefore, welcome the motion and the fact that it has received cross-party support.

I thank Members for giving me the opportunity to address the House at this time. As they are no doubt aware, an agreement on fishing opportunities in 2011 was brokered early this morning, at approximately 3.30 a.m., after two days and one night of intensive discussions at the Council of Fisheries Ministers in Brussels. It is timely, therefore, that I have an opportunity to report back on what was a very difficult set of negotiations carried out with a new Commissioner and Cabinet and with a Commission which was adopting a very conservative and precautionary position on the total allowable catches, TACs, for 2011.

Before I proceed, I thank all of the stakeholders, including industry representatives, who made themselves available to me for advice during the course of the negotiations in Brussels and at other times in the run-up to the Council during which there were a number of consultative meetings. I also had meetings with the environmental NGOs to listen to their concerns about the proposals made. The representatives of the NGOs were present in Brussels for the first time and I was able to meet them during the discussions and believe they appreciated my taking the time to meet them. I value these contributions and firmly believe it is only through dialogue that we can come to a common and pragmatic understanding of the most appropriate course of action to take. This morning, as early as 4.30 a.m., the industry was waiting to be briefed once we had the press releases prepared after the meeting. We spent from 4.30 a.m. until 5.45 a.m. going through the share-out and the overall agreement reached.

There is no doubt that the science on many of the stocks in which we have an interest was a source of concern for Ireland, but I did take issue with the positions adopted by the Commission on a number of stocks where the proposals it was supporting went beyond the scientific advice. The negotiations are always going to be difficult, with member states having different agendas in defending their own interests. Striking a balance always requires compromise and this year reaching a compromise proved difficult and, at times, challenging. That said, I am satisfied that the final set of arrangements agreed for next year represent, on balance, a very good deal for Irish fishermen.

I would like to outline the scenario we were facing before the December Council in order that the result can be taken in its true context. To concentrate on whitefish stocks first, I carefully examined the proposals and, taking account of the scientific advice from the International Council for the Exploration of the Seas, ICES, and the Commission's Scientific, Technical and Economic Committee for Fisheries, STECF, and the views of the fishing industry, I determined the amendments I was seeking in response to the Commission's proposal published in November. That proposal was the subject of detailed and protracted discussions in the last few weeks with the Commission and other member states and here at home with industry representatives and other stakeholders. It involved reductions in the TACs of many of the whitefish stocks of economic importance to our fleet and also envisaged other measures which would adversely impact on our fishing industry such as the rearrangement of TAC areas for prawn, or nephrops, stocks in the north Irish Sea, Celtic Sea and the Aran grounds and a proposed regime to cap, for the first time, the fishing effort of the whitefish fleet in the Celtic Sea off the south-east coast.

There is justifiable concern about the poor state of certain whitefish stocks targeted by the Irish fishing fleet and this is clearly reflected in the reductions proposed by the Commission for 2011. Sweeping and excessive cuts of up to 50% in cod stocks in the waters west of Scotland and in the Irish Sea — ICES areas VIa and VIIa — were proposed, in addition to cuts of 25% in fishing effort in the whitefish and prawn fisheries in these areas in 2011, on top of similar cuts implemented in the last two years. It should be noted that the cuts in fishing effort would not be applied to vessels using fishing gear that aims to avoid catches of cod.

Whiting stocks in these areas were also targeted, with the area VI stock being reduced by 50% and the Irish Sea stock cut by 25%. In addition, TACs for haddock stocks were to be reduced, with a 25% cut recommended for haddock stocks in area VI and a 15% cut for haddock stocks in the Irish Sea. The Commission also proposed 15% reductions in a number of other stocks, including — in area VI — monkfish, prawns, plaice, pollack and sole. In the Irish Sea sole stocks were to be cut by 20%, while the figure for plaice was to stay the same as

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in 2010. These were the original proposals. In the Celtic Sea, for the Irish whitefish fleet, 15% cuts in the stocks of cod, megrim, monkfish, plaice, pollack and saithe were on the table.

The Commission also proposed significant changes to the management of prawn stocks in area VII, with the introduction of new management areas or “functional units”. The proposal would have had a detrimental impact on current fishing patterns and limited the flexibility available to our vessels which allowed the fleet the flexibility to operate over a wide area with a single TAC. In addition to the new management arrangements, we faced a potential cut of 17% in the TAC which would have added greatly to the negative impacts on the fleet.

Of equal importance was the proposal to introduce an effort management regime in part of the Celtic Sea, in areas VIII^f and VII^g. The introduction of this effort regime in an area of mixed fisheries would have had a significant impact on fishing patterns and led to displacement of fishing effort without giving an assurance on the appropriateness of the regime to deliver on the objectives set.

Having outlined the potentially very serious scenario we were facing at the start of this process, I am happy to relate that we were successful in mitigating most of the elements contained in the original proposals which were not necessary or involved excessive cuts. We made some important gains in some key areas where amendments were justified from a scientific perspective.

It should be noted that at the Council I was supported by experts from the Marine Institute and Bord Iascaigh Mhara who provided expert advice on many of the scientific and technical issues which arose during the course of the negotiations. I also acknowledge the role played by my officials who worked tirelessly and provided fantastic support, as well as by the DPR and staff in Brussels. They worked around the clock and were important in providing advice for me and stating our position.

Agreement was reached at the Council after two days of talks in Brussels which ended this morning at around 3.30 a.m. The final agreement will deliver whitefish quotas worth some €116 million and provide for the protection of Ireland’s €54 million prawn fishery. There will be a 15% increase in haddock and whiting stocks in the Celtic Sea, while the quotas for cod stocks off the north west and the Irish Sea will be reduced by 25% in line with the recovery plan for these stocks. For Celtic Sea cod stocks, the current quota level has been maintained for 2011 on the basis of new survey results from the State’s research vessel *Celtic Explorer*, to which some Senators referred.

There is also good news about haddock stocks, with exceptionally high recruitment in 2009. On this basis I secured an increase of 15% in the TAC. There will also be a 15% increase in the TAC for Celtic Sea whiting. Member states committed to applying improved gear selectivity criteria in conducting fisheries for haddock and whiting in the Celtic Sea. This commitment will seek to reduce catches of juvenile fish and tackle the terrible issue of discards. By introducing new information on Celtic Sea cod stocks I secured agreement that the current TAC level will continue into 2011 and may be increased during the year if the new survey results are confirmed by the scientists. However, given the poor state of cod stocks off the north west and in the Irish Sea, cuts were necessary.

All around our coastline prawns are the most valuable catch for the Irish whitefish fleet with a value of €54 million. The Commission originally proposed a 17% cut, but I secured a 3% decrease on the basis of a strong scientific case.

We succeeded in removing the proposal for functional unit management of nephrops by persuading the Commission that this was not the best way to manage the stocks — this was one of our top priorities. In that regard, I secured the agreement of the Council on restrictions on the outtake from the Porcupine Bank, in addition to a seasonal closure, as proposed by Irish fishermen. The scientific advice was that the Porcupine Bank was in need of recovery and I am satisfied the measures now in place will be effective. We also secured the removal of the proposal in respect of an effort regime in the Celtic Sea which was inappropriate, counter-productive and would have created unnecessary bureaucracy for fishermen and the State.

Turning to the pelagic sector, we have had a mixed bag of results. We secured the majority share in the new fishery for boarfish developed by Irish fishermen in the past ten years. Boarfish is a mid-water pelagic shoaling species; they are small and found in large volumes off the south west coast of Ireland. The fishing fleet developed the fishery in the past ten years and has increased catches in recent years. Denmark has also been a key player in the development of the fishery; therefore, both Irish and Danish fishermen invested in new techniques to successfully catch and land the stock which has unusual characteristics. Irish fishermen invested in scientific research to increase our knowledge of the biology and dynamics of the resource. We pooled our knowledge with Denmark and developed a management plan which we submitted to the Commission. At the Council it was accepted and will involve limiting catches in order to ensure sustainability of the stock. Of critical importance in this case is ensuring Ireland receives a fair share of the stock in 2011 and future years. Despite major efforts by certain other member states for a share based on equal shares between five or more member states, I argued successfully that Ireland should be given the majority share to respect our major input and commitment to the development of the fishery. In the end, after lengthy and difficult negotiations, I secured a share of 67.3% of this stock. This offers excellent fishing opportunities for our pelagic fleet into the future and will secure our majority position in this new fishery for boarfish which will be worth just under €4 million in 2011. I expect this figure to substantially increase in subsequent years as the science begins to confirm the size of the stock. This is an example of a successful investment in scientific research by the State and the industry. We have opened up a new fishery in which we have permanently secured the major stake. This will ensure a new revenue stream for the industry into the future and we believe we can develop a significant and sustainable fishery, in which we will continue to hold the largest share of this stock.

We cannot debate the pelagic sector in an Irish context without mentioning the coastal states process in which the TACs are set for blue whiting, Atlanto-Scandian herring and mackerel. Of equal importance in this is our relationship with Norway and the Faroe Islands through the fishery bilateral meetings with these countries. The collapse of the blue whiting stock has been well documented and resulted in a reduction of 93% in the international blue whiting TAC this year. By stopping transfers from the European Union to Norway the reduction in Ireland's quota was slightly less, at some 80%, giving an Irish quota of 1,187 tonnes in 2011. The Atlanto-Scandian herring also saw a reduction in TAC via the coastal states process of over 30%. These two reductions are, to say the least, not welcome and impact on our vessels and processors. However, they were fully supported by the science and could not be avoided if we were to have any chance of securing these stocks for the future.

There is good news on the TAC for mackerel, with an expected 10% increase in Ireland's quota in 2011 when fully confirmed. We await confirmation of this share. The increase will result in an increase of approximately €6.5 million in the value of landings for this stock. This increase was agreed at a bilateral meeting between the European Union and Norway after the

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failure of the four-party talks with Iceland and the Faroe Islands which went to four rounds but did not secure agreement. In overall value terms, landings of pelagic stocks will contribute €107 million to the economy and support jobs in processing factories in coastal areas.

Unfortunately, it was impossible to allocate the full amount of the total allowable catch available to member states because of a technical difficulty in regard to the mathematical methodology of integrating the southern component of the mackerel stock, as agreed with Norway last January. In addition, technical difficulties arose with the mechanism to deal with the implications of the European Union-Norway and Norway-European Union transfers as a result of the integration. While a significant amount of work has been done on this issue — the Marine Institute has been heavily involved — the Commission was not in a position to finalise the work in time for the Council. It is, however, convening an expert group in January with a view to finalising the matter as soon as possible and allowing for a full allocation as early as possible in 2011.

On the normal bilateral fisheries agreements, we concluded our annual agreement with Norway, including the transfer of fishing opportunities, in Bergen, Norway, on 4 December. With blue whiting out of the equation as a currency stock, there was pressure to include other pelagic species to swap for Norwegian cod on offer to the European Union from Norway. I am pleased Ireland's opposition to this proposal prevailed and no additional pelagic stocks and no increases in the horse mackerel stock were used in the transfer. There was a small decrease in the horse mackerel swapped.

The European Union-Faroe Islands bilateral efforts ended in failure in Copenhagen on 8 December, predominantly owing to the failure to agree to a mackerel deal between the Faroe Islands, Norway and the European Union. The European Union was not prepared to have it as business as usual with the Faroe Islands in terms of the traditional swapping of fishing opportunities in circumstances in which the Faroe Islands were irresponsibly fishing for mackerel, a stock which was integral to the bilateral deal. The Union has left the door open until the end of March, with the possibility of resuming talks in the new year. Ireland has little interest in this bilateral, except to keep the transfer of pelagic stocks in which we have an interest to a minimum. However, my position has not changed and I will not accept any deal that includes mackerel or any additional pelagic contributions in a scenario in which the Faroe Islands continue to fish for mackerel outside the proper formal international management arrangement. In this regard, I fully support the Commissioner's statement at the Council on Monday outlining the steps she intends to take to prevent the landing of fish or fish products from countries engaged in unsustainable fisheries outside of agreed and recognised international management arrangements.

I hope I have fully set down the main issues at the December Council and in the setting of the 2011 total allowable catches. I now propose to address the crucial issue of the review of the Common Fisheries Policy. I consider the review the most important item on the fisheries agenda and its adoption in 2012 will form the strategic blueprint for European fisheries for the immediate future and the years to come. It is clear the review will be high on the agenda in 2011.

It has been acknowledged across European Union member states that the current Common Fisheries Policy has not worked effectively and its total overhaul is essential for the future of the fishing industry. As Senators are probably aware, there has been a great deal of national consultation on reform of the policy and considerable background work has been carried out to date. In April 2009 the Commission published a Green Paper on the latest reform of the

Common Fisheries Policy, with a view to launching a consultation process to initiate a broad public debate on future reform. The aim of the Green Paper was to stimulate a debate on the reform of the policy and provide the Commission with feedback to guide its work. Following publication of the Green Paper, a nationwide public consultation process continued throughout the autumn of 2009, culminating in the submission of Ireland's response to the Green Paper to the Commission in February this year. My strong view from the outset has been that the review must be informed by the views of the stakeholders.

The submission set out a number of informed recommendations to be incorporated in the new Common Fisheries Policy. The changes provide for a new focus on addressing the following matters: the discarding of fish at sea, with a complete ban being introduced for stocks in a depleted state; the retention of a management system based on national quotas supported by increased flexibility and a rejection of the mandatory privatisation of fish quotas or introduction of international trading of fish quotas, known as ITQs; new measures to strengthen the market for European Union producers and increase quayside prices; the reinvigoration of European aquaculture, with continued structural support and a roadmap that establishes a route for growth in harmony with Community environmental law; a new regional structure to decision making at EU level, with increasing industry responsibility; and the development of a culture of compliance.

We are in full agreement with the need to simplify the decision making process as regards fisheries management. While welcoming the earlier provision of scientific data for TACs and quotas, we need to be able to move towards a range of new measures which increase the involvement of fishermen in the Common Fisheries Policy and improve the ability of the policy to sustain and rebuild the fish stocks on which our industry is dependent.

From an Irish perspective, our long-term priority is to have a strong, sustainable and profitable seafood industry that supports fishing activities and related economic activity in coastal communities which need to maintain jobs in the catching, supply and processing sectors. To achieve this objective, coastal communities need to have access to the resources in Ireland's area.

Our coastal communities and family-owned fleet have traditionally been sustained by our available national quotas which were granted under the Common Fisheries Policy as public goods to the member states, based on traditional levels of activity in member states' fleets and for the purpose of protecting fleets and communities. In Ireland quotas have in the past quarter century been distributed as public goods to meet the seasonal, regional and local needs of the fleet. Without access to quotas, the fleet and local fishing ports would wither and die. Hence, we need in the reform process to ensure the future access of the fleet to resources is sustained. This access to resources needs to grow substantially as stocks are rebuilt. It is vital that the reform of the Common Fisheries Policy does not result in the outcome for which some are actively pressing, namely, large European fishing companies being able to concentrate fish quotas and fishing effort to the detriment of family-owned fleets and traditional coastal communities.

Our main purpose must be to create and retain jobs and industrial opportunities in coastal areas. This imperative is doubly important, given the current economic climate. To maintain the social and economic fabric of fishing communities, quotas and fishing effort should be retained at a national level. Suggestions that promote internationalisation, individual transferable quotas and transferable effort, as well as the concentration of activity among large European companies, are counter productive and would ultimately result in the loss of jobs in local coastal economies.

[Deputy Seán Connick.]

Irish fishing communities are dependent on all of the fleet, both large and small vessels. Hence, we do not accept the view expressed by some that only small inshore fleets are socio-economically important and that the larger fleets and the resources they access can be internationalised into a European fleet. In Ireland a large proportion of onshore employment in the seafood sector is dependent on the largest vessels operating from and landing in Irish ports. This is critical in areas such as County Donegal and the south west. If the vessels and quotas in question were transferred away from the country or into freezer vessels, Ireland would lose a large part of the economic benefit and jobs it derives from the seafood sector. We will endeavour to protect against this in the reform process.

Reform of the Common Fisheries Policy is a major issue for all of Europe and we, in Ireland, are committed to working closely with the Federation of Irish Fishermen, other stakeholders, our member state colleagues and the Commission to strengthen the current policy for the betterment of fisheries as a whole and the traditional coastal communities dependent on them. We will work to have a Common Fisheries Policy that takes account of the unique structure of the fishing industry.

Ireland shoulders a large burden in the management and policing of the Common Fisheries Policy in our zone. This was recognised in the founding documents of the policy and set out as a consideration in the unanimous Hague declaration in 1976 which granted Ireland the Hague preferences as part of the integral structure of the Common Fisheries Policy. In return, Ireland gave its support for the extension of the exclusive economic zones, EEZs, of the European states which enabled the birth of the Common Fisheries Policy. In the intervening decades Ireland has done its part in administering the Common Fisheries Policy in its zone. As long as we retain a viable fishing industry, with access to and dependent on the resources in our zone, we will endeavour to the best of our ability to continue to fully protect and sustain the stocks in our area and administer a reformed Common Fisheries Policy that ensures the future prosperity of the seafood sector at sea and on land. As was recognised at the outset in the European Union, there will always have to be a relationship between the amount a member state contributes to the administration of the Common Fisheries Policy and the benefit it derives from it.

I propose to address some of the issues raised by Senators, several of which I have touched on. On Senator Carroll's contribution, considerable work has been done and consultation is taking place on the Common Fisheries Policy and we expect the first Green Paper to be published in April or May 2011. It will feed into the process of developing the Common Fisheries Policy and a new policy is expected to be in place at the end of 2012. This will require considerable work on reform of the policy to be done in the coming two years.

Tourism and the protection of coastal communities are being addressed in the process for the first time. I am anxious to ensure the issue of inshore fishermen is addressed. Having travelled around the coast, I acknowledge the work being done in fisheries. In Killybegs, for example, investments valued at more than €50 million have been made. I note also the work done in Rossaveal and Casteltownbere. In the case of the latter, a town with which Senators Mooney and O'Donovan have connections, a new harbour is due to open shortly.

From the perspective of the south east, I visited Dunmore East recently. Dredging the harbour will be critical and, provided sufficient funding is available, I hope we will be able to make a contribution towards starting the process. It is vital that the project advances because Dunmore East is the largest fishery harbour in the south east and requires some attention. I hope to be able to address this issue.

I spent a day in Dunmore East and met the fishermen, the local tourism association and residents of the area who raised a number of issues with me. We gave some money to the area in recent times and hope to be in a position to deliver more in the coming year. I would like to think that at some stage in the future my successor will continue to do this. I reiterate we spent a great deal of money and made an investment around the rest of the coast so the south east needs particular attention.

Senator O'Donovan raised a number of issues in regard to harbours and piers concerning which I touched on the larger examples. Some months ago I was in the happy position of being able to hand out more than €1 million for small harbours and piers when we introduced a grant scheme. Cork County Council did exceptionally well and County Wexford did not do so badly — we were ready and prepared but obviously not as much as Cork was. There is merit in our coastal communities, in particular coastal counties, preparing plans for their small harbours and piers. I awarded contributions of between €10,000 and €20,000 but these had a significant impact on harbours and piers which might not have received funding in the past 80 or 90 years. We received very positive feedback for that and depending on the amount of money in this year's Vote I hope we may be in a position to roll out a second round of grants early in the new year.

A number of speakers mentioned aquaculture which is a very important sector and it is important to touch on it briefly. There are 91 bays around the coast which are due to be licensed according to the Natura 2000 scheme of special areas of conservation. The Irish Government has a responsibility via various Departments to ensure we license these bays. An enormous amount of work has gone on in recent years and I acknowledge this. In the first quarter of 2011 we hope to be in a position to license the first of the bays. It will take approximately three weeks to license each bay. Once we have the methodology in place we hope to roll the others out in a process but I am concerned, given there are 91 bays, that it takes three weeks to roll each one out. One can do the mathematics on that — it might take 270 weeks or almost six years to license all the bays in the country. That is not acceptable in our current economic difficulty. I constantly push for more resources to be given to individual Departments so that we can speed up the process. Right now we are unable to license aquaculture developments in those bays. There are more than 200 projects pending, all offering high employment opportunities and significant export potential in the areas in question. I am giving a great deal of attention to this matter.

Tomorrow there is to be a marine co-ordination meeting. I am the only Minister who attends these meetings, along with the assistant secretaries general of the various Departments involved, which include Transport; Environment, Heritage and Local Government; Communications, Marine and Natural Resources and my Department. We are working to try to break down barriers and be able to move forward with the aquaculture sector. The co-ordination group is making good strides and meets monthly. Senator Keaveney mentioned that a number of Departments are involved because of the marine and leisure sector elements. It would be helpful in future if this development could be co-ordinated under one senior ministry. That is my personal view.

We could speak for two hours about the mackerel share out. A great deal of work has been carried out in recent years and I acknowledge the considerable effort made by my predecessor, now Minister for Defence, Deputy Tony Killeen, and others before him in office in trying to address this issue. Currently, the mackerel share out is broken down with 87% going to the pelagic fleet and 13% to the polyvalent sector. I will not go further into the matter other than to note that share outs are complex and there is much disagreement between the various

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sectors. In my dealings this year on the share out issue I introduced a measure whereby we no longer allow people to enter the sector. For a number of years people continued to be allowed to do so with the result that the quotas and the share out were diminishing. Senator O'Donovan mentioned that people had a particular share five or seven years ago which has now been reduced. That is because others were allowed to come in but that situation ended this year. I accept there is more work to be done but it is a very complex situation.

Regarding the mackerel situation in Iceland and the Faroes, Iceland has declared its own tax and decided to fish large quantities of mackerel. To put this into perspective, Iceland is fishing approximately 130,000 tonnes this year. The Faroes declared it will fish the same amount next year. The European share out is 560,000 tonnes so between them Iceland and the Faroes are taking almost 50% of the mackerel share out. We have a problem and need to address it. Otherwise stocks will not be sustainable into the future. We are finding it difficult to bring both countries to the table at present. There have been several efforts at EU level. I welcome the strong statement by the Commissioner last Monday in regard to moves she will take to try to address the issue.

Concerning decommissioning, there is a problem at present in that a large number of older boats do not have certificates of compliance. That issue is dealt with by the marine surveyor's office in the Department of Transport. It has caused a great deal of difficulty for some people and will put some of them out of business. I cannot commit to a new decommissioning scheme right now. I need to consider what, if anything, can be done in that situation but am not hopeful about it.

Crayfish were mentioned. I was in Dingle recently, on my last *tour de force*. I forgot to mention Dingle in my tour of the fishery harbours and I had better not forget Howth. In Dingle the crayfish issue was mentioned. This country has a minimum size requirement of 110 mm which is a conservation measure. It was said that other European countries were allowing crayfish to a size of 95 mm to be taken. France recently joined Ireland in adopting the 110 mm requirement and I believe we will see a number of other countries doing the same. It is about sustaining the stock. Obviously, crayfish take a certain length of time to grow and by adopting a standard of 110 mm we believe there is potential for smaller fish to arrive at a decent size and for fishermen to get a better price, as one would hope.

Senator Coffey referred to the Hague preferences. I did not mention it but we have retained them again. They are important because they put a floor on the quotas we are awarded in the share out of fish. That was negotiated in the early 1970s. The Hague preferences are very important to Ireland and once again we were able to invoke them on the occasion in question, thereby benefiting. I hope we will continue to be able to do so.

I acknowledge again the work done in the seafood development centre in Clonakilty which was mentioned by a number of Senators. That is run by Bord Iascaigh Mhara, BIM, which does excellent work. Our fish is being promoted throughout Europe by Bord Bia which is also doing excellent work. Earlier this year, shortly after my appointment, I had the opportunity to open the Irish seafood stand in Brussels at the Seafood Expo in that city. As an Irishman, I was very proud to be there and to see the quality of the product we had on show.

I mentioned Dunmore East, quotas and we touched on the Common Fisheries Policy, CFP. Senator Keaveney mentioned Greencastle where certain issues are involved. An amount of work has taken place and millions of euro have been spent on the development of the pier. I am extremely concerned because the pier is exposed. We need to come to an arrangement whereby it will be finished to a level that will ensure it will not be washed away in a storm. I

am giving this issue priority but until I have a plan for the year's funding I cannot commit to any step in that regard.

I echo the Senator's sympathies to the families of the late Eddie Doherty and Robert McLaughlin and I pass on my deepest sympathies to them. Senator Keaveney alluded to the accident report. Again, responsibility lies with the marine surveyor's office and is not under my remit.

All speakers mentioned discards of stock. We are doing our best to try to tackle this issue. The only way to do so in future is through selective gearing. There are items such as the Swedish grid which allow smaller fish to escape when fishing is taking place. Of course, such measures impose costs on fishermen and therefore there is some resistance but we must address this matter. The scandalous issue of discards is top of the agenda in the CFP reform.

Local boats are used by the Marine Institute and others when the Department is preparing surveys in different areas.

Senator Norris mentioned the Dublin Bay prawn which, of course, is famous throughout the world. There is no better man than the Senator to promote Dublin. We were delighted to get a reduction of 3% in that quota and were particularly happy to be able to stay away from the introduction of functional units which would have had a significant impact on the area. I acknowledge the great work of the Marine Institute and its contribution to informing the Irish position. Last Thursday week, I launched *The Stock Book*, which was presented to me by Dr. Peter Heffernan of the Marine Institute. It provided us with information in regard to stating our case at the meetings. As an Irishman, I was delighted to be present to see others sharing our scientific results. We feed into ISIS, the international body on science. We have a magnificent institute. I regret that Senator Norris, unlike me, has not had an opportunity to visit the institute. Everyone who has not should take the time to do so. The institute has a small facility in Newport in County Mayo. The institute carries out extremely important work, not only scientific work but also work on wind energy and wave technology. The institute is at the cutting edge of all forms of marine developments.

We have two research vessels. Earlier this year, I was a signatory to the contract with Newfoundland which is to lease one of our vessels for specific work off its coast.

Senator Norris asked for the total value of fishing resources. I do not have the figure off the top of my head but will try to obtain it for him.

When the Sea Fisheries Protection Authority first started inspecting, I and my colleagues from coastal areas probably received many complaints. In fairness to the authority, things have settled down. The authority is doing a good job and is protecting the very important fishing resource.

Senator Norris took me back to my youth when he mentioned pinkeens. It is a long time since I heard that word. I remember catching pinkeens in a little net. It was a long time ago.

Senator Twomey and others mentioned rules and regulations. Both Houses have debated administrative sanctions on a number of occasions. The Attorney General's position and the advice we have is that we cannot move from our current position. Alternative sanctions are used in different countries but there are very substantial fines. One could move towards the imposition of fines but the industries in countries that have such a system will tell one they are punitive and could put a person out of business. There are a number of improvements to be introduced in the form of electronic log books and the new penalty points system for fishermen. We hope these will allow for more control, not only over Irish fishermen but also over fishermen from other countries who fish in Irish waters.

[Deputy Seán Connick.]

Trawlers are obliged to hail a port before landing there. I acknowledge the great array of restaurants, shops, factories and processing facilities in Wexford. Anyone who wants to visit us in Wexford, especially New Ross, will be more than welcome. We will be delighted to see them.

Senator McCarthy also mentioned administrative sanctions. The number of prosecutions is quite small. I do not have the number for this year but believe the number for last year was approximately nine. I do not have a breakdown but know there were some foreign trawlers involved in those prosecutions.

Senator Mooney mentioned Beara, upon which I touched, and the great work taking place there. We are trying to address the issue of the discards. I am disappointed the Senator did not invite me to the prawn festival at Clogherhead. I am sure he had a wonderful time. He should keep up the good work. I am a big festival fan.

I have addressed the issue of the Faroe Islands and Iceland. Cod is a prime fish and that is why it has been overfished for many years. Everyone likes it. It really is a fantastic fish. There are a number of cod substitutes coming on the market in the form of dab and pangasius. The housewife and others, when buying cod, should make sure what they are buying is cod and ask for it. Dab and pangasius are not cod.

The boar fishery is new and I touched on it in my speech. I am very excited about it. Much boar is being used for fish meal at present but we have, through the Seafood Development Centre, the possibility of taking fillets off the two sides of the fish. It is a very specialist fish. If we are successful in converting the fish into a processed food, it will be a very valuable add-on for us. For every one job created on the sea, we could create four jobs on land were we to have added value.

There is a very bright future for the fishing sector. I am very excited and delighted, as Minister of State, to have had the opportunity during my term of office to engage with a fantastic industry. The fishermen and scientists do a huge amount of work.

A summary of the consultation process with member states was published in April 2010. There have been several meetings at EU level since then to discuss the various topics plus the differing views and proposals put forward by member states on the Common Fisheries Policy, CFP. I have availed of every opportunity to put forward Ireland's priorities in an effort to influence formally the direction and outcome of the reform. On the margins of these meetings, I have met other Ministers of similar views on aspects of the reform to form alliances to strengthen Ireland's case in the upcoming intensive negotiations on the reform of this policy.

I will continue to consult the Federation of Irish Fishermen and all the other stakeholders over the course of the reform process. I will continue to put forward Ireland's case and will endeavour to convince our member state colleagues and the Commission to strengthen the current CFP in line with Ireland's submission on the reform of the policy.

I hope I have set down clearly for Senators the important issues arising for the Irish fishing industry. While there are challenges to be met, I believe this industry is well placed to meet these and that it offers excellent opportunities generating additional income and job creation in our coastal communities dependent on fishing. I commend the motion to the House.

Senator Niall Ó Brocháin: I very much welcome the Minister of State. I hear his passion for the subject and I commend him on that. Many of the issues I wish to raise have been raised. The Minister of State has been congratulated on his work. Conservation is a key issue for the

Green Party and the Minister of State mentioned that in his speech. We need to ensure sustainability of stocks.

I put on the record before that according to EUROSTAT figures, some €200 billion worth of fish were caught in Irish waters from 1974 to 2007. This is a huge sum. Ireland provides approximately half the high value fish stocks in EU waters. The Minister of State is correct, therefore, to say that the potential for the Irish fishing industry is huge. Other countries fish in our waters as well and we need to keep nibbling away at this. In the early days, when we negotiated the CFP, we did not really have a fishing industry to cope with the possibilities that existed.

The Minister of State is correct that fishing comprises a very important industry for Ireland. It is an industry that every Government can and should develop in parallel with farming. I hope we can ensure the industry is very much a sustainable one.

I commend the work of the research vessels that operate from the port in Galway and the various Naval Service ships that help protect our waters from illegal fishing which presents a great difficulty, particularly in ensuring the sustainability of stocks.

Senator Denis O'Donovan: I thank the Minister of State for his very comprehensive speech. I urge him to increase the polyvalent mackerel quota to perhaps 20% or 25%, if possible. I realise it is an uphill struggle. I also appeal to him to reconsider the decommissioning arrangement for smaller vessels.

I hope for a guarantee of sustainability in respect of the stocks we land. A substantial proportion, perhaps up to 70% or 80%, of our pelagic fish is being landed outside of Ireland. This is no good to our onshore factories. Some 80% of all the whitefish landed in Castletownbere is being lugged all the way to Spain in large refrigerated containers on articulated trucks. We should consider job creation in this regard. The Minister of State must consider replacing the section dealing with mackerel and polyvalent quota and create a new one, if possible.

I express my gratitude to my colleagues, Senators Twomey, Coffey, McCarthy, Bradford and Norris, for their kind words. My interest in fishing dates back many generations. My great-great-grandfather was a small fish merchant.

I am concerned about the certificate of compliance because it means many smaller vessels will be tied up. I am not entirely happy with the stringent approach adopted by the Department of Transport. It is mainly daytrippers who are involved and they are being asked to carry out work on their boats that would be more appropriate on vessels travelling from Ireland to Norway.

Senator Paudie Coffey: Hear, hear.

Senator Denis O'Donovan: They go out in the morning and come back in the evening. It is sad to see a number of these boats tied up around the coastline. Decommissioning would help to alleviate some of the problem, although it would not get rid of it.

I welcome developments in the boarfish sector. The situation is fluid and as such, the new boarfish fishery should be developed. In this regard, I ask the Minister of State to ensure an equitable share-out. There are vessels capable of catching fish in the southern part of the country, from Dunmore to Rossaveal, but few, if any, are allowed to catch them. That is a retrograde step; there should be a greater balance.

[Senator Denis O'Donovan.]

The Common Fisheries Policy must be addressed. Certain people doubt that the Minister of State will be negotiating in two years' time, but we should introduce a 100 mile limit around Ireland to ensure the conservation of fish because our fishing stocks are being marauded.

There is another day's work to be done in respect of the mariculture and aquaculture sectors, to which the Minister of State referred. In the new year I hope we can have another debate dedicated to these sectors which have great potential. I acknowledge that the Minister of State is striving to ensure the long delays in licensing are addressed. He referred to 91 bays or inlets and it is appalling that there are such delays. More staff must be assigned to this work because the delays are stymying growth. Our plan for mariculture and aquaculture industries 20 years ago was to compete with the French and Spanish. Unfortunately, however, we are stuck in a rut and we must get out of it.

I thank the Minister of State and my colleagues for participating in this worthwhile debate.

Question put and agreed to.

Croke Park Agreement: Statements

Minister of State at the Department of Enterprise, Trade and Innovation (Deputy Dara Calleary): I thank the House for its interest in this issue.

Senator John Paul Phelan: The assembled masses.

Deputy Dara Calleary: I wish to update it on the implementation of the agreement. I apologise that I will not be able to remain for the full debate, as I am due to attend the other House later. I last spoke to Members on this topic on 13 October. The country has since been through a traumatic period.

I want to put in context the role public service transformation and reform of public administration can play in national recovery. I will outline how public service management, staff and representatives work together under the terms of the Croke Park agreement and why the Government decided to stand by commitments made in the agreement. The national recovery plan published by the Government in November sets out a significant programme for change in the public service. It outlines the maximum ceilings on employment and public service numbers that will apply in each sector of public administration.

Public service numbers will be reduced by 24,750 from an end of 2008 base to under 295,000 by the end of 2014, a reduction of some 8%. This will return the public service to numbers last seen in early 2006 and the overall pay bill to a level last seen in 2005. The Government, however, has applied different ceiling targets between the various sectors of the public service, with front-line staff numbers protected as far as possible and consistent with more efficient public service delivery. Numbers will have to fall more quickly in back office activities and administration to allow front-line services to be protected. The redeployment arrangements in the Croke Park agreement will be used to ensure flexibility in the deployment of staff in the light of the reduced numbers. Were it not for the existence of the agreement and its operation, we would not have that redeployment arrangement available to us.

The numbers appear challenging and equate to an annual average reduction of approximately 3,300 in the number of public servants or around 1% a year. This can comfortably be accommodated through that unlovely phrase "natural wastage". The predicted rate of retirements should exceed the required reduction sought by the Government. In human terms, it

means numbers will fall as people retire or leave for other reasons and their posts are not filled through a strict application of the moratorium on recruitment.

Public service management and the Government will have to be very disciplined in the coming years to meet the numbers targets. There will be some scope to prioritise limited recruitment in particular areas to meet a need for social workers or recruit specific ICT or economic modelling skills. It will not be possible to respond to special pleading on the part of any group that its case is a special one. It will not be possible for public service management to recruit its way out of an administration problem; rather the problem must be solved using better management of existing resources and better administrative solutions. Where unavoidable priorities for extra staff have to be met, this must be done to the maximum extent possible by redeployment.

Inevitably, there will be a significant saving to the Exchequer from this reduction in numbers. The Government has indicated that, when coupled with the pay savings from a range of reforms and efficiencies and other changes such as the reduction in pay rates for new recruits, it wants to save some €1.2 billion in the public service pay bill by 2014. That means substantial changes in the way public servants work are inevitable to increase productivity and sustain necessary public services.

Many have argued the targets are not challenging enough and that there should be deeper cuts to reduce numbers still further. However, the OECD has indicated that the Irish public service is relatively small in comparison to those in other OECD member states and that this is a significant move that will require big efforts on the part of management to ensure greater efficiencies. When I hear calls for faster reductions and compulsory redundancies, I ask myself whether those calling for extensive redundancies have worked out how to pay for them. As well as being very tough on the individuals affected by redundancy programmes, accelerated reductions in numbers cause what is known in the private sector as restructuring costs which must be paid upfront. Such costs are very large. The Government put aside hundreds of million euro to achieve a voluntary fall of a number of thousands through early retirements and redundancies in the HSE. Although not all of that money will be used, it gives us an idea of the potential costs if an accelerated fall of, say, an additional 10,000 was to be sought.

The targets brought forward by the Government are realistic and achievable within current resources and, crucially, will help to protect critical public services, with all sides co-operating, as they are committed to do and as they are doing under the Croke Park agreement. It is important that the proposals are realistic because, as the House is aware, our progress towards the savings targets that the Government decided upon will be the subject of ongoing reporting in the context of drawing down the agreed funding from the IMF and the European Union. The EU-IMF programme of financial support for Ireland which is based on the targets the Government has set states that, by the end of the third quarter in 2011, “the Government will consider an appropriate adjustment, including in the overall Public Service wage bill, to compensate for potential shortfalls in the projected savings arising from administrative efficiencies and public service number reductions”.

The Government’s position on the Croke Park agreement has not changed since I was in the House in October. We have always said that we want to see full implementation of the agreement as soon as possible. There is now a synergy between the plan and the agreement. It was already the case that the Croke Park agreement, and the financial emergency legislation that preceded it, included a requirement to review the position concerning public service pay on an annual basis prior to 30 June. These reviews will take account of sustainable savings arising from the implementation of the agreement.

[Deputy Dara Calleary.]

The reviews under the agreement will transparently show whether the agreement is delivering savings in the costs of public service delivery, through reductions in public service numbers, use of different delivery options, changes in working practices and so on. It will therefore be clear from each mid-year review whether sustainable savings are being achieved under the auspices of the Croke Park agreement. Under the EU and IMF programme of financial support, the Department of Finance will provide quarterly data on the public service wage bill, the number of employees and the average wage. This is the same data on which the review under the Croke Park agreement will be based. The targets we have set ourselves make the challenge even more real for all sides. We know now what we have to do. What remains is tackling all obstacles to achieving it. This is where management delivering on their action plans for change and the commitments given by both sides under the agreement to co-operate with drives to secure greater efficiencies across the board come into play.

It was always the case that the action plans drawn up this summer would have to be re-examined in light of the Estimates process. The implementation body, under the chairmanship of P.J. Fitzpatrick, triggered that process by requiring all Departments to examine their action plans and submit revised plans in January. Those revised plans will have to be more ambitious than those already produced because they will have to meet the revised ceilings on resources and pay that each Department has been set as part of the national recovery plan. I want to state clearly that I will not stand for any delay in the implementation of these plans, such as those which accompanied the original plans.

Senator Joe O'Toole: Hear, hear.

Deputy Dara Calleary: In the meantime, management and unions, under the auspices of the sectoral implementation bodies that are working in each sector, have been getting on with the job. We are perhaps being too low key about early successes. I want to highlight for Members a few tangible changes that have been happening in many work places across the public service. In the Garda Síochána, revised rosters have been agreed in the specialised detective units and the traffic corps. They will allow the gardaí involved to be deployed more efficiently to meet demands for their services. These changes to rosters foreshadow the much larger job of rostering across the country to meet police demands with a reduced number of gardaí. Talks have already begun on developing pilot schemes to achieve these changes.

The Prison Service has opened new accommodation for prisoners at Wheatfield Prison and for female prisoners in Limerick Prison. These new blocks have been opened with a more efficient staffing model based on the principles set out in the Croke Park agreement. This has resulted in a saving of staff and significant costs have been avoided as well as, of course, helping to alleviate some of the accommodation issues that are a feature of our prisons.

Discussions are ongoing in the education sector on the introduction of new contracts, including the extra hour. Since I last spoke to Senators and used this House to challenge the teaching unions, all teaching unions are now engaged in these discussions and they are advancing quickly.

In the health service, the CEO of the HSE recently outlined some key performance outcomes in 2010 taken as a snapshot on 30 September. They include emergency admissions being more than 11% higher than the 2010 target and slightly more emergency admissions than for the same period last year; more than 2.5 million people have attended for outpatient services so far in 2010, which is just over 3% of the 2010 target and more than 5% ahead of 2009 outcome; and more than 9,600 home care packages were delivered to people, 0.5% ahead of the 2010

target and 9% more packages than were delivered this time last year. Also in the HSE, management and unions are working together to address the practical implications of the departures by the end of the year of thousands of staff under the voluntary early retirement scheme and a voluntary redundancy scheme introduced by the Government for certain categories of staff in the public health service. This type of co-operative approach would have been difficult to envisage only a few short months ago.

In the Civil Service, hundreds of staff have been reassigned from other areas of the Civil Service to social welfare offices to cope with increased demands. Similarly, staff will be redeployed to help process redundancy payments more speedily. A deadline has been set for the move of the community welfare officers into the Department of Social Protection with effect from 1 January. As all of us know, this is a highly significant move because, unlike the other redeployments mentioned, it is cross-sectoral with staff moving from the HSE to the Civil Service.

Finally as has been highlighted, some clearly inefficient practices on credited time and attendance patterns are being eliminated. On this issue, there is a tendency in the media to focus only on the minutiae of discussions on efficiencies in the Civil Service, without looking at the bigger picture of change in more than 90% of the public service. As a consequence, there has been much chatter about bank time and privilege days. Instead, we should be welcoming the fact that Civil Service management have taken the opportunity presented by the Croke Park agreement to tackle upfront and early some clearly inefficient and outdated practices.

Senator Joe O'Toole: Hear, hear.

Deputy Dara Calleary: It will be necessary for all public service management to follow suit. They too will have to be resilient when staff or their representatives act as if we were living in another era. Change will have to be delivered in all public service workplaces and in the ways that all public servants do their daily business. It is worth re-emphasising that these achievements have been made despite the industrial unrest following the pay reductions early this year. It highlights the biggest achievement of the Croke Park agreement; priority services are being maintained and even improved despite a substantial ongoing fall in numbers, and there has been no industrial unrest to damage our reputation or impact on the most vulnerable despite two pay cuts.

The Government acknowledges that we cannot impose the scale of change we want on a system of more than 300,000 people without their agreement and leadership at all levels. This is the significance of the Croke Park agreement; it is based on shared principles between the Government and its employees, and specific agreed commitments on both sides.

It is also important to be conscious of the impact on individuals of the changes that are proposed. Redeployment at a strategic level means, for an individual, life changing decisions on changing the place they work, the colleagues they work with and the projects on which they work. What is at a strategic level an efficiency, results in a real impact on what an individual worker takes home in a week in overtime and shift allowances. Many, of course, have a right to be concerned about those changes. Active leadership will be necessary for the majority to accept that change must happen and over the medium term their working arrangements will improve. I have already mentioned the changes that have been made to certain rosters in the Garda Síochána. I have been advised that the changes made suited staff better in terms of their work arrangements, as well as working better in terms of management of the staff resources.

[Deputy Dara Calleary.]

We must accept that some will never accept their work practices should ever change and that there may be a better way of doing things. At an individual level this can be addressed. It is more problematic where an entire group feels it can step outside the arrangements that apply to all and go in a separate uncharted way. I remind Senators what I stated in the House in October:

The Government considers that any party that chooses to remain outside the provisions of the agreement or that opposes its implementation cannot expect to benefit from the commitments [the Government] gave as part of the agreement. The principal commitments given were to no reductions in pay, no compulsory redundancies and an extension of the period within which the January 2010 pay reductions will be disregarded for the purposes of calculating public service pension entitlements.

This remains the position. However, I welcome the fact that since I stated this, the majority of public service unions have come into discussions on the practicalities of implementing the agreement.

I will use this occasion to repeat my invitation to the limited number of unions or associations, or would-be unions or associations, which have stayed outside the process to consider very carefully their position. To be blunt, I want to make it clear to those who want to stay outside the process that requests for negotiation of parts of the agreement or of the entire agenda for transformation of the public services will not be entertained, and attempts to thwart progress in the changes involved will be fiercely resisted. As far as the Government is concerned, the Croke Park agreement is the minimum needed to deliver the significant changes to public administration that will be needed as the numbers of public servants fall and as efficiencies are driven throughout the system. The Government has consistently made it clear, and it was repeated by the Minister for Finance last week in his budgetary statement, that these reductions in costs and numbers must be delivered if the Government is to maintain its side of the agreement.

I want to make a number of personal remarks on the agreement. I pay tribute to Senator Joe O'Toole who I understand is retiring voluntarily from this House. I thank him for his input into this agreement, his advice to me and the work he did behind the scenes to secure this agreement. He has made an enormous contribution, typically in a quiet manner. I also acknowledge the role that has been played by the implementation body, especially the role of P.J. Fitzpatrick. I stated that we possibly have not spoken up the agreement enough, but that is something we intend to consider next week. P.J. Fitzpatrick has driven the implementation body hard and has driven substantial change in the agreement. Despite political agendas that may seek to say we are not doing anything with the agreement, the agreement is delivering change daily across both the Civil Service and the public service. I acknowledge that the entire Government transformation agenda will not be possible unless we work harder at involving every public and civil servant in its implementation. It must be our priority in the new year to ensure the 300,000 people who continue to work in the system buy into the agenda. It is a challenge to have agreements at this level, but it is an even bigger challenge to ensure they are owned by those who work on the ground.

All the public servants of this country, staff working in emergency rooms, teachers who have spent the day in front of children, staff working in this House, people who are on call tonight and who may be called upon at 4 a.m. to grit roads throughout the country contribute daily to our economic recovery. Their numbers have decreased sharply and they are working harder

within tighter budgets to ensure services are being delivered. CSO figures have shown that public servants have taken a bigger hit in terms of earnings than their counterparts in the private sector. Like all those who pay tax and social insurance, they will share the burdens imposed in the budget last week. By delivering the changes outlined in the Croke Park agreement, they will contribute again, not just to national recovery but to making this country a better and more prosperous place to live over the longer term and to ensuring their workplaces are more rewarding professionally and financially.

Senator John Paul Phelan: I welcome the Minister of State. I will begin by outlining my support and that of Fine Gael for the Croke Park agreement. This support is evidenced in the document produced by Deputy Richard Bruton, Reinventing Government, in which Fine Gael outlines a series of proposals within the framework of the agreement which are aimed at reducing the cost of our public service while retaining the vital services it provides. Like the Minister of State, I thank our public servants for the work they do, which often goes unheralded. We should never lose sight of the fact that they perform an important function within society.

Sadly, however, I cannot agree with the Minister of State's claim that the Government has given political priority to this agreement. I do not believe it has. I do not know Mr. Fitzpatrick personally, but I have heard him on a number of media outings recently. To be brutally honest, he did not inspire me with confidence in terms of the agenda he is driving on behalf of the Government. The agreement is not just his responsibility but the responsibility of our political leaders, the Taoiseach, Cabinet and the Ministers responsible, including the Minister of State, Deputy Calleary. They must ensure this issue gets the urgent political attention it requires. We are at a juncture in the history of our country where we need to see fundamental change in how we spend taxpayers' money and we now have an opportunity, at this difficult time, to put in place new procedures, practices and systems for the future. I see no understanding of this on the part of Government.

Much of the Minister of State's comment has been predicated on kicking many of the objectives of the Croke Park deal into the middle of next year when it is more than likely we will have a new Government in power. I have nothing against the Minister of State and believe he is a good man, although he has not been long in his current position. We have heard many promises of reform of the public sector over the eight years I have been here but they have not been delivered upon. I have heard nothing from Government that will convince me it is committed to achieving what has been set out by the Minister of State. I do not get the impression there is a particular sense of urgency, which is disappointing.

The Minister of State mentioned that some unions were still outside the process and perhaps he will outline these in his concluding remarks. I understand the nursing union and all the teaching unions have joined the agreement, but what unions are not taking part in the negotiations on the Croke Park agreement? He also mentioned how management are delivering on action plans for change. It may be unusual for me, but I take the unions at face value and believe they have bought into the Croke Park agreement. I get the sense from the union leaders that they want to see the agreement work, but I do not get any sense from management at senior levels in the public service that they are determined to come up with the action plans that will implement change. This is not the fault of the unions, although I may have been critical of unions in this regard in the past. I do not see a commensurate urgency among the people charged with management in our public services to see delivery on the Croke Park agreement. The Minister of State said he believes that commitment exists but I do not believe it does.

8 o'clock

[Senator John Paul Phelan.]

The Minister of State also said that he would not stand for any delay in the second batch of reports from management in the public sector. He has accepted the delay up to now. I am not convinced by what he says because it is very easy to say one will not stand for delay when one knows one's partners in Government intend to call an election at the end of January. He will possibly not be the one who will be in the position of standing against delay when the election takes place.

Will the Minister of State outline in his closing remarks what has been achieved to date outside of the reports submitted in recent months from the different Departments and agencies? What has been achieved and why is there such a snail's pace to progress in this area? While I understand we are talking about a workforce of more than 300,000 and that a detailed process must take place, progress has been very slow. Why was there little or no mention of the Croke Park deal in the Budget Statement last week and why was there so little provision for the savings envisaged under the agreement? We have heard varied media commentary in the past month of the impact of our agreement with the IMF and EU. What impact will the agreement we have made with those new friends have on reform of the public service and on the Croke Park agreement?

I get no sense from Government that it has re-imagined how we should look at providing public services. We have a unique opportunity to do that now. One of the proposals announced by Deputy James Reilly a few months ago in our Fine Gael health document was a complete reform of how we fund our health services, based on funding following the patient rather than on the existing system where hospitals get block grants based on historical figures. Why has the Government not conducted a more root and branch review of how we fund our public services for the future, especially when it has this opportunity to re-imagine how government works here?

More than 1,500 offices around the country deal with various types of entitlements, including local authorities, VECs and Government agencies. There must be scope for rationalising back office services.

We are faced with a choice between the slow strangulation of public services or the complete reinvention of how government works in this country. The Government has gone down the route of slow strangulation when we should be more optimistic for the future.

Senator Mary M. White: I am delighted to welcome the Minister of State. The Croke Park agreement is the most ambitious agenda for change ever negotiated for the public service. Drawn up against a background of economic crisis, including unprecedented cuts in public spending, the agreement commits public service management and trade unions to significant changes across the public service. It is more than a pay deal because it works towards the Government's high level goal of creating a leaner and more effectively integrated public service that focuses on the needs of citizens, as set out in the OECD public management review of Ireland. When the OECD's review was launched with great excitement in autumn 2008 we believed the transformation would be rapid but it turned out to be slower than expected. Philip Kelly, who is assistant secretary general in the Department of the Taoiseach and a member of the implementation body for the Croke Park agreement, has pointed out that the public service needs to be transformed regardless of our current crisis. He further stated that the need for innovation in how we do our business is embedded in the actions set out in the Croke Park agreement. This requires us to capture ideas about redesigning the processes we use to manufacture the services we deliver and to change our administrative structures.

Public services are an integral component of business in Ireland. It is critical to ensure this sector provides efficient services, such as State support in marketing, technology and infrastructure development and in the training and upskilling of the workforce. As a business woman in Leinster House, the word “innovation” is dear to my heart. Every business has to innovate constantly to survive. As I have previously stated in this House, I find the way the Government does its business to be very frustrating. It carves new policies and arrangements in stone and never returns to them six months later to see how they are working. That is the opposite to doing business and it is absolutely crazy. If one introduces a new initiative, one must improve on it to ensure it delivers what was originally promised.

Last Friday, I called an emergency meeting of the most high powered people in the area of suicide. As my colleagues in the Seanad will be aware, I have drawn up a policy document on suicide in the new Ireland. I called the meeting out of frustration because little has changed in the area of suicide prevention. Every day, at least two people die from suicide. A further 60,000 are self-harming. Children can suffer from mental illness but the incidence of suicide rises sharply from the age of 13 or 14 before it stabilises at 18 years. It breaks my heart that 2,500 children are waiting for public sector assessments because they cannot afford to pay for psychiatrists for assessment or treatment. As a former teacher, the Minister of State at the Department of Health and Children, Deputy Áine Brady, will understand what it is like to teach children with problems. Approximately 30% of the children on the waiting list have ADHD, which can be traumatic in the classroom, 17% have been waiting for one year and 63% have been waiting for three months purely because they come from an underprivileged background.

The top honchos are driving me to blow the issue out of the water in the new year. Little has changed in the area of suicide prevention over the past 20 years. The Minister of State at the Department of Health and Children, Deputy Moloney, is doing his utmost to highlight the issue of stigma but having worked in the public sector on two occasions, I have experience of the under utilisation of human potential and the absence of management. This can be contrasted with any self-respecting company which is creating employment and exporting. Such companies exhibit energy and passion to increase business and create employment.

My experience of dealing with the HSE on the issue of suicide suggests it is very relaxed and easy going. It recently appointed a new national director of child and family services as part of a drive to improve child protection. Everyone in this House is aware of the failure of people who are employed in the public sector to produce reports and do their jobs properly. The people responsible for child protection in the HSE would not be kept on by a business. They lack the courage, energy and passion needed to do their jobs properly.

Acting Chairman (Senator Ann Ormonde): I ask the Senator to conclude.

Senator Mary M. White: The new director, Gordon Jeyes, is from the UK. We are being inundated. All the people who are running the banks appear to be British. AIB is currently being managed by 30 people from Pricewaterhousecoopers. They are all English people. There is Mr. Elderfield and Mr. somebody else. We really want to wake up.

I hope to God Mr. Jeyes will inspire in his staff a pride in their work. It is not only a question of flexible work practices and better hours. That is all rubbish. It is a matter of doing a good job with passion.

Acting Chairman (Senator Ann Ormonde): The Senator should conclude.

Senator Mary M. White: During the severe weather, the Garda and those responsible for gritting the roads showed energy. They were inspired but then they went back to their lackadaisical ways. I acknowledge that teachers, nurses, doctors and gardaí cannot behave like that but in bureaucracy, people get lulled into thinking it does not matter whether they do their jobs. Let us hope that the new head of child services will have the fire needed to protect children.

Senator Joe O'Toole: I welcome the Minister of State, Deputy Áine Brady, and acknowledge the generous comments of the Minister of State, Deputy Calleary.

I was stunned by my colleague's remark that P.J. Fitzpatrick does not inspire confidence because I know he has a vision.

Perhaps there is a communication issue and people need to have clearer understanding. I will undertake to organise for Mr. Fitzpatrick come in some time in January to brief a few people informally on what is happening. Fair questions have been raised on this side of the House and I am not for one second saying otherwise. There are questions which need to be answered. I have stress tested Mr. Fitzpatrick on difficult issues on a number of occasions, however, and he has taken difficult telephone calls from me. I am seriously impressed by his commitment, diligence and effectiveness, and I will come back to that.

Mr. Fitzpatrick's previous role as head of the Courts Service should also be noted. Senators can have good look at what is happening there. He certainly turned it around in terms of efficiency. If one can do that with the legal profession, one can do it anywhere.

Senators should be reassured and should question and demand to know where we are going on these issues. We need to start this debate in two places. On tonight's news I saw tear gas and fire-bombs on the streets of Athens, and there will be something similar in Brussels tomorrow. We saw it in Rome yesterday and we have seen it in France all along. When the IMF came here, it saw the Irish trade union movement hold a demonstration which was peaceful and where people expressed their point of view but did not attempt to wreck the city, apart from the couple of dozen which one finds everywhere, but they had nothing to do with the main thrust of the demonstration. That was important.

It is equally important to recognise the most important sentence in the Minister of State's contribution which I guarantee will not be quoted by anyone in this House except by me because it goes against the prevailing narrative. He stated that public sector workers have taken a bigger hit in terms of earnings than their private sector counterparts. That goes against the narrative and will not be reported. They have taken a hit, there is peace and people are negotiating. That is very important.

People say we cannot afford the Croke Park agreement. What part of the Croke Park agreement can the country not afford? The Croke Park agreement will result in at least 25,000 job reductions and will generate savings of €1.2 billion per year. What part of that can we not afford? What part of that is bad news for the country? When people say we should get rid of the Croke Park agreement, how will they achieve those two objectives? They take the easy option but offer no solution. We have peace on the streets and a clear commitment.

Senator Phelan asked an important question with which the Minister of State did not deal, that is, what progress has been made to date on those two objectives? We will ask for the figures the next time we have this debate but I will also ask Mr. Fitzpatrick, when he comes to talk to Senator Phelan and others in January, to bring those figures. We are at least one third of the way in terms of the job savings but I cannot put a figure on the savings.

The last time we debated this I said it would provide more than €1 billion in savings, and that was before the Government said it. I reached that figure after some discussion with Mr. Fitzpatrick who did not want to put a figure on it for me because he is too honest a man. I said in the House that if it did not deliver more than €1 billion, the game was not worth the candle and that we would have to go in another direction.

The savings and the job reductions are two aspects but the third aspect are the efficiencies in terms of how business is done. I wish to restate some of the things on which the Minister of State touched. The first is the changes to the Garda rosters. I have been listening to people talk about trying to make changes to Garda rosters for ten years but this has now happened in two or three sectors of the Garda. What people said would never happen is now happening. That part of the implementation is being handled directly by Mr. Fitzpatrick. It is interesting to note he is getting down and dirty and is doing some of the work in some areas himself.

One of the most difficult areas in which to introduce change has been the prison regime. The Minister of State gave examples of two or three new prison areas which have been opened with brand new models of work practices within them. I cannot explain to anyone who has never been around a negotiating table what that means in terms of savings and how difficult it is to achieve. The fact it has been achieved is quite astonishing.

The education unions are negotiating a new contract. A new contract has never been negotiated for teachers and the Minister of State, Deputy Áine Brady, will be well aware of that. They have agreed to the equivalent of two additional weeks teaching and that is being put into contracts. That is extraordinary movement by any standard.

The Minister of State dealt with the health targets. The movement of community welfare officers to a new section in the Civil Service was handled directly by Mr. Fitzpatrick, but I was told that would never happen. It is an extraordinary achievement to have done that. This is a huge leap forward for us.

I refer to bonuses which are an extraordinarily useful incentive in the public and private sectors. They have been brought into disrepute by being badly, or by not being, implemented or by being used as a way to give away money. It is very important that the Government does not rule out the use of bonus payments as long as there is a paper trail for every penny paid out, that it is always conditional on previously agreed targets and that it is proved that those targets have been delivered. That is what it is about. It is a positive thing which has been brought into disrepute but let us not throw the baby out with the bath water.

I compliment Mr. Fitzpatrick on the progress he has made in implementing the Croke Park agreement and I look forward to introducing him to Senator Phelan and few others, perhaps over lunch. We will put the hard questions to him.

Senator Mark Dearey: I remember the dark days of winter 2009 when discussions on the 12 days unpaid leave and so on broke down. The level of ill-will and distrust that existed at that time among those who had been negotiating with the Government and who thought they had an arrangement with it was palpable and it did not promise much success for the new year. I was absolutely delighted when I watched the process being reignited, a level of trust begin to be re-established and an agreement being concluded in the spring of this year. I saw it as a momentous occasion in which the public service agreed to some painful measures. Change is always painful but these were necessary measures. I paid due tribute at the time.

Recently when Mr. Kieran Mulvey addressed the Joint Committee on Enterprise, Trade and Innovation, he spoke about how the terms of implementation got off to a slow start. I believe

[Senator Mark Dearey.]

he described the Croke Park agreement as taking the scenic route from April to June of this year, and he was probably right. It meant there was a fair degree of incredulity as to whether the deal could ever work.

I suspect some of the momentum in terms of reimagining the public service came from that period. I really liked what Senator Phelan said about reimagining the public service. In a way, it is not possible to deal with it in the Croke Park agreement. I want to read a passage from the agreement to demonstrate that while new procedures and work efficiencies can be generated, none of it really touched a chord, about which Senator Mary White spoke and to which Senator Phelan referred when he spoke about reimagining government. The agreement states:

In order to maximise productivity gains, both from how work is organised and from streamlining procedures, processes and systems to allow for shared service in e-government developments, a substantial commitment to the redesign of work processes will be necessary. The Parties will co-operate with the drive to reduce costs through organisational rationalisation and restructuring . . . The aim is to minimise duplication of effort . . . through the introduction of new technologies . . . reuse data . . . Inter-operability and standardisation of specifications and systems . . . will be mandatory.

All of this is necessary. All of us who use the public service are aware of how many of these items need to be addressed urgently and they are being addressed.

I was very encouraged by the Minister of State's speech and his patent commitment to the Croke Park deal. I share that commitment and want to have the same confidence in it. The four year plan will make its implementation much more likely. The third quarter of 2011 is, effectively, a date with destiny because if the savings have not been generated by that date, cuts within the public service will have to be found to make up the difference. This will certainly focus minds and drive the change agenda.

The change agenda is detailed in the preliminary sentences of the Croke Park agreement. It is, however, a case of reimagining the public service, to borrow a phrase from Senator Phelan, which is very important. New ways of working and finance policies must be used. These may be found outside the terms of the agreement and perhaps the period following the next general election might be a time when much of the thinking will take place.

I regard the Croke Park agreement as being attendant to political reform. It is wise to learn from the trauma the country is experiencing and make changes. While I welcome much of what I heard from the Minister of State, there is a gathering of pace in implementation and dates such as the third quarter of 2011 will be crucial. While the four year plan will help to deliver the agenda, I do not see it generating the new public service the country needs, one that will borrow some of the passion and innovation by which the private sector lives or dies. Part of the reason might have to do with the fact that there are not too many consequences for failure.

Senator O'Toole spoke about reward for success and the bonus culture. I do not agree with him on that point with regard to the public service. If people are well rewarded for doing their job, that should be sufficient. The bonus culture has led to the most catastrophic failures in the private sector, the banks being the most obvious example. There need to be consequences for failure, but I do not see them. I would like to see a more passionate public service in the future.

Minister of State at the Department of the Health and Children (Deputy Áine Brady): I thank Members for scheduling time to deal with this important matter.

The Government and the leaders of the public service unions decided in March that, in order to boost our prospects of economic recovery and in the interests of those reliant on public services who would be affected by significant industrial action, an agreed way forward was best. The Croke Park agreement sets out the framework for the public service to change for the better in ways that public servants themselves wish. It also secured acceptance of the 14% average earnings reductions and reductions of up to 30% for top earners which the Government imposed across the public service, made up by the pensions levy and the pay reductions, and brought to an end the escalating industrial action which was beginning to have a serious impact on services, not least for Members of both Houses of the Oireachtas.

In the context of the national recovery plan and the budget, the Government has reaffirmed that it wants to comply with the commitments it gave in the Croke Park agreement but that it is critical that both sides deliver on the promise and potential of the agreement, namely, that significant change will be delivered in the public service to accommodate the reduction in public service numbers in a climate of industrial peace. The Government has indicated that it intends to secure a further saving in the public service pay bill of some €1.2 billion over the four years of the national recovery plan through reductions in numbers and other efficiencies, including those provided for in the agreement. This comes on top of the €1.8 billion in savings secured through the pension levy and the pay cuts imposed in 2009 and 2010.

The Minister of State, Deputy Calleary, has outlined that the reforms are happening. We now have fewer public servants and they are cheaper to provide, yet we are maintaining the same level of public services. The introduction of a general moratorium on recruitment and promotion, together with incentivised early retirement and career break schemes, with natural turnover of public servants who retire or leave, have led to a reduction in the number of public servants employed by approximately 12,000. The continued strict application of the frameworks across the public service will result in a further reduction in public service employee numbers up to 2014. To accommodate this reduction in numbers, work practices in the public service, ways of delivering services, new technologies and redeployment will all be required. The effective implementation of the Croke Park agreement and the efficiencies and other measures which will arise as a result will provide a sustainable framework to manage the provision and delivery of essential public services, despite the reductions in public service numbers in a period of unprecedented pressure on resources.

Senator Phelan has asked what has been achieved. The Minister of State listed a number of achievements. He also pointed out that we were not giving enough publicity to these achievements which will gather pace in the next few weeks and months. The Senator also queried why there was little reference in the Budget Statement to the Croke Park agreement. The Minister for Finance specifically highlighted that the Government was standing by its commitments to the agreement and noted that, if the Government was to be held to its commitments, the reductions specified had to be delivered.

Senator O'Toole referred to and praised by Mr. P. J. Fitzpatrick. I support the Senator in that regard. Mr. Fitzpatrick is delivering effectively in the role given to him and I will ensure the Senator's invitation is conveyed to him. I emphasise the role of delivering real change belongs to public service management and it is to these managers the Senators' attention should be directed. No matter how energetic he is, Mr. Fitzpatrick cannot do the work single-handedly. Public service management must step up its level of activity. The next test will be its response to the challenges posed by the national recovery plan and the revised action plans due in January. As other Senators noted, the review to be undertaken in the summer in advance of the third quarter of 2011 reports should help to focus minds.

Acting Chairman (Senator Ann Ormonde): When is it proposed to sit again?

Senator Diarmuid Wilson: Tomorrow at 10.30 a.m.

Adjournment Matters

Health Centres

Senator Maria Corrigan: I welcome the opportunity to raise this important matter. The Leopardstown, Ballyogan and Stepside areas of south Dublin have seen a significant level of development in recent years, resulting in a dramatically increased population and, as a consequence, increased need. We were delighted to have a new health centre which was formally opened by the Minister for Health and Children, Deputy Harney, a couple of months ago. It provides an excellent service which was much needed as rooms were being rented in local houses and offices in order to provide accommodation for public health nurses and speech and language therapists. The new centre is, therefore, very welcome and has made a significant difference.

The one service not yet assigned to the centre is that provided by community welfare officers and this is having an impact, particularly in current climate. People living in the surrounding areas of Leopardstown, Stepside and Ballyogan are split between a number of health centres and individuals may only attend the centre closest to their home if they need to see a community welfare officer. However, it is not immediately apparent which health centre is the correct one and it is necessary, therefore, to make a number of telephone calls to establish which centre one should attend according to one's address. In some instances it will be the health centre in Ballinteer and in others it will be the health centre that is on the outskirts of Stillorgan, neither of which is served by a direct bus route, particularly Ballinteer. People who need to see a welfare officer are obviously already facing a difficulty or crisis they need addressed. For them, not having their own transport and not having a direct bus route is quite an imposition and adds to the stress levels and pressure people are already suffering. It would alleviate a considerable amount of hardship and make a very real difference to people in need if a specific community welfare officer could either be assigned to the health centre in Leopardstown-Ballyogan or alternatively could be there on certain days.

Minister of State at the Department of the Health and Children (Deputy Áine Brady): I am responding on behalf of the Minister for Health and Children, Deputy Harney. I thank the Senator for raising this issue and for giving me the opportunity to clarify the operation of the community welfare service in Leopardstown-Ballyogan and related issues.

The community welfare service, currently run by the Health Service Executive, administers the supplementary welfare allowance scheme on behalf of the Department of Social Protection. I am informed by the HSE that members of the public already have access to community welfare services at both the Stillorgan health centre and the newly opened Balally primary care centre. As both of these centres are quite near, the HSE has no plans at present to assign a community welfare officer to the Leopardstown-Ballyogan health centre.

In February 2006 the Government decided that the community welfare service would transfer to the then Department of Social and Family Affairs. There are significant benefits to be achieved by this transfer. The integration of the community welfare service into that Department will mean that all income-maintenance schemes will be managed and delivered within

one entity. This will provide opportunities in the medium to longer term for enhanced customer service, achievement of efficiencies, co-ordinated control mechanisms and elimination of duplication of effort, with consequential savings to the Exchequer and better outcomes for users of social welfare services.

The transfer is a good example of the reform and transformation of public services, which are a priority for Government and which are at the heart of the public service agreement brokered by the LRC between Government and public service trade unions in Croke Park earlier this year. Management has set 1 January 2011 as the date for the transfer to take effect. It is intended that the staff of the community welfare service will be seconded to the Department of Social Protection, in the first instance, from 1 January 2011. This period of secondment will be used by management and unions to work through any issues which arise. It is intended that at the end of this secondment period, these staff will become civil servants. The unions are now meeting their members around the country to present this protocol.

Senator Maria Corrigan: Even if a community welfare officer cannot be seconded can consideration be given to an officer attending in Leopardstown for two mornings a week, which would make a difference? We can follow this up with the Department of Social Protection when the transfer takes place.

Deputy Áine Brady: I must go as there is a vote in the Dáil and I have no pair.

Senator Maria Corrigan: Should I move the suspension?

Senator Jerry Buttimer: The Senator cannot do so as we are on the Adjournment.

Senator Maria Corrigan: We did so the other night.

Deputy Áine Brady: I can come back.

Senator Maria Corrigan: I move the suspension.

Acting Chairman (Senator Ann Ormonde): Will Senator Buttimer wait?

Senator Jerry Buttimer: We cannot move the suspension because the House is adjourned.

Deputy Áine Brady: I will come back.

Senator Jerry Buttimer: Can my matter be taken tomorrow?

Acting Chairman (Senator Ann Ormonde): I will speak to the Cathaoirleach and hopefully he will agree.

Deputy Áine Brady: I do not mind coming back after the vote.

Acting Chairman (Senator Ann Ormonde): The Minister of State better go.

Senator Jerry Buttimer: The House is adjourned.

Acting Chairman (Senator Ann Ormonde): The House stands adjourned.

Senator Jerry Buttimer: It is bad practice that the Minister of State has to go.

Acting Chairman (Senator Ann Ormonde): There is no debate. It is over and done with.

Deputy Áine Brady: It is not my fault.

Senator Jerry Buttimer: It is the fault of the Government Whip. May I ask that my Adjournment matter be taken tomorrow night?

Acting Chairman (Senator Ann Ormonde): I will speak to the Cathaoirleach and advise him.

Senator Jerry Buttimer: In fairness, I am here and ready and willing to participate.

The House is adjourned until 10.30 a.m. tomorrow.

Senator Jerry Buttimer: Can the Acting Chairman intercede on my behalf with the Cathaoirleach?

Acting Chairman (Senator Ann Ormonde): I have agreed to do that. I promise I will ensure he will get that message.

Senator Jerry Buttimer: Given that we are almost related, a Leas-Chathaoirligh.

Acting Chairman (Senator Ann Ormonde): Absolutely.

The Seanad adjourned at 8.35 p.m. until 10.30 a.m. on Thursday, 16 December 2010.