



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**SEANAD ÉIREANN**

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

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## SEANAD ÉIREANN

*Déardaoin, 14 Feabhra 2013*

*Thursday, 14 February 2013*

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

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*Machnamh agus Paidir.*  
***Reflection and Prayer.***

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### **Business of Seanad**

**An Cathaoirleach:** I have received notice from Senator Trevor Ó Clochartaigh that, on the motion for the Adjournment of the House today, he proposes to raise the following matter:

Chun fiafrú den Aire Dlí agus Cirt agus Comhionannais, maidir le tithe ósta, aíochta agus lóistín saoire atá faoi chonradh le lóistín a chur ar fáil do lucht iarrtha tearmann, an bhfuil Ordaithe Airí eisithe chun díolúine a cheadú do gach sealúchas atá i gceist le nach mbeidh gá dóibh cead pleanála don athrú ó lóistín gearrthréimhseach go dtí lóistín fadthéarmach cónaitheach a lorg, cén uair a rinneadh an tOrdú deiridh agus ar chinntigh an tAire go raibh an chúis ba chionsiocair leis an gá a bhí leis an bhforáil éigeandála a úsáid faoin Acht Pleanála agus Forbartha fós ann.

I have also received notice from Senator Averil Power of the following matter:

To ask the Minister for Agriculture, Food and the Marine to respond to the serious concerns raised by local business, community and sports groups regarding the proposed plan to introduce paid parking at Howth Harbour.

I have also received notice from Senator Colm Burke of the following matter:

The need for the Minister for Health, the HSE, voluntary organisations and health professionals to work together to bring forward a comprehensive policy of making the public aware of the benefits of organ donation.

I have also received notice from Senator Martin Conway of the following matter:

The need for the Minister for Health to provide the necessary funding for Beaumont Hospital which will facilitate the provision of hearing implants in both ears of people with hearing impairments who require such a procedure.

I regard the matters raised by the Senators as suitable for discussion on the Adjournment and

they will be taken at the conclusion of business.

### **Order of Business**

**Senator Maurice Cummins:** The Order of Business is No. 1, statements on the promissory note arrangement, to be taken at 11.45 a.m. and conclude not later than 1 p.m., with the contributions of spokespersons not to exceed five minutes and those of all other Senators not to exceed three minutes and the Minister to be called on to reply to the debate not later than 12.55 p.m.; and No. 2, Defence Forces (Second World War Amnesty and Immunity) Bill 2012 - Committee and Remaining Stages, to be taken at 1 p.m.

**Senator Marc MacSharry:** I am afraid I must continue with a similar theme to that aired in recent days in the House. As Members will be aware, the Government yesterday published the Finance (Local Property Tax) (Amendment) Bill 2013. While I have been stating in recent days that the banks are in denial in the context of dealing with real people's problems, it appears as though the Government is in denial on this issue. Far from the quotations of last September, when the Tánaiste and Minister for Foreign Affairs and Trade, Deputy Eamon Gilmore, spoke of a tax that would be affordable for families, the Minister of State, Deputy Lucinda Creighton, has complained that people should not be punished for their addresses but that square footage and ability to pay should be taken into account. Fine Gael's general election manifesto claimed "an annual, recurring residential property tax ... is unfair". However, in a move that is far removed from that and which missed the opportunity that presented itself with the aforementioned amendment Bill, for which Senator Thomas Byrne rightly called in his statement yesterday, there is further exacerbation of the problem for the 29% of mortgages that are in arrears, for the huge level of unemployment that obtains throughout the country and for the 50% of mortgages that are in negative equity. This measure is not affordable for families and is not linked with ability to pay. This is a tax on everyone in the country and by the Taoiseach's own admission, it will hit middle Ireland most, that is, those who increasingly are being asked to cough up repeatedly. I refer to a couple with two children who, by the end of this year will lose €240 in child benefit, will pay more than €500 between them in PRSI tax and now, on average, will pay between €300 and €500 a year on a property tax that is downright discriminatory. What was wrong with suggestions to impose an additional 3% tax on those with an income of more than €100,000, who frankly, were conditioned for such a hit in the budget? However, as Fine Gael would not have that, the Labour Party was obliged to swallow it. That is wrong. What is wrong with a tax on off-licence sales regarding the cheapest alcohol that is leading to so many difficulties nationwide? These two measures would bring in the same amount of money. It is not the principle of having to pay a property tax. Of course, that is just in normal conditions, but we are far from normal trading conditions. What we need is common sense at this time. When we are best placed to sustain this kind of contribution we will make it, but until then the people are entitled to the support of the Government and they are not getting it.

I thank you for your indulgence, a Chathaoirligh, in raising a second issue. Yesterday, following the efforts – a little late – in making it a European issue, the horsemeat crisis moved to a different stage. I commend, albeit belatedly, the efforts of the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney, in this regard. As I said on RTE last night, I

am pleased to see the media today are echoing the calls, the European Union has abdicated its responsibilities in the context of the crisis. Commissioner Borg has said this is not a food safety issue and, therefore, the Commission is not concerned and not triggering its normal reaction to the labelling crisis. That is fundamentally wrong. There are flaws throughout the country. Frankly, I have confidence in this country and the systems we employ in post-beef tribunal Ireland in this context. We have a systemic failure Europe-wide and unless mandatory testing is introduced and enforced by European authorities with clear penalties for those who do not do it, the consumer who is the person that counts most in the crisis cannot be served correctly and it might adversely affect the farming industry and European agriculture, in particular at a time when we are about to embark on serious negotiations for free trade between the United States and Europe.

**Senator Ivana Bacik:** It is welcome that we will have a debate today on the promissory notes. It is important that we would have an opportunity shortly after the deal was made last week to debate the issue and provide time for all Members to contribute. There was a near unanimous welcome for the deal that was done as it provides for cheaper financing of the debt over a longer period, which is welcome.

It is also welcome that this weekend we will have the second session of the Constitutional Convention. Colleagues on both sides will be represented at it. This weekend we will debate a number of references in the Constitution to the place of women in the home and the duties of mothers in the home. They are highly outdated provisions which are long overdue for replacement. A whole series of expert group reports during the years have recommended their deletion and-or replacement with provisions that recognise in a gender-neutral way the important role of carers in the home and the community. It will be great to have an opportunity to debate it this weekend.

We will also debate measures to improve the participation of women in politics and in that context, we have already passed legislation which started in this House to go about improving the number of women candidates in the next general election. That is very welcome also.

I note that yesterday there were leaks in the *Evening Herald*, which have been repeated in today's newspapers of the report on the tragic death of Savita Halappanavar in Galway University Hospital last November. The reports indicate that the account given by Savita's husband, Praveen, has been vindicated and that serious errors were made in the treatment of Savita Halappanavar and, in particular, that undue delays occurred in providing her with the treatment she needed to save her life. We will be able to debate the legislation the Government has promised, which is welcome, on foot of the expert group's report. We have debated the expert group's report, but I hope we will have the debate on the legislation in early course and that we will be able to review some of the reports into the death of Savita at the time.

**Senator Katherine Zappone:** I have three questions for the Leader. Earlier this week I had the pleasure of launching a report on the experiences of lesbian, gay, bisexual and transgender, LGBT, parents in this country. As outlined in the report, there are children around the country being raised within such families, but, unfortunately, the report demonstrates that 46% of participants have experienced discrimination as LGBT parents. Their overriding concern relates to the legal vulnerability they face. Many of them do not have legal relationships with the children they are raising within the context of a loving family. There are legislative gaps. The Minister for Justice and Equality, Deputy Alan Shatter, has indicated that he intends to address some of the gaps. I ask the Leader to invite the Minister to come to the House for a debate on

wider issues relating to LGBT families and the lack of legal protections afforded to them.

My second question also involves human rights. It is on the proposed merger between the Equality Authority and the Irish Human Rights Commission. We all agree that the recent publication of the report on Magdalen laundries reminds us that watchdogs must monitor and oversee the actions of the State in regard to human rights. Currently, neither the Irish Human Rights Commission nor the Equality Authority has a board. We have the heads of a Bill. I ask the Leader to ask the Minister for Justice and Equality, Deputy Alan Shatter, when he expects the publication of the full text of the Bill.

My third and final question is one I must raise in light of the recent analysis of the Central Statistics Office statistics on poverty. Our people are poor and the numbers are going up. There are 733,000 of them, including 272,000 children. Who should we invite to the House to debate the matter? Should we invite the Taoiseach? Should we ask for the Tánaiste? Should we ask either of the Ministers with responsibility for finance? There is no strategy to combat poverty in this country anymore. To say that increasing jobs is the strategy is too simplistic. I accept more jobs will help but so much more is needed in order to get people to be job-ready. We need a whole-of-government response and a cross-party plan to get rid of poverty once and for all. Why does the Seanad not come up with a plan? How about a cross-party Seanad plan to stop people from being poor? I call on Senators Maurice Cummins, Ivana Bacik, Marc MacSharry, Darragh O'Brien and the Independent Senators to put aside politics and do this.

**Senator Sean D. Barrett:** In the interests of job creation, to which Senator Marc MacSharry referred, and poverty alleviation, as Senator Katherine Zappone has just mentioned, some important events took place this week. On Friday last the European Council declared itself in favour of free trade between the European Union and the United States and it was endorsed in a State of the Union address by President Obama. The Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, estimated that such a free-trade area would be worth €150 billion a year and €100 million of it would accrue to this country. It might be more because this country has stronger connections with the United States than most countries, both in terms of the investment and our share of exports. This is an opportunity for us because on St. Patrick's Day, the Taoiseach, as President of Europe, will be in Washington and will meet President Obama. It is a chance to move the project forward. We should not let it be slowed down by the bureaucrats, as Senator John Crown's proposal on smoking has been killed by them. I suggested yesterday that the Minister of State with responsibility for research might walk from Kildare Street to Dawson Street to meet the Royal Irish Academy. The bureaucrats will kill this country if we let them get hold of this project. Let us set a target that on St. Patrick's Day the President of Europe and the President of the United States will announce that a third of the tariff barriers will be gone by the end of the year and half of them in 18 months. Then we could meet President Obama's target to press on with the project.

Parliament must be radical. We are being slowed down by the permanent government all the time. This is a chance for President Obama and the Taoiseach, as President of Europe, to have free trade between the United States and Europe. Let us go for it and rule out the delaying tactics and obstacles which will be put in the way of a worthwhile project to generate growth in the economy. If it would help the Taoiseach to have a debate in this House perhaps the Leader could arrange it. In any case I call on him to communicate the impatience of elected parliamentarians that we do something radical to address the problem of endemic unemployment throughout Europe and take up the offer made by President Obama in his State of the Union address. Let us have a third of the tariff and non-tariff barriers gone this year and half of them

gone within 18 months. President Obama said that within his term there would be free trade between the European Union and the United States. We must avail of Ireland's unique role to push this because of our splendid relationship with so many successive US Presidents.

**Senator Cáit Keane:** I wish to return to what I spoke about in my maiden speech in the Seanad, namely, Senator Ivana Bacik's Bill on female genital mutilation. An international survey was published yesterday, the International Day of Zero Tolerance for Female Genital Mutilation. I was amazed when I read the report. The survey was commissioned by the women's rights group. I do not know how to properly pronounce the African name.

**Senator Ivana Bacik:** It is AkiDwA.

**Senator Cáit Keane:** It is a Swahili name. The survey has found that Irish GPs do not recognise types of female genital mutilation or, worse still, that they do not know where to refer their victims for care. A total of 218 questionnaires were sent randomly to selected GPs. It is estimated more than 3,170 migrant women living in Ireland are victims of the practice. A total of 218 questionnaires were sent to GPs and 64 responded, indicating that 98% had heard of female genital mutilation, 79% did not know how to identify it and 65% said they were unable to identify the symptoms. When a person goes for health care, the least he or she should expect is that the GP would recognise a problem. It is pointed out that 19% of GPs had met victims, and all GPs who responded said they would not know where to refer victims for support. Will the Leader ask the Minister for Health to prepare an educational leaflet for GPs as a starting point? There should be awareness among GPs and they should know where to refer people. This issue must be brought to the fore, particularly in the light of Senator Ivana Bacik's Bill on the issue.

**Senator Thomas Byrne:** I acknowledge the passing of one of our former colleagues, former Senator Jimmy Mulroy, who served in the Seanad between 1987 and 1989 and served as Mayor of Drogheda and a member of Louth County Council for a number of years. Presumably, there will be formal tributes in due course, but he was an honest and successful man in business and in sport and I express my sympathy to his family and friends all round the north east. He played a huge role in every field, football, business and politics, and will be deeply missed.

**Senator Aileen Hayden:** Would it be possible to have a debate on the wider housing market, particularly investment properties? I noted the Governor of the Central Bank's recent comments, in which he advocated wholesale repossession of buy-to-let properties. We all know there are significant levels of mortgage arrears on buy-to-let properties and I have publicly stated it is unfair the non-principal private residence tax should be levied on landlords for a full year, with the new residential property tax for the other half of the year. The most recent reports from *daft.ie* show that rents are rising, particularly in urban areas, by up to 6%. We know from the evidence of organisations working in the field that people in receipt of rent supplement are digging into their social welfare benefits to pay these increased rents and we have serious issue with the payment of rent supplement, which is not keeping up with rents being demanded. This the opposite of upward-only rent reviews, in that every successive Minister, including the current Minister, has come in and dropped the rate of support for tenants. This is an important aspect of the housing market and requires a more holistic approach than looking to the Department of Finance or the Department of Social Protection. We stand at a crossroads in the housing market, particularly the buy-to-let market. We must give this some serious attention.

**Senator David Norris:** We can talk in the abstract about the housing market, but the simple



fact is that an enormous number of people simply cannot pay. They have been squeezed dry. I was delighted to hear Senator Marc MacSharry fulminate on this subject and I hope Fianna Fáil will give a commitment that at the next election that it will revoke this grossly unjust tax.

**Senator David Cullinane:** Not a chance.

**Senator David Norris:** It might if it is going into government with Sinn Féin.

I welcome the Caritas report. I am sometimes critical of political aspects of the Vatican, but I salute the Roman Catholic Church, in particular, for this wonderful report over the entire range of European countries worst affected by austerity. It shows clearly that austerity does not work and that it has introduced structural unemployment and structural poverty. We are told the property tax will be a local tax that will go back into the local economy. Who believes that? It is a load of rubbish because we are already paying for these services. We pay for refuse, the roads through car tax, and now we will be paying for water. What is left? It is a tissue of nonsense. This is wrong, stupid and immoral and I am making up a checklist and will add to it every time the Government does something I regard as wrong and immoral, a checklist of what we are expected to celebrate for the centenary of the 1916 Rising, our glorious revolution: soup kitchens, children in the little hedge schools being told to jump up and down to keep warm because there is no heating, evictions, and now people being financially punished for improving their homes. To add to the insult, the most un-Irish measure of all, people's neighbours are being induced by monetary reward to inform on them. Where is the spirit of Michael Davitt and James Fintan Lalor?

**Senator Cáit Keane:** I hope the Senator is writing-----

**Senator David Norris:** I wish the Senator would shout louder; I cannot hear her.

**Senator Cáit Keane:** I will talk to the Senator later.

**Senator Paul Coughlan:** Senator Marc MacSharry deserves marks for doing so many things so well, including anger. I am disappointed he is upset. On the question of mortgage arrears, we are all aware of their level and acknowledge that the banks have been behind the curve in dealing with it. They now have the tools and have taken on hundreds of extra staff to deal with the matter. The Governor the Central Bank has become more engaged with the issue and the Central Bank which has the power to deal with it is putting pressure on the banks. The important thing to many people - many of them have not dealt with this issue properly - is that they contact their financial adviser or bank. There is consideration and the banks must deal with this issue and there will be movement. That is a hopeful sign.

**Senator Marc MacSharry:** Will they pay the property tax for them also?

**Senator Paul Coughlan:** That is a separate matter.

**Senator David Cullinane:** On eight separate occasions in this House I have called for a debate on the issue of poverty. As Senator Katherine Zappone says, we should have a constructive debate on the causes of poverty in the State. I made those calls as someone who sees when doing constituency work the increasing numbers of people living in poverty. There have been two reports, a study and an analysis of the CSO figures from last year, which show conclusively that poverty levels are increasing. The CSO figures show 25% of the population live in deprivation, an increase of 50% in two years, proving the last two budgets were the most unequal of the

last six. A third of children live in deprivation. Twice as many people - 15% - who are at work are in deprivation compared with 2009. The vulnerable, the unemployed and the low paid are the people who have been hit the hardest. We also had the Europe-wide study mentioned by Senator Norris of the five states in the European Union most affected by austerity and it showed once again the deep impact austerity measures are having on families. It shows high levels of unemployment across Europe and dangerously high levels of youth unemployment. Children are at greater risk of poverty and social exclusion. This report paints a picture of Europe in a real and deep crisis.

While all of that is happening and while more tax increases that disproportionately affect lower income families are being introduced, we will discuss today the turning of €32 billion of toxic banking debt into sovereign debt.

**Senator Maurice Cummins:** The Senator must change his tune. The promissory notes are gone.

**Senator David Cullinane:** The people in question live in poverty which I know Senators on the Government side might find uncomfortable. I will not be changing my tune because it remains exactly the same.

**Senator Maurice Cummins:** The Senator is like a broken record.

**Senator Cáit Keane:** He never changes his tune.

*11 o'clock*

**Senator David Cullinane:** I am sure people who are living in poverty and suffering will find some of the comments by Senators on the other side highly offensive given that they will have to repay debts which are not theirs.

**An Cathaoirleach:** The Senator is over time.

*(Interruptions).*

**Senator David Cullinane:** What Senator Maurice Cummins and his colleagues in the Labour Party simply cannot comprehend is that not one single cent of the €32 billion belongs to the people. It was not spent nor borrowed by them.

**An Cathaoirleach:** The Senator should resume his seat. He must respect the Chair.

**Senator Maurice Cummins:** Let him at it.

**Senator David Cullinane:** I am making the point that I will not be lectured by Senators on the other side. I will not change my tune and I will continue to stand up for those who are living in poverty and will continue to live in poverty unless we make different policy decisions.

**An Cathaoirleach:** The next time, I will not ask the Senator to respect the Chair but to remove himself from the House.

**Senator Cáit Keane:** I suppose, with his history, he has no respect for life and no respect for-----



**Senator David Cullinane:** We know what Senator's party did for the country.

**Senator David Norris:** Did Senator Cáit Keane say Senator David Cullinane had no respect for life? Was that what was said? I did not hear the comment, but if she made the remark I thought I heard, that Senator David Cullinane has no respect for life, I ask respectfully that it be withdrawn. The Cathaoirleach should ask her to withdraw it.

**An Cathaoirleach:** I did not hear any remark.

**Senator Jimmy Harte:** With so much going on at once, I have almost forgotten what I was about to say. I would welcome a debate on the issue of poverty. People who are suffering poverty and cannot afford basic necessities do not have the luxuries available to the leader of Sinn Féin who can travel first class to America and have his medical treatment paid for by a multimillionaire.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Jimmy Harte:** I ask for a debate on the issue of poverty. Unlike the rest of the population, Deputy Gerry Adams can call on his friends in Manhattan to pay for his hospital treatment and fly first class to New York and back, which we would all love to do but do not have such a luxury available to us. It is important to have a debate on the issue of poverty in order that those who talk about it also practise it.

**Senator Cáit Keane:** Hypocrisy is good.

**An Cathaoirleach:** Does Senator Jimmy Harte have a question for the Leader?

**Senator Jimmy Harte:** On the property tax, one of the parties opposite imposed a property tax, while the other agreed to the introduction of such a tax in its agreement with the troika. Both parties now oppose the property tax for purely populist reasons.

The Leader of the Opposition in the Dáil has stated in the other House and in interviews that he feels a certain amount of guilt about the scandal of the Magdalen laundries. One does not state in court that one feels a certain amount of guilt because one is either guilty or not guilty. The efforts by the Fianna Fáil Party to argue it is only half-guilty are a little like saying "I am slightly pregnant."

**Senator David Norris:** Goodness me, is the Senator really pregnant?

**An Cathaoirleach:** Does Senator Jimmy Harte have a question for the Leader?

**Senator Jimmy Harte:** Yes, I ask him to arrange a debate on the issue of poverty.

**Senator Mark Daly:** The most pressing issue of the day is the revelation that one quarter of the population are living a life of deprivation in which they are deprived of basic necessities. I do not see any urgency on the part of the Government to tackle this issue. When 56% of single parent households are described as living in deprivation, we can only imagine what will be the consequences for future generations. As is the case with the mortgage crisis, we have not seen any Government action on the issue of poverty, other than announcements that it is establishing a commission or inquiry or appointing individuals to certain roles. We have activity but no action.

Some Senators opposite seem to have cited the leaked report into the death of Savita Halap-

panavar. Have they received the report or spoken to anyone about it? The report and the tragic case in Galway are being utilised by some people who have the best of intentions and others who want to have abortion on demand. The latter are using the tragedy to fulfil their own-----

**Senator Ivana Bacik:** On a point of order, I utterly refute and reject the sly innuendo in the Senator's comments.

**An Cathaoirleach:** Does Senator Mark Daly have a question for the Leader?

**Senator Mark Daly:** I did not refer to Senator Ivana Bacik.

**Senator Ivana Bacik:** I know.

**Senator Mark Daly:** I recall being scolded by her for interrupting during the Order of Business.

**An Cathaoirleach:** Does the Senator have a question for the Leader?

**Senator Mark Daly:** I ask the Leader to organise a debate on the crisis in nursing. Graduate nurses in County Kerry were brought into a meeting and told by their bosses who are only doing their job that if they did not sign contracts by 24 February, they would be fired. The Minister for Health is blackmailing nurses by threatening to get rid of them if they do not accept a cut in pay. Nurses and graduate nurses do not have a choice in this matter as they want to stay at home rather than move to Australia, England or America. They have also been told that if they are not replaced, nurses on the ward will have to adapt. Patients will suffer as a result. I ask the Leader to arrange a debate on the nursing crisis and the reasons the Minister for Health is blackmailing graduate nurses.

**Senator Michael Mullins:** On the day that the team from the "Operation Transformation" television programme is before the Joint Committee on Health and Children, I ask the Leader to arrange an urgent debate on the recently published report by the Seanad consultation committee on lifestyle changes which could prevent one third of cancers. This short and snappy report highlights some interesting statistics, for instance, that 1,200 cancers per annum are caused by alcohol, one third of all cancers are caused by tobacco use and more than 300,000 children are either overweight or obese. It is a fine report which outlines significant changes people can make to help improve their health.

Labelling has become a prominent issue in news reports due to developments in the meat industry. It is imperative that alcohol products carry health warnings on the potential for alcohol use to cause cancers. A debate on the committee's report would allow the House to examine the use and abuse of alcohol in this country. Many people are in favour of the introduction of minimum pricing and a structural separation of alcohol from other products in some of the large multiples. This would require people to make a clear choice to purchase alcohol as distinct from having it readily available on shelves throughout a store. The report is significant and the committee involved is to be complimented. I ask that the Leader to bring it before the House as a matter of urgency in order that all Senators can contribute to a debate on the issue.

**Senator Feargal Quinn:** Yesterday at a conference in Dublin a number of speakers from the United States stated the number of foreclosures on mortgages in Ireland was too low. They noted that one of the reasons America had managed to emerge from the mortgage crisis was the high number of mortgage foreclosures in the United States. I had not heard this view expressed

previously and it dawned on me that there was a vested interest involved in this issue because the banks and landlords had a different viewpoint from tenants and home owners. This may explain the change in the Government's opinion on upward only rent reviews. To the best of my knowledge, the Labour Party and the Fine Gael Party both entered government, having given a commitment that the abolition of upward only rent clauses would be part of the programme for Government. The reason they gave when they changed their minds on the issue was that abolishing upward only rent reviews would not be compatible with the Constitution and, as such, would require a referendum. Now that the State owns the banks, is there a danger that we are acting in the best interests of the banks, rather than those who must pay rents covered by upward only rent clauses? It would be worthy to have a debate on that issue in this House. It appears there are two viewpoints on this issue, one of which was expressed before the election by the two parties in government, in respect of which they have since changed their minds. We are told they have changed their minds because it has been determined it is not possible under the Constitution to do so. I do not know whether that is true. If so, we must find a way to overcome that, perhaps by way of an amendment to the Constitution. Upward-only rent reviews are causing huge problems for traders throughout the country. This issue needs to be addressed. The danger is that it is not getting sufficient attention because there are vested interests at stake.

**Senator David Norris:** The overriding clause in the Constitution of “the public good” has never been used.

**Senator John Kelly:** I support the call by Senator Jimmy Harte for a debate in this House on the issue of poverty. We all know that poverty comes in all shapes and forms. It is evident every morning in the number of people lying in sleeping bags in doorways, the number of people on social welfare in poverty and the often forgotten middle-income earners who are now the new poor, including prison officers, gardaí, teachers and nurses who simply cannot afford to take any more pay cuts.

I agree with the remarks made by Senator Marck MacSharry in regard to the suggested 3% increase in tax on higher earners, which was ignored in the last budget. I believe the increase in this regard should be even higher. We should return to what was done in the 1980s when we also needed money, namely, the introduction of a third tier of income tax of up to 60% on the income of high earners.

There has been much talk about people on social welfare being exempted from paying the property tax. I have spoken on this issue on several occasions in this House. It is regrettable that people on social welfare will have to pay this tax. We are constantly told by members of the Opposition that it is not worthwhile for people to take up employment because they are being given everything for nothing. If, as proposed, those on social welfare should be given medical cards and exempted from paying the property tax, there will never be an incentive for people to take up employment. The man with 14 children who is in receipt of €60,000 in benefits per annum was mentioned. It would not be worth his while taking up employment. Perhaps it is time the Government considered limiting payment of child benefit to families wherein their are five or six children. I am not in this regard having a go at children or families. We must ensure people are incentivised to work. If we continue to pay people to stay at home we will never achieve anything.

**Senator David Norris:** Is the Senator suggesting the property tax is an incentive to work?

**Senator Ned O'Sullivan:** I support the calls for a debate on the issue of poverty, the con-

tributions on which have been good. I particularly compliment Senator Katherine Zappone on her call that, for once, politics be kept out of this debate. It is an important issue. While on the Government side, I never cared much for the Opposition scoring points. I also take a dim view of it now while in opposition. There is more to politics than Members continually sparring. I echo the points made by Senator Katherine Zappone. I would be happy to add my name to any all-party motion which would seek to address this issue. We should perhaps invite in agencies such as the Society of St. Vincent de Paul and Samaritans in this regard. Poverty is all around us. It has always been said the poor will always be with us. The “poor” now includes the majority of people. I see evidence of poverty every evening as I walk home to my apartment. Like other Members, it is an issue with which I deal every weekend in my constituency work.

There is also now a poverty of spirit among people. Many unemployed people who are leaving their homes and spending their days loitering around betting offices and in pubs drinking half pints of stout just to get out from under the feet of their families are being vilified for doing so. We must also address the poverty of spirit issue. I commend Senator Katherine Zappone for her contribution and believe we should all subscribe to her view.

**Senator Jim Walsh:** I agree with Senator Sean D. Barrett that it would be useful to have a debate in this House on the issue of more liberalised trade between the United States and Europe. There is a need for politicians, in particular at European level, to look closely at what needs to be done to generate economic growth within Europe. Germany and France are in recession and Japan which has been in stagnation for almost 20 years was in recession in the last quarter. These are serious issues. As there are no green shoots on the horizon, we need to deal with them.

I ask that the Leader provide for an early debate on Northern Ireland, in particular the reintroduction in Northern Ireland of internment without trial, although that is not what it is called. The Secretary of State has incarcerated many people, including Marian Price and others. A man in his 70s has been imprisoned without trial for the past 18 months in respect of alleged arms offences. This is unacceptable. It is what led to the 30 years of untold misery in Northern Ireland. Unfortunately, the British Government appears to have learned nothing from it. My concern is that we could easily slide back into that situation.

I would like to make a comment on the report leaked yesterday. It appears from articles in the newspapers that Senator Ivana Bacik has seen the report. I am not sure if that is the case.

**Senator Ivana Bacik:** I have not.

**Senator Jim Walsh:** I call on the Minister to release that report. I expressed concern in this House when the Minister appointed a person who had declared pro-abortion views and who was on the record as saying that in a situation where events arose, in regimes which had restrictive abortion laws, they should be used to exploit this.

**Senator Ivana Bacik:** On a point of order-----

**An Cathaoirleach:** Does Senator Jim Walsh have a question for the Leader?

**Senator Jim Walsh:** That was the view of the chairman appointed by the Minister.

**An Cathaoirleach:** The Senator is over time.

**Senator Jim Walsh:** It would be no surprise to me or anybody if that man had included

that in the report.

**Senator Ivana Bacik:** The Senator is out of order in mentioning someone who is not present.

**Senator Jim Walsh:** I have named that chairman previously in the House and stand by what I have said.

**Senator Martin Conway:** I welcome Judge Egbert Myjer who recently retired from the European Court of Human Rights and is in the Visitors Gallery. He is here to attend an important conference on family reunification, organised by the Immigrant Council of Ireland. This is a major issue in terms of the integration of our new communities in this country. I pay tribute to him for his wonderful work at the European Court of Human Rights during the past eight years. I commend him for his commitment to continue on a voluntary basis to promote the importance of human rights and human dignity. I thank him for attending the conference on family reunification which is extremely important. We must embrace our new communities and facilitate families and loved ones, including parents and children, of those communities to integrate into our society, thus enriching it. I believe passionately that these new communities of the past 20 to 30 years have enhanced our society. We must be progressive in terms of what we do to embrace them, make them feel welcome and facilitate their playing a meaningful and productive role in our society at every level.

**An Cathaoirleach:** Judge Egbert Myjer is welcome to Seanad Éireann.

**Senator Rónán Mullen:** I would be grateful for an opportunity to engage in dialogue with the Minister for Arts, Heritage and the Gaeltacht on a number of issues recently drawn to my attention. I would like to hear from the Minister what the Government proposes to do in regard to the contract for the ferry service to Inishmore on the Aran Islands. While this may appear an unimportant issue to some people, the failure of the Government to negotiate the continuation of that contract has resulted in an increase in fare from €8 to €15, which is another example of the affect of hard times on people. As it was possible for the Government to negotiate the State contract for ferry services between the islands, it is unfortunate it could not do so in respect of the Inishmore ferry service. I am not in this regard attributing blame as I know the Government sought to renew the contract on the same terms as previously. I understand that while the service continues, it does so at great expense to people. I would like to think it would still be possible to make progress on the issue.

There is much talk about equality. While equality is good, our understanding of it can often be overly simplistic. Aiken Promotions is no longer facilitating a free carer's ticket for persons who attend one of its events with a person with a disability. There used to be this practice, rightly so, and other concert and event promoters to facilitate a person caring for a person with a disability. The GAA, in particular, has a good record in this regard. Aiken Promotions gave the reason that it sought to treat able-bodied people in the same way as those with disabilities, but that misses the point. It is one of the more positive aspects of society that we recognise people who care for a person with disabilities and offer a particular service. It makes it possible to enjoy the good things in life and, in recessionary times, we should ensure this happens as far as possible. I hope for a change in an area in which the Minister should take an interest.

**Senator Maurice Cummins:** With regard to Senator Marc MacSharry's comments on property tax, it is a bit rich coming from Fianna Fáil to speak about property tax when that party



signed us up to such a tax in the troika agreement. Now it states-----

**Senator Marc MacSharry:** Has the Leader even met the troika?

**Senator Maurice Cummins:** I did not interrupt the Senator who had his dramatic moment-----

**Senator Marc MacSharry:** He is telling lies.

**An Cathaoirleach:** The Leader to continue, without interruption.

**Senator Maurice Cummins:** Perhaps Senator Marc MacSharry will give me a moment in the spotlight.

**Senator Jim Walsh:** The Leader's memory is defective.

**Senator Maurice Cummins:** Perhaps I might have a moment in the spotlight to answer Senator Marc MacSharry, seeing as he spoke so eloquently on the subject.

**Senator Jim Walsh:** We removed the tax in 1997 after the previous Government had brought it in a year or two earlier and we will remove it again.

**An Cathaoirleach:** Senator Walsh, please. The Leader to continue, without interruption.

**Senator Maurice Cummins:** Senator Jim Walsh is getting very good at interrupting.

**Senator Jim Walsh:** I am trying to keep the Leader on the straight and narrow.

**Senator Maurice Cummins:** It is very rich for Fianna Fáil Members to be speaking about property tax. They signed the country up to such a tax in the memorandum of understanding with the troika. Now they say it should not be introduced, despite having signed up to bring it forward a number of years ago. Their credibility is beginning to wear off and the sheen is beginning to be lost on this issue. There is no credibility whatsoever, but I am glad that the party has new ideas in opposition. It is always good to have new ideas in opposition, but the party never introduced them when it was in power. I doubt whether the leopard will change its spots in that regard.

I welcome the Senator's comments on the equine DNA issue.

**Senator Marc MacSharry:** What about the manifesto?

**Senator Maurice Cummins:** Does the Senator wish to reply to the debate?

**An Cathaoirleach:** The Leader to continue, without interruption.

**Senator Jim Walsh:** Broken promises.

**Senator Maurice Cummins:** The Senator is trying to get rid of Ministers from the House and will try to succeed in closing down the House if he continues the way he is going.

**Senator Marc MacSharry:** That is the Government's policy.

**Senator Maurice Cummins:** I welcome the Senator's comments on the equine DNA issue and the work of the Minister, Deputy Simon Coveney, on it. It is an EU-wide problem.



Senator Ivana Bacik referred to the convention on the Constitution. We wish all convention members well in their deliberations over the weekend.

Yesterday it was mentioned that it was most regrettable that the HSE document had been leaked and reported on in newspapers. Senator Jim Walsh called for the Minister to release the report, but the Minister has not yet had sight of it. It would be difficult for him to release it at this point.

**Senator Marc MacSharry:** Senator Ivana Bacik should show it to him.

**Senator Jim Walsh:** She should give it to him.

**Senator Ivana Bacik:** Rubbish; I have not seen it. I saw the *Evening Herald* just like everybody else.

**Senator David Norris:** It is serious and very unfortunate for her poor husband. He is the person who should be considered and Members should not be scoring points.

**An Cathaoirleach:** Can we hear the Leader, without interruption, please?

**Senator Maurice Cummins:** If the Minister has not seen a copy of the report, it is impossible for him to release it. I regret the fact that it has been leaked for whatever purpose. It is not acceptable and does not help the husband and family of Savita.

Senator Katherine Zappone raised a number of questions and I will try to get answers for her in respect of discrimination against LGBT families, the lack of protection for them and the merger of the Equality Authority and the Irish Human Rights Commission. The Minister has not yet appointed a board. The Senator asked when the Bill would be introduced and I will try to find out for her.

With regard to a strategy to combat poverty and the setting up of a committee to discuss the issue of poverty, I am sure a number of Members of the House would be willing to sit on such a committee if Senator Katherine Zappone wishes to form it.

Senators Sean D. Barrett and Jim Walsh referred to the free trade area between the European Union and the United States. There has been major progress in recent days in advancing the EU-US trade agreement. It is very welcome as part of generating growth and creating jobs on both sides of the Atlantic. As part of its agenda on stability, job creation and growth, the Irish Presidency has identified making progress on an EU-US trade agreement as a top priority. As part of the effort to make progress on the issue, the Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, will hold an informal meeting of EU trade Ministers in Dublin in April. A successful conclusion of an agreement, as Senator Sean D. Barrett mentioned, could lead to benefits in excess of €150 billion to the European union and over \$100 million to Ireland. It will be progressed by Ireland during its Presidency of the European Union.

Senator Cáit Keane called for an education leaflet to be sent to GPs on female genital mutilation. I will bring the matter to the attention of the Minister for Health.

Senator Thomas Byrne referred to a vote of sympathy on the death of former Senator Jimmy Mulroy. We will certainly have tributes to him. I was not aware of his death and I am sure we would all like to extend our deepest sympathy to his family.

Senator Aideen Hayden called for a wide-ranging debate on the property market. We had a debate on the private rented sector last week, with the Minister of State in attendance. I do not know if she will be anxious to attend again, but we will bring the matter to her attention. Senator David Norris referred to the issue of poverty and the property tax. I did not get a question from him, but we know his points on these items.

**Senator David Norris:** I referred to a checklist for 2016.

**Senator Maurice Cummins:** Senator Paul Coughlan outlined measures for people in mortgage arrears, while Senator David Cullinane called for a debate on the issue of poverty. We have had debates on social welfare, job creation and budgets, all of which are linked with poverty. We will try to arrange a special debate on the issue, but it is wide-ranging and encompasses a number of Departments. We have had a debate on the Social Welfare Bill and the Action Plan for Jobs, all of which contribute to the reasons people are living in poverty.

Senator Mark Daly referred to the 2011 report on deprivation which dealt with some of the budgets put in place by Fianna Fáil when in government. I have no intention of debating a leaked report. Its leaking was totally ill-advised.

Senator Michael Mullins referred to the public consultation report on lifestyle changes aimed at the prevention of cancer. I will endeavour to have the Minister for Health come to the House to discuss the document. I remind the House that we will have another public consultation session next week. A number of Senators wrote to me to seek such a debate with Ashoka and Social Entrepreneurs Ireland. We will have that debate next Thursday between 11.30 a.m. and 3 p.m. I hope for a good attendance and that Members will take part in the public consultation session.

I note Senator Feargal Quinn's point on upward-only rent reviews. I understand there are constitutional difficulties in that regard, but it is certainly on the agenda for the Government. I will bring the Senator's remarks to the attention of the Minister for Justice and Equality.

Senator John Kelly brought up a wide range of issues, in particular, incentives for people to work. The Government is all about providing such incentives and that programme is beginning to bear fruit. Another major jobs announcement was made earlier and that will happen again in the near future in a number of areas. Things are, therefore, beginning to turn and let us hope that will continue to be the case.

Senator Jim Walsh called for a debate on Northern Ireland issues. The issues he raised were discussed by the Joint Committee on the Implementation of the Good Friday Agreement on a number of occasions, but it is probably time we had a debate in the House on them. As I mentioned, the Minister for Health has not even had sight of the report the Senator requested him to release.

Senator Martin Conway raised the issue of family reunification and referred to the conference under way in Dublin. I wish the eminent judge and his colleagues well in their deliberations on that subject.

Senator Rónán Mullen referred to a number of areas within the remit of the Minister for the Arts, Heritage and the Gaeltacht. Perhaps the questions of tickets and Inishmore might be raised via an Adjournment matter. The Minister could give him a specific reply on them.

14 February 2013

**An Cathaoirleach:** Is the Order of Business agreed to?

**Senator Sean D. Barrett:** I thank the Leader, but I was hoping the agenda on which he and I concur might be taken on 17 March. Will he make representations? If we wait until the European meeting in April, we will lose time. We are all agreed on what is needed. Ireland has unique access-----

**Senator Maurice Cummins:** I assure the Senator that the Taoiseach will do that.

**Senator Sean D. Barrett:** I thank the Leader.

**An Cathaoirleach:** Is the Order of Business agreed to? Agreed.

**Senator Colm Burke:** I seek leave to introduce a Bill.

**An Cathaoirleach:** The Senator needed to propose an amendment to the Order of Business which has been agreed to.

Order of Business agreed to.

*Sitting suspended at 11.35 a.m. and resumed at 11.45 a.m.*

### **Promissory Note Arrangement: Statements**

**An Leas-Chathaoirleach:** I welcome the Minister of State, Deputy Brian Hayes, to the Chamber.

**Minister of State at the Department of Finance (Deputy Brian Hayes):** I thank the Leas-Chathaoirleach for giving me the opportunity to come before the House to set out in a comprehensive way the Government's position following the decision taken last week concerning the promissory notes. The elimination of the promissory notes last week meant it was a good week for the country and the people. As a people, we can look forward once again with positive expectations. The promissory notes in Anglo Irish Bank and the Irish Nationwide Building Society served as a millstone around the neck of the taxpayer. This burden has eroded confidence and limited the economy's ability to grow. The Government has now succeeded in alleviating this burden and placing the State in a position where the debt is more manageable and the State is provided with the space and time to recover and grow.

I note that all respected economic and political analysts have recognised last week's agreement to be the best possible outcome for the country. This shows what we can achieve as a country and a Government when we work together towards a common objective. The Government has rid Ireland of the annual 31 March promissory note repayment, has reduced the State's cash borrowing requirement by €20 billion in the next ten years, has brought the State €1 billion closer to meeting its deficit targets and has consigned Anglo Irish Bank and the Irish Nationwide Building Society to history.

I recognise that some on the Opposition benches have acknowledged the significant benefits of last week's deal for the country. It is a shame that others on other parts of the Opposition benches seem incapable of recognising this positive development for fear it may have an impact

on their electoral strategy of negativity. It is truly appalling to devise a strategy of winning seats on the basis of hoping for the worst possible outcome for one's country.

**Senator Darragh O'Brien:** Tá brón orm. I am sorry to interrupt, but are copies of the Minister of State's script available?

**Deputy Brian Hayes:** There should be. If there are not, I apologise.

**An Leas-Chathaoirleach:** I understand it is a matter for the Minister of State and his staff, not the Chair.

**Senator Darragh O'Brien:** I am not giving out. I just wondered if copies were available.

**Deputy Brian Hayes:** I am sorry if there are no copies available.

**Senator Darragh O'Brien:** We might get one after the event.

**An Leas-Chathaoirleach:** The Minister of State should proceed.

**Deputy Brian Hayes:** There is no one behind me. There is no one in front of me.

**Senator Paul Coughlan:** The Minister of State is all alone.

**Senator Darragh O'Brien:** He is on his own.

**Deputy Brian Hayes:** I am in the hands of the Senators. We are taking the reduction in public sector numbers beyond belief in terms of their implementation. I will kick on, as the saying goes.

**Senator Sean D. Barrett:** In the absence of a script, will the Minister of State repeat the reference to the figure of €20 billion in order that we can be sure when we come to debate it. I missed out. I apologise for not being present.

**Deputy Brian Hayes:** I will do that.

**An Leas-Chathaoirleach:** The Minister of State should be allowed to speak without any more interruptions.

**Senator Sean D. Barrett:** Certainly.

**Deputy Brian Hayes:** I have heard Sinn Féin's criticism that the Government did not demand a repudiation of the promissory notes. However, as Sinn Féin knows from its experience during the Good Friday Agreement negotiations, it is pointless sticking rigidly to a position that will prevent an agreement which is in everyone's interests. Sinn Féin knows that full well as the party showed through its negotiating realism in not demanding a united Ireland as a pre-condition in the Good Friday Agreement talks. This is yet another example of how it speaks differently on this side of the Border from what it does north of it.

There are some in this House who seem determined to follow the policy of default no matter what the consequences for those reliant on the State. The reality is that the promissory notes have been part of the general Government debt since they were issued in March 2010. They can be seen in all national and European statistical releases since. Therefore, a non-payment would have been, in effect, a default. Many others and I have detailed the dire consequences for all citizens of such a policy of default and I do not propose to repeat them today.

It is worthwhile to revisit the origins of the promissory notes. The concept of the promissory note was born out of the need to provide the IBRC and other institutions with sufficient capital. In order to minimise the impact that would have had on Exchequer borrowing, a promissory note was issued to the IBRC instead of Government bonds. The promissory notes were by their nature and structure unsatisfactory. From the State's perspective the high interest rate and the amortising repayment schedule placed a considerable burden on the State's resources, particularly at a time when the current deficit has to be addressed.

In addition, they required fortnightly approval for collateral purposes from the Central Bank and the European Central Bank, thus creating a long-term structural liquidity issue for the banking sector as a whole. From both the Central Bank's and the ECB's viewpoint the use of exceptional liquidity assistance, ELA, for long-term funding to pillar banks was also problematic. Exceptional liquidity assistance was only ever intended to be a temporary funding arrangement. There is little to be achieved in revisiting the decisions taken by the previous Government on the banking crisis. Suffice it to say that on coming into office the Government inherited an extremely complex set of problems that it had to address.

The Government has taken considerable steps to stabilise and restructure the banking sector which have been the subject of many debates in the House. In spite of calls on the Government to adopt an aggressive approach in negotiations with our external partners, the Government recognised from an early stage that any comprehensive, sustainable solution to our problems, including our banking problems, had to be addressed in the context of an overall European solution. We have worked hard to rebuild Ireland's reputation in Europe and to build momentum behind proposals that are in the interests of Ireland and the European Union as a whole.

It was clear to the Government that the co-operation and support of European and international partners was essential to reach a solution that is in all our interests. The Government has always set out clearly that it would not act unilaterally and that it would be bound by agreements entered into by it and previous Governments. If Ireland is to remain attractive to investors, the State must abide by sovereign commitments, no matter which Government made them. Our strategy has and is paying real dividends and the recent announcement is a major step in regaining our economic independence through improving the affordability of our debt position and reducing our debt-servicing costs.

We have been seeking and will continue to seek a comprehensive solution to the remaining structural and funding issues in the banking sector. Our discussions always had two distinct but related elements. First, the structural funding issue in the banking system, particularly the exceptional liquidity assistance in the IBRC, which has now been resolved. Second, the matter of investments in the going-concern banks, including AIB, Bank of Ireland and Permanent TSB.

In recent months it has become evident that the complexity of issues around the establishment of the European single supervisory mechanism would impact on the timeframe for achieving a comprehensive solution. It was decided in that context to progress the situation on the promissory notes as an initial step and to seek an adjustment of the terms which underpin the punitive promissory notes arrangements. Notwithstanding this, we will continue to participate in the development of the ESM and the structuring of the single supervisory mechanism to ensure that Ireland will benefit, on similar terms to other member states, from developments in this regard.

To be blunt, the promissory notes issue has been resolved to the satisfaction of the Govern-



ment and the great majority of Members in this House and the other House, but we are absolutely aware of the other part of the equation, which is to put in place and seek support from the ESM on legacy bank debt. Two important statements stand out for us. The first is the decision of 29 June 2012 by the Heads of Government where a clear distinction was made between sovereign debt and banking debt and in the same paragraph the reference to the well-performing Irish programme. Of importance also was the commitment made by President Hollande and Chancellor Merkel who recognised that our situation was unique and different and issues remained to be resolved in terms of the other part of the banking debt, namely, the amounts of money that had to be used to recapitalise and prop up our banks. The Government is conscious of this. Progress is being made in that regard, but it is a medium-term strategy because in order for the ESM to be the vehicle through which recapitalisation can occur and where our issue can be addressed, we must get in place the single supervisory banking mechanism. That is a key part of the Presidency negotiations. The other two parts of the strategy are some form of agreement on how we deal with bank resolution and also what kind of deposit interest scheme we must put in place.

As I indicated to the House on previous occasions, the key aspect is to replicate effectively what the Federal Reserve has across the United States of America. Europe needs a single supervisory system, in particular for the 17 member states of the European Union that use the euro. Europe needs the same reserve the Federal Reserve has in the United States of America to deal with banks that collapse. That is another policy instrument that clearly was not there at the time of the collapse which must be put in place as part and parcel of the recovery programme which will be so important across the European Union.

In response to Senator Sean D. Barrett's point about the implications, I will go through them because it is important that I indicate where we stand. The revised arrangement on the promissory notes is a major step forward in the restructuring of the banking sector, strengthening the position of the Central Bank and reducing our borrowing requirement and debt-servicing costs. Those benefits, when coupled with making the necessary adjustments in line with our commitments under the programme of financial assistance, will serve to enhance Ireland's reputation. The decision re-establishes long-term stability for a large part of the banking system for the first time since the start of the banking crisis. The exceptional liquidity assistance which was provided for the IBRC and is inherently short term, costly and unstable is removed.

It is clear that all parties to the current arrangements have something to gain from the discussions and from an agreed approach to the restructuring of this issue. The key objective of any new arrangement was to make the banking-related debt more sustainable in the long run.

*12 o'clock*

The improved debt sustainability of the new arrangement is testament to the effort and focus of the Irish parties in this matter and the benefits of the constructive and consensual approach taken with our European partners.

The €3.1 billion repayment due on 31 March each year served as a constant reminder of the devastating impact that Anglo Irish Bank and Irish Nationwide Building Society had on the economy. The passing by the Oireachtas of last week's Act means that the IBRC, the former Anglo Irish Bank and Irish Nationwide Building Society, will be removed from the financial landscape. The IBRC promissory notes, of which the Central Bank of Ireland has assumed full economic and legal ownership, will now be exchanged for a portfolio of long dated Govern-



ment bonds with a maturity up to 40 years. Over half of all the banking related debt will now be pushed out over 40 years and its burden on this economy will be significantly lightened.

The principal benefits from this arrangement are that the promissory notes are gone, they will be exchanged for long term Government bonds. The maturity of the bonds will have significant benefits from a market perspective as it ensures the liability to repay is beyond most credit investors' time horizon. There will be a reduction in the State's general Government deficit of approximately €1 billion per annum in the coming years, which will bring us €1 billion closer to attaining our 3% deficit target by 2015. Furthermore, a significant element of the interest payments on the Government bonds which will now be held by the Irish Central Bank will ultimately be returned to the Exchequer in the form of Central Bank dividends. The State will borrow €20 billion less in the next ten years due to the cash-flow benefit of this arrangement and next year the cash-flow benefit will be €2.3 billion, excluding initial transaction costs. This arrangement will lead to a substantial improvement in the State's debt position over time and the housing of all the wind-down assets in one entity, NAMA, will result in just one wind-down vehicle.

The decisions announced in the past week involved the following key steps: the liquidation of the IBRC, by way of legislation; the assumption by the Central Bank of Ireland of full economic and legal ownership of the promissory notes and all other collateral held as security for funds provided by the Central Bank under various liquidity arrangements; the exchange of the promissory notes in the hands of the Central Bank for long-term Government bonds, with maturities of up to 40 years; and the issuing on Friday of Government bonds that will pay interest every six months based on the six month Euribor interest rate, which stood at 0.369% today, plus an interest margin, which averages 2.63% across the eight issues. This interest rate is certainly at the better end of our expectations last week. All remaining debt of the IBRC to the Central Bank which is secured by a floating charge over the assets has been acquired by NAMA from the Central Bank in return for NAMA bonds.

In recent days there has been media speculation on a supposed fire sale of the assets of the IBRC. I can provide the House with some comfort in this regard. Put simply, this will not happen. As part of the role of the liquidators, the assets of the IBRC will be valued independently before being sold. Any assets not sold to third parties at or above the valuation price will be sold to NAMA at the independent valuation. This ensures a floor price on the assets of the IBRC and that, where required, assets with limited sale potential can be worked through in the medium-term by NAMA rather than sold to the best available third party at any price.

The Government's approach is consistent and focused on the best outcome for the State and its people as result of attaining yields from this asset. The success of our programme implementation to date has been recognised by the financial markets. Our ten year bond yields have remained below 6% for a number of months. This morning they were at 3.8% and last week they were at 4.1%. These are extraordinary movements in a ten year bond rate in such a short period of time; when we first came into government they were at 15%. The blended rate at which we were lent money from the two EU funds is about 3.3% and we are only 0.5% from a full market return. Once we are below the blended European rates, there is no point holding on to the troika because we can borrow independently. In circumstances where 0.1% is seen as a seismic change in the cost of Government debt, to see such a reduction is extraordinary.

These collective actions represent a major improvement in Ireland's position. We have demonstrated in terms of the promissory notes the value of what can be gained from a carefully

managed and sustained engagement: the maximum benefit for Ireland. The Government and the people of this country are determined to recover our economic independence, to recover our pride and self-belief and to create a present and a future free from the excesses of the past and the burdens placed by the few on the citizens of the State.

In bringing these discussions to a successful conclusion I acknowledge, first and foremost, the stewardship of the Minister for Finance and the work of the officials of the Department of Finance. The Department of Finance has had a difficult history of late given the crash, but it has shown in its negotiating skills the best of the public service. The forging of this agreement is as much down to their persistence and professionalism as it is to the political work of the Minister on behalf of the Government.

I commend the agreement to the House and look forward to its support in the work it does in the years ahead.

**Senator Darragh O'Brien:** I welcome the Minister of State to the House and commend him and the Minister for Finance for reaching a stage where there is no longer any doubt that the new arrangement that has got rid of the promissory notes. There has been an extension of the payment term and reduction in the interest rate and that cannot be seen as anything other than a good deal. The Minister of State dealt with Sinn Féin earlier and he can talk to the Sinn Féin Senators about it.

I am glad the Minister of State mentioned that further progress is required. I do not want the European Union to see this as the deal being done. With the banking union and the ESM, the 29 June statement on breaking the link between banking and sovereign debt, which has not yet happened, must be followed up. This arrangement has sovereignised the promissory note arrangement. We must keep our eye on this issue. If another country such as Belgium had a banking crash now, the banks would effectively be capitalised directly through the ESM. We did not have the arrangement available to us and Ireland is at a grave disadvantage for that reason and I ask the Minister of State to continue pushing on that issue.

We have an hour to discuss this issue, which is not enough. I am glad the Minister of State is here, but this is a complex arrangement. At the very least, the Minister of State and his senior colleague should make themselves available to the Oireachtas Joint Committee on Finance, Public Expenditure and Reform to go through this in more detail.

There are other questions that I cannot ask in the time available, but I want to hone in on the sense of relief that the interest rate has reduced and the payment term has extended. We all feel this as Oireachtas Members and certainly the Government feels it. We must contrast that, however, with the feelings of those in mortgage arrears where there has been no improvement. I know the Minister of State is working on this, but perhaps some sort of similar arrangement might be offered to a mortgage holder to extend the term and reduce the interest rate, allowing him or her to have some disposable income. While forecasts for growth are flat or positive to a degree, we will not return to growth in real terms until the mortgage crisis is resolved. I ask the Leader to provide more time to discuss this matter. I await the Minister of State's concluding remarks with interest.

**Senator Thomas Byrne:** Members of the public want this deal explained to them in detail and have reacted in a manner similar to the manner in which my party reacted. They, too, have given it a qualified welcome because they want to know the details and how the deal will im-

pact on their lives. A great deal of disappointment has been expressed about the reaction of the Labour Party, both in the Cabinet and the Dáil, when it engaged in triumphalism and popped open the champagne. It was also unfortunate that the Tánaiste attacked Labour Party Deputies who voted against the budget. People watched proceedings on television in their hundreds of thousands as they sought to find out what the deal will mean for them. Like my party, they are prepared to wish the Government well and congratulate it when it records an achievement. However, they want to know the details, including what impact the deal will have on the budget in December. No one seems to be able to answer this question.

Will the €1 billion available in each of the next two years be deducted from the deficit. While a good case can be made for such an approach, I would prefer if this money were used for a rigorous, targeted programme of investment in jobs. Unlike some of the previous job initiatives, however, it should be made clear how many jobs such a programme would create. People want information and for this reason, they deserve to have longer debates in the House. They will congratulate the Government if they believe congratulations are in order but they want to know how the deal will affect them personally. This information has not been provided. Senator Darragh O'Brien made a useful proposal that the Joint Committee on Finance, Public Expenditure and Reform examine the deal in detail. I believe members of the public would watch proceedings in droves if that proposal were accepted.

**Senator Michael D'Arcy:** Our previous discussion of the promissory note took place late at night amid considerable uncertainty about what would happen the following day. Thankfully, certainty was provided the following day when a deal was agreed that most people consider to be a good one. We must congratulate those who put it together on behalf of the State, in particular, the Minister for Finance, Deputy Michael Noonan, his officials and the Governor of the Central Bank, Professor Patrick Honohan.

The deal should primarily benefit citizens. If it results in €1 billion becoming available each year, the money should be used to reduce the burden imposed on the people. I will cite figures provided by Senator Sean d. Barrett. Since 2008, the tax take has increased by €9 billion to €39 billion and is expected to reach €43 billion this year. This is a significant increase. Given that the entire adjustment has been made on the tax side, taxpayers should be given as much leeway as possible.

Those who believe this is a good deal include Wolfgang Münchau of the *Financial Times*, Standard & Poor's, Moody's and *The Washington Post*. Last year Professor Karl Whelan of University College Dublin who has provided sharp insights into this issue calculated that a 40 year bond would deliver a reduction in the net current value of Ireland's obligation of 43%. The reduction under the new deal is probably a little less than that as the average maturity is 34 years. However, Ireland will be in a fairly healthy position before it starts to repay the money. That is the nub of the issue.

Without meaning to be critical, the original deal was done by the previous Government. I was not party to it and the House was not provided with much information on the process used to arrive at it. The front-loading of the payments for Anglo Irish Bank and Irish Nationwide Building Society through the Irish Bank Resolution Corporation was a scandal. The arrangement was imposed on the previous Government, whose only choice was to accept it or refuse to make the payments and threaten default. The latter option would have been a high risk strategy and may not have resulted in a better deal. The scandal came about through the actions of the Merkel-Sarkozy-Trichet triangle, whose objective, it seems, was to teach the Irish nation a hard

lesson.

The Government had to renegotiate and restructure the promissory note deal. Having achieved this objective, it must make further deals, as the Minister of State noted, on the remaining institutions, namely, Allied Irish Banks, Bank of Ireland and Permanent TSB. I am satisfied that a deal will be done on these institutions at some point. The reorganisation of the existing arrangement with the troika has resulted in a net reduction of €10 billion in the amount to be repaid.

I agree that one hour is not sufficient time to discuss this issue. I congratulate those speakers who correctly described the new arrangement as a good deal. Those who failed to do so, including the Sinn Féin spokesperson in the other House, are the 12 angry men. They are getting angrier because they would prefer to retain a bad deal for political advantage and to suit their agenda of carnage, mayhem and chaos. Unfortunately for Sinn Féin, the deal has been widely welcomed, with the Fianna Fáil Party, for example, taking a mature and correct position on it. When one wants to ignore something one wishes they are not important and hopes they will never work. This deal is important and will work and I congratulate everyone involved in securing it. If it provides a financial benefit, whether in real terms or on the books, as it were, citizens and taxpayers should reap the benefits.

**Senator Fiach Mac Conghail:** I welcome the Minister of State to the Chamber. The last time we debated the issue was not, as Senator Michael D’Arcy stated, late at night but early in the morning when the sun had not even risen. During last week’s debate we finally dealt with the dissolution of an ugly and toxic chapter in our history, namely, Anglo Irish Bank and Irish Nationwide Building Society. Members had to decide how to vote on the issue without knowing the full equation. While it was clearly an historic occasion, it was discomfiting and troubling that Members had to vote on the basis of trusting an incomplete scenario. As I stated on the morning in question, we had to take a gamble, a punt, that the full equation of our bank debt restructuring and, I hope, some write-down of the debt would be delivered in the subsequent days. In the end, although the restructuring of the debt was only partial in that no write-down was achieved, none of the reckless activity of the rogue, criminal banks of Anglo-Irish Bank and Irish Nationwide Building Society, which was underwritten by the previous Government, was forgiven, cancelled or reduced.

Yesterday, in *The Irish Times*, Ashoka Mody wrote:

What is the principle that requires the Irish taxpayer to honour the debts of a rogue bank? The promissory notes deal must not be judged by the relief it provides to the Irish budget [which it does]; the right benchmark for its achievement is the debt obligations that live on.

Mr. Mody sounds a note of clarity. We are in a peculiar, Irish position in this regard. As David McWilliams puts it, we are a debtor and creditor to ourselves. This deal means it will no longer be necessary to make the annual promissory note repayment of €3.1 billion in the next ten years. The replacement of the promissory note with long-term bonds will significantly reduce the financing needs of the Government and kick the can down the road in the hope that inflation and growth will not overburden our children’s and grandchildren’s generations. The total cost to the taxpayer is likely to be €55 billion in the next 35 years or thereabouts. We are dependent on growth, job creation and reducing poverty and inequality in society to avoid overburdening our children.

The Minister of State predicts that the short-term gain will not lead to a long-term cost, but he cannot assure us that this will be the case. What the promissory note deal has done is achieve certainty. We now know how much we have to pay and how, when and for how long we must pay it. Anyone managing household budgets can relate to this. We must now continue to negotiate on the rest of our bank related or legacy debts. We must seek solutions that will further improve our debt sustainability, in particular the extension of our bailout loans. It is a relief that the new arrangements will result in annual savings of €1 billion in Government spending from 2014 onwards. We remain in the grip of the troika-imposed reduction of the budget deficit to below 3% of GDP by 2015. This will require further cuts in spending and increases in taxes unless significant economic growth occurs. There is unlikely to be a significant spike in economic growth, which was initially forecast to be 2.2% in 2013 but is now forecast to be less than 1%. There is also no sign of an increase in jobs.

I have heard the Governor of the Central Bank, Professor Patrick Honohan, discuss candidly on radio the challenge of mortgage debt and the lack of action from our other banks. The Governor was sending out the strongest possible warning to everyone that the Government and the banks are not fulfilling the obligation on them to tackle this problem. I would welcome a response from the Minister of State on that issue.

The austerity measures placed on us by the IMF, with the promissory note deal, mean that we are likely to make an easier exit from the bailout programme and return to the markets. We now need to realign our emphasis away from the austere philosophy of the IMF towards the profound responsibility of Government to citizens and, in particular, vulnerable sectors of society. I heard the Minister of State's colleague, the Minister for Social Protection, Deputy Joan Burton, suggest in the Dáil a more nuanced citizen-centred approach. There is a limit beyond which additional austerity becomes counterproductive. After five years, we are close to that point. The IMF has admitted in its staff report that it underestimated the affects of austerity on economics throughout the financial crisis.

Today the Caritas Europe study of the impact of the European crisis was published. The first in-depth examination of the impact of austerity policies on people in the five EU countries worst affected by the economic crisis concludes that the policy of prioritising austerity is not working. It presents a picture of a Europe in which social risks are increasing, social systems are being tested and individuals and families are under stress. The report's main conclusion is that austerity is not working and an alternative is needed. It makes a series of recommendations, including that EU funds play a bigger role in addressing poverty and that social monitoring should be put in place for countries in EU-IMF programmes.

According to the CSO, over 700,000 people across the State are living in poverty, of which 14.2% are in employment. The Minister of State spoke eloquently about pride and self-belief. We need to talk about our vulnerable citizens and how we might alleviate their burden, which is directly linked to our bank debt and bailout programme. Ordinary vulnerable citizens are shouldering these challenges. I urge the Government to look out for them.

In hindsight and with a week lapsed, I am glad that I voted with the Government to dissolve the Irish Bank Resolution Corporation, IBRC. I acknowledge and congratulate the Minister for Finance, Deputy Michael Noonan, on his leadership in achieving this significant step towards the unburdening of our debt. Tús maith, leath na hoibre.

**Senator Aileen Hayden:** I wish to share time with Senator Jimmy Harte.



**An Leas-Chathaoirleach:** Is that agreed? Agreed.

**Senator Aideen Hayden:** I welcome the Minister of State to the House for this important debate. I would like first to comment on what Senator Thomas Byrne said. It is typical of him to make cheap political points. Far from being triumphalist, the Government parties were mag-nanimous, in particular to Fianna Fáil in acknowledging the excellent speech made by Deputy Michael McGrath. It was a sense of relief rather than triumphalism that Members of this and the Lower House felt as they met into early hours of last Thursday morning.

This deal represents a significant step forward for the country. As outlined by the Minister of State, it brings significant gains for the people. I do not propose to waste time repeating the significant savings which the country will achieve as a result of this deal. The Government has demonstrated that it can work cohesively and, I dare say, quietly. The complexity of the deal on the promissory notes is matched only by the unprecedented lack of rumour and specula-tion. Not only are the Minister for Finance, Deputy Michael Noonan, the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, the Taoiseach and the Tánaiste to be con-gratulated, so too are the officials of all the Departments, members of the diplomatic corps and others who worked tirelessly behind the scenes to bring about this deal.

Critics of the deal argue that the Government should go back and insist on a debt write-down by way of a sharing of the principal amount with other eurozone members, the banks of which, it is argued, were stabilised by us bailing out our banks. The deal on the promissory notes is in effect a debt write-down, a rose that, as the great Bard might say, smells just as sweet on St Valentine's Day.

**Senator Sean D. Barrett:** Really.

**Senator Aideen Hayden:** Other critics suggest we have socialised the bank debt and kicked the can forward. The fact remains that Irish bank debt has been part of sovereign debt since that fateful night in September 2008. Accusations by the Opposition that the Government has moved not to remove the burden from the people but to add to it are rubbish. This is an argument that suits certain Opposition parties which want to appeal to a certain cohort of the people who are rightly angry about what has happened to the economy and the lives of ordinary people, but it does not serve the truth.

While this new arrangement on the promissory notes is welcome, it is to be hoped it is only the beginning of wider reform of the European banking sector which will result ultimately in a more sustainable deal on overall Irish bank debt. Moreover, the decision by EU finance Min-isters in January 2013 to consider extending the term of Ireland's bailout loans may be more important than the deal on the promissory notes and could, it is estimated, reduce the State's funding needs by €43 billion more than the €20 billion provided for in the current deal. What is important is that we now have new hope, the end is in sight and there is light at the end of the tunnel.

I regret the limited time provided for this debate. It has been suggested the Government's estimated reduction of €1 billion in the general Government deficit per annum is overstated. For example, Davy has presented other figures. It would be beneficial if time was allowed for a more lengthy debate during which we could delve into some of the particulars of the deal.

**Senator Jimmy Harte:** I welcome the Minister of State to the House. A Member on the Opposition benches said that when the deal was announced, there were champagne corks



popping, which is not true. The only place, in terms of politics, where champagne corks ever popped was in the Galway tent.

**Senator Darragh O'Brien:** The Senator has only two minutes remaining which he should use wisely. He should ask a couple of questions that are relevant.

**Senator Jimmy Harte:** The truth may hurt, but I will continue to repeat it. The previous Administration signed the promissory note and told taxpayers it had to make tough decisions and that it had no choice but to pay it off over ten years. It also said the agreement could not be renegotiated. As in Samuel Beckett's play *Waiting for Godot*, nothing happened. The previous Administration was supported by Sinn Féin in terms of its actions on the night of the bank guarantee. Those unqualified experts who suggested we throw the IMF out of the country because it only destroys countries and that this deal could not be renegotiated have been proved wrong. That did not happen by a fluke. It was the result of hard work by the Minister for Finance, Deputy Michael Noonan, Minister for Public Expenditure and Reform, Deputy Brendan Howlin, the Taoiseach and the Tánaiste and members of the Government parties. It would suit the political agenda of some if this deal had not been achieved.

I was recently asked to explain this deal to a gentleman. The man concerned purchased his house in 1973 for £3,500, which was the equivalent at the time of more than three years wages. He said he did not anticipate at the time that he would ever in his life be able to pay off that £3,500 loan with a lump sum. Had he listened to commentators of the time, he would have rented rather than bought his house and would not own a property 40 years later.

This deal, in the context of straight economics, is a good one. While it is not the perfect solution, it is a step forward.

**Senator Sean D. Barrett:** I welcome the Minister of State to the House. As stated by him, the reduction in the State's borrowing requirements over ten years amounts to €20 billion. It is good news and a relaunch for us in terms of the removal of that monkey from our backs. We have the monkey off our backs now and we have the chance, on 17 March in the White House, to move on the EU-US free trade area proposed by President Obama in his State of the Union address. I look forward to changes in policy. This one is gone.

I never enjoyed being a poster boy for the previous situation because a poster boy stares blankly from the poster and says nothing. He gradually loses his colour and bits of him fall off in the wind and rain. Eventually, he is scraped off and replaced by a poster for a different product. Let us not be the poster boys for anything.

Let us bring our intelligence to play on these economic policy issues. We should have examined the euro's design faults. It is funny that Sweden, Denmark and the United Kingdom read the small print. Do we have enough expertise in the public service to make sure we do not sign up for something silly when it comes from Europe? The Minister of State mentioned the reforms in the Department of Finance, which were vitally necessary because we were taken to the cleaners that night. In parliamentary terms, there should be never again be an incorporeal Cabinet meeting. It means nothing, with no minutes or record of who was present. How did people give away €64 billion, including €32 billion to the bank the Minister of State was talking about? We must have parliamentary procedures to defend the Exchequer against that, which is why we proposed that the Fiscal Responsibility (Statement) Bill. It was taken up by the Minister.

The Minister and the Minister of State were very good in remaining here until 6 a.m to go through all the details. That is a significant change from doing business behind closed doors, which led to so many problems. What kind of people are the public interest directors of banks? What kind of people were the public interest directors of the Central Bank? What was wrong with the Central Bank that it could not see this crisis? Yesterday we asked that Science Foundation Ireland take a walk and meet people in the Royal Irish Academy. People other than insiders have ideas about public policy. Morgan Kelly should have been involved. The former Minister, the late Brian Lenihan, went to see David McWilliams and they had some garlic. Parliament cannot give away policy to insiders, including the social partners, whose role must be criticised. If someone goes into the Department of Finance and suggests €64 billion would be a start, that must end. We need more openness and transparency, even though they are clichés.

Replicating the Fed may be worthwhile, but it is not what we signed up for. There should have been warning lights in the design of the euro. Does somebody have a sense of irony in respect of the Central Bank taking over the former Anglo Irish bank HQ? I hope we paid them zilch for the building, but it is a funny memorial to the level of incompetence that applied on both bodies in getting us into this mess. We must insist on a much higher standard of appointment to State boards and a proper Government economic service. There must be a relaunch of the free trade initiative on St. Patrick's Day.

Instead of crude, across-the-board cuts in public expenditure, how about analysis and documentation to show that we are dropping the least useful programmes? How about a capital programme that actually provides rates of return on different projects? The sum of €20 billion is important but a lap of honour will be useless. We have many reforms to do and we must ask how 18 people, which is about as many customers as Anglo Irish Bank had, managed to make themselves a vital national institution. What appraisals were done? Let us get this into the open because we cannot repeat the parliamentary, administrative and banking regulation mistakes. Much institutional reform is required and I have criticised the Government because it has been slow on institutional reform. Now that we have debt removed, let us see a whole new way of conducting Government.

I would not mind a fire sale, even though the Minister of State is reluctant. If someone asks what one did in the recession, one could answer that one got a house in Leitrim for €4.82. We should not leave them just there because they are worth something in asset values. The Minister of State mentioned that the Department of Finance had recovered, which is good because it played a leading role this time. After the period 2008 to 2010, our public administration and parliamentary institutions must combine with all sides of the House. Members will help to ensure nothing like this ever happens again.

**Senator David Cullinane:** Despite the sharp criticism of my party from the Minister of State and three Senators from the Government benches, I sat and listened and did not interrupt. Perhaps I will get the same respect from Members of the opposite benches.

**Senator Maurice Cummins:** That is a great change, a wonderful change.

**Senator David Cullinane:** I want to paint a picture to set the context and then make one simple point of fact. The Minister of State has seen the report released today that shows up and magnifies the crisis in Europe and the State in respect of poverty and employment. The 2011 CSO figures show that 25% of the population is living in deprivation. One third of children are living in deprivation and twice as many people at work are living in deprivation. The low paid,

the unemployed and lone parents were hardest hit. A study of the impact of austerity across Europe concludes that austerity is not working. Many people are genuinely suffering and have borne the brunt of six austerity budgets. In that context, we are asking them to pay the debts of a toxic bank. The taxpayers of this country, the people who have borne the brunt of six austerity budgets, did not borrow one cent of the €28 billion. The taxpayers of this country did not spend one cent of the €28 billion, which is a legacy debt of a toxic bank. It belongs to the people who lent to the bank and were reckless in their lending. It is the responsibility of those who ran the bank and mismanaged the situation. It is not the debt of the people, it is the debt of the bankers and those who lent to the banks. Why on earth should I celebrate turning toxic banking debt into sovereign debt, which is the ultimate fact? We got rid of the promissory note, as one of the Government Senators said, but replaced it with a sovereign bond. The bonds will be sold to the private market and interest will be repayable every six months. Once they are sold, the interest rate will be determined by the European Central Bank. We asked this generation and also the next generation of Irish people to pay the debt.

I resent the assertion of the Minister of State that my opposition to the taxpayers having to pay debts that are not theirs is somehow party political or designed to gain party political advantage. I too have two young children and do not want them to pay these debts. I would not ask the Minister of State or any Senator from the Government or Opposition to pay my mortgage. If I had 20 years on my mortgage left and asked the Minister of State to pay it and offered him a good deal to pay the loan over 40 years, would he see it as a good deal? He would not and that is the central point the Minister of State and the Government have not come to terms with.

Sharp criticism was directed at my party, but that is not the view of many people I meet every day of the week. They are genuinely suffering. The reports today demonstrate conclusively and show policy makers and Oireachtas Members the level of deprivation and poverty and the impact of the decisions taken by the Government on people who live in the State. On the day the two reports appeared and explicitly highlighted it, the Minister of State is asking me to see turning €28 billion of toxic dodgy banking debt into sovereign debt as a positive development. He is asking my children, his children and families outside the Chamber to pay for it. I will not be part of this and neither will my party.

The Minister of State pointed out that the European Central Bank, ECB, had sought a separation of banking debt from sovereign debt, but there has been none in this deal. Instead, the Government turned banking debt into a sovereign bond last week. That is the reality. The Government will not receive my support or that of my party for doing so while imposing austerity budgets that cause such deep hardships for many families.

**Acting Chairman (Senator Feargal Quinn):** I call Senator Paul Coghlan who has three minutes.

**Senator Paul Coghlan:** I thought that I had five minutes.

**Senator Fiach Mac Conghail:** The Senator has not been promoted yet.

**Senator Paul Coghlan:** I forgot. Forgive that lapse.

I welcome the Minister of State to the House and thank him for his overview of the situation. The arrangements which were noted by the ECB last week were the most brilliant financial engineering ever in the State's history. This is certainly the most significant financial development - I love the smile of my colleague opposite - since the previous Government signed up to

the bank guarantee. As the Minister of State mentioned, where sovereign debt is concerned, it is proper that a Government not renege on a previous Government's action. It was based on the best advice at the time, regardless of whether we agree with it now. Like the Minister of State, I compliment all involved.

The promissory notes were a death sentence in every sense of the word. The State could not afford the short-term annual payments €3.1 billion. We now have long-dated bonds and no capital will be repaid before 2038. God only knows what a Government will do in 2038. None of us will still be around in politics. The process will continue until 2053. An interest rate of 0.36% is an unbelievable bonus, in that it will free up €1 billion per annum to ease the budgetary situation. The transfer of the Irish Bank Resolution Corporation, IBRC's assets to NAMA must also be welcomed. This is an extraordinary turnaround that each of us welcomes.

With the greatest respect to Senator David Cullinane who has left the Chamber, his comments were bunkum. We will not ask our children or grandchildren to pay. In 2038 a Government may roll over these bonds into other bonds or so on. The interest rate is 0.36%. In the short term and before they are sold, the interest will be paid to the Central Bank which will return dividends to the State. I do not understand Sinn Féin's position on write-downs and defaults. Do we want to be another Argentina? No way. The State has always paid its way and will continue to do so. We will be frugal and prudent.

I compliment the Minister for Finance, Deputy Michael Noonan, the Governor of the Central Bank and all of the officials involved.

**Senator Ivana Bacik:** I welcome the Minister of State to the House. I also welcome the opportunity to contribute on the important promissory notes arrangement agreement reached last week. As Senators on both sides of the House have acknowledged, this is an important step in Ireland's recovery. The arrangement will make our debt burden easier to bear.

Senator David Cullinane expressed a great deal of negativity, as have others in Sinn Féin, but there was a degree of unreality about his comments. I took a careful note of them. He stated the deal had the effect of turning toxic bank debt into sovereign debt, but toxic bank debt had already been turned into sovereign debt through the disastrous bank guarantee of September 2008. I well recall that all-night sitting, as do others who were in the House then. Sinn Féin voted for the bank guarantee whereas the Labour Party and certain Independents opposed it. The guarantee lumbered us with Anglo Irish Bank's debts, using this cumbersome and expensive promissory notes arrangement to do so. Under that arrangement, we would repay from public money Anglo Irish Bank's debts to the tune of €3.1 billion every March, borrowed over ten years.

It does not take a genius to work out the details of the new deal. The Minister for Finance, Deputy Michael Noonan, gave a practical example of his own mortgage arrangement. The new deal allows us to get better terms over a longer period for the same debt. It does not amount to a write-down, but that was not possible, as we know. Indeed, the Greek Government had sought a write-down from a much worse financial position and was told that it was impossible. This deal is as close as we are going to get to one.

Senator Aideen Hayden made a point. I understand why there is an amount of negativity about the deal, particularly on the part of Sinn Féin and others. There is a justifiable anger among the public at their forced shouldering of the massive debt burden. However, the new

deal is the best way to ensure that the debt is manageable over a longer period. Arranging cheaper financing over a longer period and transforming 40% of legacy debt into long-term debt have significantly reduced the cost of financing the debt to the State and its people.

For households, last week's deal means that the gap between revenue and expenditure will be reduced by €1 billion every year. We will need to borrow less in the coming years than would otherwise have been the case. This will have a real impact and will be felt by people in coming budgets. This must be welcomed.

Any fair-minded and impartial observer must acknowledge the fact that the arrangement's real value lies in the considerable reduction in what the people will pay. Like many in the Chamber, I have small children and do not want to see them shouldered with an unmanageable debt. The deal's effect will be to make the debt infinitely more manageable over a much longer period. I commend the Government for its negotiation.

**Senator Feargal Quinn:** I welcome the Minister of State. This deal is another step in the right direction on the road to recovery. Businesses negotiate all of the time. To that extent, I see this as an everyday deal, but at a much larger scale. It gives us a great deal of breathing space, which is what we need now.

I was examining some figures. According to Mr. Cormac Lucey, we will need to pay approximately €22 billion less in interest and principal payments in the next ten years under this deal. That is a considerable saving. Had we continued along the same route, we would have increased our chances of falling into a devastating debt trap. While I regret that we did not get an even better deal, as one always looks for a better deal, it is easy to understand the constraints placed on our negotiators. It is likely that this is the best deal with which we could have emerged, given the strategy taken by the ECB. The ECB is unable to give write-downs.

As the Minister of State has argued, if one defaults, it does not mean that one's debts are gone. Argentina is still experiencing the effect of defaulting ten years after the event. As to the argument that we will leave greater debts to our children and our children's children, we must remember the fact that all states are in debt. Ireland will be no different. To name one, the United States of America owes a significant debt to China. That situation will not change in the next 100 years. However, I accept that a small amount of our debt, approximately 2%, has been written off in this deal.

We are still in a difficult situation and must deal with a number of issues, for example, unemployment and the mortgage crisis. In the same way that the promissory note was renegotiated, the customer - the Irish citizen and mortgage holder - should have more opportunities and facilities to restructure debts. I regret that, apparently, the restructuring under this deal will have no impact on the next budget. I would be glad if it did or if the Minister of State could dissuade me from believing that there will be none.

We must remember that this pact only addresses approximately half of our bank-related debts of €64 billion. I wish the Government more success in tackling the other half, which relates to AIB and Bank of Ireland, throughout 2013. I hope the European Financial Stability Facility, ESFS, terms can be improved. Our Presidency of the European Union will help us in that regard. I urge the Minister to do what he can.

**Senator Tony Mulcahy:** I will raise a number of issues. I am sorry that Senator David Cullinane has left. We had plenty of noise in the Chamber last Thursday morning. There was



no shortage of it and it appears to be continuing. The Sinn Féin position is to talk out of both sides of its mouth and misrepresent the situation. Its Members have a way with words.

As Senator Ivana Bacik outlined, the €3.1 billion was sovereign debt, in that we were going to pay it every year for the next ten years. We had another scenario with Deputy Pearse Doherty who stated in the other House that even though he recognised that the ECB could not write down the debt, we should have asked for it anyway. That is the politics and the economics of the land of nod; we know we cannot get it, but we should ask for it anyway.

I welcome the deal. While we are not foolish enough to believe it is a solution to all our problems, the most important aspect of it is not the way we view ourselves but how others outside the country view us, including the international markets, the ratings agencies and the foreign direct investment companies. Not only does the deal provide ease in terms of the methods of our borrowing requirements in the coming years but it will also ease the journey of the many of our State companies which want to borrow on the international markets.

It is important to record the scenario of the price of a house in 1983 and the price of a house in 1980. I got a text from a young man in the University of Limerick who said that in 1973 the price of a pint was 19 pence. Incidentally, that was the last year Limerick won the All-Ireland final; it could be another 40 years before they win the next one. The price of a pint today is €3.85. That puts things into perspective.

During the discussion with the Minister for Finance, Deputy Michael Noonan, he made a very good point. He said if somebody told us we had a debt and we did not have to pay anything on the capital for the next 30 years, and we got the interest at less than 1% and we were in business, as Senator Feargal Quinn rightly said, it does not matter what the volumes of money are, what matters is the management of that money over a long period. What we have is a write-down in effect because the value of that money in 40 years time will blow itself out.

**Senator David Norris:** First, I would not have started from here. I accept that the Minister for Finance, Deputy Michael Noonan, is a decent, good, highly intelligent man and within his own parameters he has done a brilliant job, of that there is no doubt, but it is disgraceful that we started from there. We should historically nail the situation firmly into the record that Jean Claude Trichet twisted the arm of an already ill Irish Minister for Finance, the decent late Brian Lenihan, and forced a disgraceful, immoral and illegal deal on the people. We are not paying debts that we incurred; we are paying the gambling debts of others. It is absolutely fiendish and disgraceful.

I wish to quote from an article written by the former IMF mission chief to Ireland in *The Irish Times* yesterday. He states:

Continued, large budget cutbacks are due through 2015. Unemployment will remain disastrously high. Mortgage arrears and foreclosures will continue to climb. Even if world trade finally picks up, the largely-enclave Irish exports will draw in more imports, providing limited fillip to domestic GDP.

The last sentence of the article is instructive. He states: “The alternative is unending human pain, [this is the alternative to addressing the legacy debts which are part of the real evil] a culture of national dependency and a fraying European economic and social fabric.”

We are dealing with austerity. The Caritas report was launched at 10 a.m. this morning.



This organisation of a wonderful combination of Roman Catholic charities and socially vested groups has done a survey across Europe, one section of which concentrates on the five programme countries. It has shown that what we will have is structural unemployment and structural poverty. That is appalling.

I have started listing reasons not to celebrate the centenary of the 1916 Rising and will need to add to them all the time. I will continue to do this. So far we have had soup kitchens, evictions, hedge schools where children were told to jump up and down to keep warm, and penalties for improving one's property - one wonders what James Fintan Lalor and Michael Davitt would have thought of that - and now we have informers in terms of the iniquitous property tax. I have a lot more to say and will have another opportunity to say it.

**Senator Maurice Cummins:** I welcome the Minister of State to the House. When we were here at 6 a.m. last Thursday, Members asked where the deal was and said we had no deal, but we concluded a deal the following morning. The result of the deal is far better than any economic commentator would have envisaged - that is a fact - except for those who have advocated default and we all know where that would bring us. It would wreak havoc on the most vulnerable in the community, more so than people are talking about in terms of austerity. Default would have meant much more. We had Sinn Féin Members here again this morning thriving - these are the people who thrive on the misery of others. Their interest is self-interest, not what is in the interests of the people.

There are very real and significant benefits for Ireland and its people with this new agreement. It will deliver new jobs and new investment. The reduction in the State's cash borrowing requirement over the ten years by €20 billion has substantially improved the State's debt and that has been acknowledged by the vast majority of Members who have spoken. The improved investor confidence, as demonstrated again by other speakers, by the upgrade by Standard & Poor's and the ratings agencies, is a vote of confidence----

**Senator David Norris:** They should be jailed, the whole bloody lot of them.

**Senator Maurice Cummins:** I did not interrupt the Senator.

**Senator David Norris:** I know.

**An Cathaoirleach:** Senator Maurice Cummins to proceed, without interruption.

**Senator David Norris:** If the Senator mentions the ratings agencies, he is asking for it.

**An Cathaoirleach:** Please allow Senator Maurice Cummins to continue, without interruption.

**Senator Maurice Cummins:** As I have limited time, I would like to be able to complete what I have to say. I know the Senator's interest in the ratings agencies.

The State and companies operating in Ireland will be able to raise finance now for investment and lending and this has the potential to make a very real impact in job creation, of that there is no question. The Department of Finance estimates that the general Government deficit will improve by approximately €1 billion per annum in the coming years, which will bring us €1 billion closer to attaining the 3% deficit reduction target by 2015. This means that expenditure reductions and tax increases will be of the order of €1 billion less to meet the 3% deficit. It must be pointed out, however, that this has to be taken in the light of the general Government

deficits of €8.9 billion and €5.3 billion in 2014 and 2015 which are envisaged, which means that we will still continue to spend more than we take in in taxation. We all know that is not sustainable and it will have to be addressed as a matter of priority. That is a priority of the Government. The deal on the promissory notes will help to bring the public finances closer to a sustainable position and that is what this deal is all about.

I commend the Minister for Finance, Deputy Michael Noonan, and the Taoiseach, the Tánaiste and all the Ministers for their diplomatic efforts. I said more than 18 months ago that this was not a sprint, that it was a marathon, and it has borne fruit and will continue to do so. We have a long way to go, but this will be done.

**Minister of State at the Department of Finance (Deputy Brian Hayes):** I thank all colleagues for their contributions in this debate. Senator David Norris made the statement that he would not have started from here.

**Senator Paul Coughlan:** Neither would we.

**Deputy Brian Hayes:** I would not have started from here either, but the choices that we faced did not allow us the luxury of making some-----

**Senator David Norris:** I voted against the guarantee.

**Deputy Brian Hayes:** I know all that. Those of us who are looking for the magic bullet still have not found it and the task of the Government when we got the mandate we received in the 2011 election was to do our best to renegotiate what was a bad deal for this country, a deal that did not help our prospects.

Many people have been voting and betting against this country in the past few years. Celebrity economic commentators, the Sinn Féin Party and those who previously were one of the great defenders of the banks now in the Technical Group have been having a huge punt against this country for the past few years hoping things would go in one direction because their own personal egos would be helped by this. They are getting it badly wrong. The country is coming back.

I was at the ECOFIN meeting earlier this week with the Minister for Finance, Deputy Michael Noonan, where I have the pleasure of calling him Monsieur le Président, as he is the chair of the ECOFIN group, and he enjoys that, I might add. One of the things one gleans from speaking to the finance Ministers of the 27 member states is that people are talking about Ireland. They recognise that we are going to come out of this programme and that we are making a success of our programme. They talk about the fact that Irish ten-year debt is down to 3.8% where it was 15%. They know this and it has a huge impact on the country. As other Senators on the Government side have said, we are not going to get money into companies such as the ESB and Bord Gáis and for PPPs unless we can make the Irish sovereign debt position look less risky.

*I o'clock*

I welcome the support of Senators, particularly that of the Fianna Fáil Party, for the deal. The speech of Deputy Michael McGrath, the Fianna Fáil spokesperson in the Dáil was deeply patriotic. He put the interest of the country before that of his party. It is important that this be recognised. The only way to get out of this difficulty is to work together on an agreed strategy

and that strategy is proving successful.

Where did we go this year? We have got this important deal, but we are not swinging from the rafters in celebration of it. As Senator Aideen Hayden said, it was with relief rather than anything else that it was negotiated. We know the people were looking for it. They have suffered badly. I live in an ordinary housing estate, like lots of other ordinary people, and I see all around me the impact of the current situation. Decent people cannot find work and their children are emigrating. I am not in some kind of parallel universe. Like the great majority of politicians I live in the real world. We have to work hard for our people to get the country back to a better place.

The deal has been put in place but we have other plans for 2013. We hope to extend the maturities on the European money, which is two thirds of the total amount we got. We have already done a deal on the interest rate. Now we want to extend the maturities on it. At some point this year, there will be a launch of ten year Irish money for the first time in three and a half years. If we get two of them over the line we will be, effectively, back to the markets and the outright money transaction, OMT, that Mr. Draghi has been promising us will come into being. That is success. We are talking in terms of the banking union later this year. Only one half of the debt has been dealt with through this issue, but the ESM, through banking union, is the other part of the game. That kind of incremental progress on a month by month basis will get the country to a better place.

As other colleagues have said, the ECB does not do write-downs. I was in the room when the Greek deal was done. It had nothing to do with the ECB. It was all about public sector involvement and private sector involvement. Private sector involvement meant the banks taking a haircut and the public sector involvement meant that if a person had Greek debt, they were not going to take any interest on it. It had nothing to do with the ECB. Looking to the ECB for something it does not give will not be productive.

I agree with one comment made. The involvement of Mr. Draghi is absolutely crucial. The legacy of Mr. Trichet was not the best. I say that in the most diplomatic way I possibly can.

**Senator David Norris:** The Minister of State can say that again. That is an example of litotes, under-emphasis for the sake of effect.

**Deputy Brian Hayes:** Mr. Draghi's involvement has been monumental, not least in bringing the Council to the unanimous position at which it arrived, but at a bigger level in the three year money at 1% offered to the banks, the bond buying for the Spanish and Italian banks and the OMT proposal. He has been the game changer. He understands that if we are to get to a better place, we must deal with the debt.

Our debt problem is difficult. It is about 118% of GDP at present and will max out at about 120%. The debt problem in every other European Union country is just as bad, or close to it. The average debt position is about 98% of GDP. When I was studying economics, I was always told the red lights go off when the debt is more than 90% of GDP. Europe is in a bad place on debt. We must work on achieving an agreed solution to which we can all sign up. That is why banking union is so important and why we are ambitious for a further deal that will help the country get back on its feet.

I appreciate, as the Government does, the support we have received from this House. The Government will make itself available to this House, to committees and to the Dáil to make sure

we go through the detail of this on a constant basis. We need the contrarian view. I agree with my colleague, Senator Sean D. Barrett. We need contrarians in this society, including Senator David Norris, in order that we are constantly asked questions. If we have learned one thing from this crisis, it is never to take at face value the advice of the permanent government. We need people on the outside, people in politics, the commentariat and others constantly putting us under the microscope in terms of finding a solution. That has to be for the good of public policy.

**Senator David Norris:** Well said.

### **Defence Forces (Second World War Amnesty and Immunity) Bill 2012: Committee and Remaining Stages**

**An Cathaoirleach:** I welcome the Minister of State at the Department of Defence, Deputy Paul Kehoe, to the House. Amendment No. 1 has been ruled out of order.

Amendment No. 1 not moved.

Section 1 agreed to.

Section 2 agreed to.

**An Cathaoirleach:** Amendment No. 2 has been ruled out of order.

Amendment No. 2 not moved.

Section 3 agreed to.

Sections 4 and 5 agreed to.

Title agreed to.

Bill reported without amendment and received for final consideration.

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

**Senator David Norris:** I compliment the Government and the Minister of State on the sensible way this matter has been handled. Unfortunately, other appointments meant I could not speak on Second Stage. I regret that. A very good job was done, despite the fact that I was not here to make some points, but they were made.

I regret the fact that the proposers of amendments, by their absence, did not allow us an opportunity to discuss them. The amendments were significant. It is interesting and should be remarked upon that Sinn Féin supports the Bill. Its members had certain interests of their own in mind which should be noted, but they supported the Bill. That is a very welcome development.

People who were unjustly and harshly treated because they did honour to the country in fighting against the greatest tyranny known in recent centuries and were punished, penalised and held in contempt and dishonour have at last been recognised for the splendid work they did. That is particularly welcome when one considers that out at Fairview, there is a monument to someone I would not put in anything like the same category, General Seán Russell of the IRA,

who died on a U-boat coming back from Nazi Germany to do mischief in this country.

I am glad that the Government has chosen this time to rectify a great injustice and I applaud it for so doing, the Minister of State for handling it so well and my colleagues for passing the Bill in such an appropriate manner.

**Senator Paul Coghlan:** I join Senator David Norris in complimenting the Minister of State and the Minister for Defence, Deputy Alan Shatter. I had the opportunity to speak on Second Stage. As Senator David Norris has said, this is a significant little measure. It is good that it was approved unanimously by this House. I say well done to the Minister of State.

**Senator Sean D. Barrett:** I agree with the sentiments of Senators David Norris and Paul Coghlan. We said much when the Minister for Defence was in the House for the debate on Second Stage. He piloted the Bill through the Parliament wonderfully. The Bill means more reconciliation and friendship on this island. That is always good and I hope we will be willing to take whatever remaining measures are needed.

People like Tom Kettle and Francis Ledwidge who died in wars against tyranny have been mentioned. In the university constituency I share with Senator David Norris five people on the list of war dead have the same names as former Taoisigh. There is a Fitzgerald, a Kenny, a Lynch, a Lemass and a Cowen.

This is a great reconciliation of our society. I appreciate the problems there were at the beginning. If all 42,000 people in the Army had left, we would have been in trouble, but 80,000 people, including those to whom the Government is extending an amnesty, fought against the tyranny. There is a Holocaust Memorial near the Bundestag in Berlin to attempt a reconciliation and this is our contribution. The Minister for Justice and Equality hopes to organise a meeting with the 100 or so surviving veterans to formally close this chapter in our history as the country moves on to reconciliation and furthering the peace process. This is splendid legislation and I thank the Minister of State.

**Senator Jimmy Harte:** I welcome the Minister of State. This is good legislation which closes a chapter in history. World War II was not that long ago and many people are alive today with fresh and painful memories of it. It is strange when one thinks that people usually desert to get away from action as a matter of conscience or because they do not want to face battle, but the people concerned left a peaceful country to go into battle, which is unusual. They joined an army of another country to fight on the same side against the Nazis and the imperialist forces in the far east that threatened the world's stability. We can all relate to the war in some way because our parents or our grandparents can recall it. When I was in the Philippines as a young student in the late 1970s, I visited American war graves. There were 18,000 names in a marble room. One of the names was James Harte aged 21, which was not far off my age at the time. The war is still raw in this country and throughout the world. If those who were dismissed and regarded as traitors of the country read the transcript of the debate, they will see they are being recognised as people who put their lives at risk to defend the democracy we are participating in today in the House. I thank the Minister of State and congratulate the Department.

**Senator Denis O'Donovan:** I concur with previous speakers. We had a magnanimous discussion on Second Stage, to which I contributed, and I am glad the legislation is about to be passed. We should understand the difficulties during the war and why people deserted to join other armies. On mature reflection, they did so to protect the world against anarchy, chaos and



dictatorship and the passage of the legislation is well merited in that regard.

**Minister of State at the Department of Defence (Deputy Paul Kehoe):** I thank Senators for their comments and acknowledgement of this important legislation. The Minister for Justice and Equality took Second Stage and I spoke to him afterwards. He mentioned there was agreement across the House and he wished to acknowledge all the Senators for their contributions. Senator Jimmy Harte made an eloquent contribution to the debate and I would like him to take a message back to his father that we acknowledge the work he has done in this area for a long number of years, much of which went unrecognised in the early years. When he was a Member of the Lower House, he pursued that work in a quiet way and never sought media attention. He was one of the first Members to introduce the poppy to the Oireachtas.

**Senator David Norris:** A specially adapted one with a shamrock.

**Deputy Paul Kehoe:** That is correct. I again thank Members for their contributions to this important legislation. It remedies an issue from the past as we recognise the war dead and their families. I thank the Cathaoirleach, the House and the officials for accommodating the Bill.

Question put and agreed to.

**An Cathaoirleach:** When is it proposed to sit again?

**Senator Paul Coughlan:** At 2.30 p.m. next Tuesday.

## **Adjournment Matters**

### **Asylum Seeker Accommodation**

**Senator Trevor Ó Clochartaigh:** Cuirim fáilte roimh an Aire Stáit. Tá mé thar bheith buíoch gur tháinig sé isteach chun an cheist seo a phlé. The matter relates to the direct provision system and the accommodation provided through the Department of Justice and Equality for people seeking refugee status. Throughout the State, hotels, hostels, caravan parks and so on are used to house people in this position and that is done in most cases through private contractors who are given a contract by the Department through the Reception and Integration Agency, RIA, to provide accommodation, food, etc. The question I have relates to the ministerial orders needed because if a building has been granted planning permission as a hotel, hostel or holiday camp and refugee accommodation is provided, that represents a change of use. My understanding is ministerial orders would have been necessary to permit these buildings to be used for a different purpose, particularly housing people seeking refugee status. If the ministerial orders providing exemptions for these buildings have been given, when was the last order made? Has the Minister checked with his counterpart in the Department of the Environment, Heritage and Local Government that the facility for using a ministerial order in this way to change planning permission is still in place or have planning regulations been amended to ensure companies can use these buildings for this purpose as opposed to the purpose laid down for them? I thank the Minister of State for taking this matter.

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):** I am responding to this matter on behalf of my colleague, the Minister for Justice and Equality.

The RIA, a functional unit of the Irish Naturalisation and Immigration Service, INIS, of the Department of Justice and Equality, is responsible for the accommodation of persons while their applications for international protection are being processed. Currently, there are 4,735 residents in 35 accommodation centres contracted to RIA throughout the State. Of the 35 centres in the State, seven are State-owned, that is, while the centres are managed by private contractors under contract to RIA, the land and buildings are owned by the State. Details of all of these centres are available on the RIA website - *ria.gov.ie*

The situation regarding planning permissions each of these centres is not uniform and reflects the evolution of RIA's procurement policy during the years, which I will explain later. Three system built State-owned centres which are the responsibility of the OPW are covered by ministerial orders under section 2(2) of the Local Government (Planning and Development) Act 1993, while two of the commercially-owned and operated centres, Mosney, County Meath, and Baleskin, in St. Margaret's, County Dublin, are also covered by such ministerial orders. The remaining 30 centres comprise four State-owned centres which originally operated as hotels and hostels and 26 commercially-owned and operated centres. These operate on the basis of their own planning permissions which are subject to compliance procedures from the relevant planning authority. The commercially-owned centres are subject to a standard clause in the contracts with the RIA which states, "It shall be the responsibility of the Contractor to ensure that the premises complies and operates in accordance with all relevant statutory requirements of Local Authorities and other Agencies in relation to planning, building bye-laws".

The ministerial planning order, issued 14 June 2001, for Baleskin arose because the centre was commissioned, built and operated specifically as a reception centre for asylum seekers following a tender competition run by the OPW. The issuing of a ministerial planning order for this commissioned centre was necessary given the urgency of the situation then prevailing with the number of asylum seekers arriving in the State. Similarly, given the pressing need for bed spaces and the size of the centre being contracted - it remains the biggest centre - it was decided to issue a ministerial planning order in respect of Mosney. This issued on 30 November 2000. For a more detailed account of the procurement and planning processes in operation at the time, I commend to the Senator chapter 4 of the 2002 annual report of the Comptroller and Auditor General which is in the Oireachtas Library.

In explaining the history of the RIA's procurement policy from the start of the direct provision system, it would be wrong to ignore the salient point that, in many cases, asylum accommodation centres are not welcomed initially by local communities. Controversy and significant local opposition arose almost immediately in respect of some of these properties - both State and commercially-owned - with some local communities expressing fears about the arrival of asylum seekers in their neighbourhoods. In certain instances, local residents exercised their right to challenge the use of the properties through the courts on planning grounds. Such opposition was particularly costly in the context of the procurement of State-owned centres. The last State-owned property procured by RIA was Atlas House, a hostel in Killarney, in January 2002. RIA policy has since been to procure commercial properties such as hotels, hostels and boarding colleges from private operators through public advertisements seeking expressions of interest. As explained, this involves existing premises in the private sector where the contractor is required to operate in accordance with all relevant statutory requirements, including those

relating to planning.

The Minister is of the view that the direct provision system is a necessary component of the State's immigration policy and that the ministerial planning orders are still required. Plainly, if RIA and the OPW were to consider new State-owned centres, or replacing buildings in existing State-owned centres, legal advice would be sought on whether the use of the ministerial orders referred to would remain appropriate.

It is worth noting generally the decline in the number of persons seeking accommodation in the RIA system in recent years which has necessitated the consolidation of the accommodation portfolio. At the end of 2008, RIA was accommodating 7,002 persons in 60 centres. At the end of 2012, it was accommodating 4,841 persons in 35 centres. During that four year period it had closed 25 centres and was accommodating 2,161 fewer persons. In the same period, spending on the RIA system declined from €91.5 million to €62.3 million, a reduction of 32%.

**Senator Trevor Ó Clochartaigh:** I thank the Minister of State for his comprehensive reply. I also thank the Minister for Justice and Equality and ask the Minister of State to ask him to clarify for us whether a protocol is in place for the approximately 30 private centres mentioned which are subject to local planning rules under the auspices of the planning authorities, whereby the RIA checks with local authorities, or *vice versa*, that the various buildings and premises comply with the law. Are there checks and balances? If the Minister of State brings this issue to the Minister of Justice and Equality, a response may be sent to me by e-mail.

**Deputy John Perry:** This is a very good point with regard to those centres not operated by the State being in compliance with the policy of the RIA. I will seek clarification from the Minister, Deputy Alan Shatter. I assume they are inspected by the State inspector. I will express the Senator's concerns to the Minister and seek clarification for him.

### Parking Regulations

**Senator Averil Power:** I wish to raise the proposed introduction of paid parking in Howth. I am not opposed to paid parking in all circumstances as it makes sense in certain cases. In Malahide it was the businesses which sought the introduction of paid parking because they were having a problem with people parking for the entire day which made it impossible for shoppers and visitors to park for short periods during the day. It also makes sense in Dublin city centre for the same reason, as there is a shortage of spaces and one needs to free them up to give the maximum number of people an opportunity to use them. This is absolutely not the case in Howth. Apart from a few fine days during the summer, there is never a problem with parking on the harbour.

Not only is it unnecessary to introduce paid parking in Howth, it would have a major negative impact on the area and put people off travelling there to shop in marine businesses such as fishmongers, restaurants and other retail businesses in the village. It would put people off travelling out to walk the pier and Howth Head and to use the marine resources. Marine leisure is a huge draw for Howth. Howth Yacht Club is the biggest water sports club in Ireland with 1,700 members. People go scuba diving, sea kayaking and angling in Howth. It has a wide range of water sports and has become more popular in recent years. A huge amount of activity takes place there. One of the reasons it is so attractive to such a wide range of users is because of the free parking. It is a difficult enough place to reach and is somewhere people go for the

day. People do not pop in and out for half an hour but make the journey to spend the day.

I have tabled this Adjournment matter to raise this issue, which came as a shock. It is contrary to the marine development plan of the Department of Agriculture, Food and the Marine which was launched by the Taoiseach and the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney, the first key objective of which was stakeholder consultation, whereby people would be asked when major decisions would be made. Local businesses were shocked to discover this was being considered without any consultation having taken place. Rumours had been circulating for months that it was being considered. It then emerged the local authority and the Garda had been asked for their views on an informal basis but local businesses had not.

There is huge opposition to the proposal. Representatives from the Department of Agriculture, Food and the Marine met some harbour users on 7 February and the points I have made were articulated strongly by a wide range of groups. Written submissions have been made by the yacht club, the sea kayaking club and the Howth Sutton Baldoye chamber of commerce and the Howth Sutton community council. There is a wide range of opposition to the proposals.

I have written to the Minister on this issue and I am awaiting a detailed response outlining the logic behind this proposal. Has a cost-benefit analysis of the proposal been conducted? As I have outlined, there are many reasons to be against its introduction in terms of the impact on businesses, community groups and a wide range of users. It seems the only potential logic, if there is one, is that it would make money, but no evidence has been put forward to show this is the case. We know where paid parking has been introduced in other villages and towns throughout the country that it has been a disaster and one in three schemes is losing money. It has been reported that local authorities around the country are losing millions of euro due to pay parking. There are many reasons against it and no case has been put forward to any of the interest groups that have been in touch with the Department showing that a proper feasibility analysis and cost-benefit analysis have been carried out. Have such analyses been carried out by the Department? If so, what is the estimated income and on what charging structure, for example, hourly and daily rates, is that estimate based? What is the estimated cost of operating the system? Installing parking meters incurs a significant start-up cost and the ongoing cost of policing the system needs to be taken into account. Has an analysis of the likely loss of revenue to the State from other sources been conducted? Undoubtedly, Howth's struggling businesses will be driven out of business by extra charges. Jobs will be lost. Have these factors been taken into account? Has the experience in other areas been considered? In Dún Laoghaire, for example, the Irish Sailing Association has written to the Department highlighting the problems brought about by the introduction of pay parking.

If the Minister of State cannot tell me whether such an analysis has been done, it will be shocking. Such a significant decision should only be based on proper research and analysis. However, if an analysis has been done, will it be published in order that the stakeholders can see the rationale on which the Department has based its decision?

**Deputy John Perry:** I thank the Senator for raising this matter. I convey the Minister, Deputy Simon Coveney's regrets for being unable to be present.

In terms of the issues raised and to set the context, Howth is one of six fishery harbour centres operated by the State, each of whose primary purpose is to provide facilities and services for the fishing industry and fisheries-related activities. Howth fishery harbour is, first and fore-

most, a working fishery harbour. As such, commercial traffic servicing the fishing side and the various ancillary enterprises requires full access with appropriate parking arrangements. Social harbour users such as the yacht club and others also require reasonable access to parking. A large number of parking spaces in the fishery harbour are currently being taken up by commuters using the nearby DART service during the working week.

All users need to be accommodated in a safe and secure facility. It is generally acknowledged that traffic and parking management within the fishery harbour centre needs to be addressed, particularly in the light of the concerns raised about safety and emergency access by the Coast Guard, the life boat service and the Garda. The introduction of pay parking is only one of a number of measures being introduced to address these concerns.

There has been significant capital investment in the fishery harbour centres in recent years, underpinning the fisheries side and, in parallel, their expanding use for leisure and marine tourism and other maritime enterprises. Howth in particular has a long tradition in both respects. In the current economic climate, the State must be fully committed to maximising the return on its investment. Furthermore, the Minister's Department is required to ensure that the fishery harbour centres are run on a financially sound basis. It is in these contexts that he is giving consideration to the introduction of a charge for parking facilities within Howth fishery harbour centre, just as a charge is made for using any other of its facilities.

As provided under the Fishery Harbour Centres Act 1968, all income generated by the fishery harbour centres goes into a ring-fenced fishery harbour centres fund that is used exclusively for day-to-day operating, management and development costs. It is the only source of income available for this purpose. Without it, fishery harbour centres would not function and could not provide a service to their customers, namely, the harbour users and the visiting public. In the Minister's opinion, it is illogical that some harbour users would expect to continue to use such a facility free of charge while other harbour users, those who are already paying into the fund for using the harbour facilities, are effectively paying for its upkeep.

The introduction of pay parking at Howth fishery harbour centre was originally examined in detail in 2007 in the context of a proposed Howth traffic and parking management plan in conjunction with Fingal County Council. The Senator has undoubtedly seen that report. However, the plan did not proceed. There was widespread public consultation at the time and all of the various views expressed and submissions made are still on file. The Minister is well aware of the concerns as then expressed and is in receipt of new correspondence on this matter on an ongoing basis.

Departmental officials have formally and informally met officials of Fingal County Council's operations department regarding the plans to introduce pay parking, as well as other traffic management enhancements. Officials have also met the Garda about this and other related matters and Department engineers have met some of the harbour's business tenants individually about new traffic management, road markings, etc. Departmental officials also attended a recent harbour users forum where pay parking was on the agenda.

The current rates and charges order, SI 214 of 2012, provides for a charge for parking in the fishery harbour centres. No tariff has yet been fixed for Howth, but with approximately 500 parking spaces within the boundaries of the fishery harbour centre, it is clear that there is a source of revenue in the form of this State asset which was not provided and cannot be maintained for free.



A detailed scheme for pay parking is being developed by departmental officials and the Minister is determined that it will be fair to all users of the harbour, while ensuring that everyone pays a fair share. I do not doubt that the Minister has carried out due diligence in terms of a cost-benefit analysis or that the report will be on file with Fingal County Council. The new parking arrangements will include pay and display parking for harbour visitors and a permit management system for business users. Regular harbour users will have noticed that all currently available parking spaces have been identified and marked recently.

The Department has asked the planning department of Fingal County Council for guidance on the latter's requirements concerning possible environmental and visual impacts of pay and display machines and associated directional signage and will be pleased to take account of any requirement and recommendation the planning department might have.

The additional revenues to be generated from pay parking at the Howth fishery harbour centre will be reinvested in facilities and enhancements that would not otherwise have been possible, given the current financial constraints. These improvements can only be of benefit to the marine and leisure tourism sectors and local economies in general. In the long term, the Minister believes that harbour users and Howth people in general will recognise the benefits that will accrue from this previously untapped resource.

**Senator Averil Power:** I thank the Minister of State for his attendance and reply. As I appreciate that he is providing the answer on behalf of the Minister, Deputy Simon Coveney, I understand he is not in a position to answer some of my more detailed questions. However, the reply presents no evidence of this measure having been thought through properly. It is laden with language about the principle that users should pay, but the logic of a cost-benefit analysis is not evident. There is no evidence that the Department has considered the real cost of introducing charges.

As with previous responses from the Department on this issue, the Minister of State's reply focused on the marine aspect. While I appreciate that this is the main focus of the Department of the marine, we are supposed to have a whole-of-government approach. It is everyone's responsibility at the Cabinet table to look beyond their individual Departments to the impact of measures on local businesses, community groups and jobs. If people lose their jobs in Howth businesses, they will receive social welfare payments.

I respect the fact that the Minister of State is not in a position to answer my questions, but will he raise the issue with the Minister? This is a serious matter. People will lose jobs because others will be put off the idea of travelling to Howth. The area has a small population and is dependent on tourism. The charging measure should have been thought through properly. From the reply, I have no confidence that it was. Will the Minister of State ask the Minister to correspond with me directly with the answers to my more specific questions on a cost-benefit analysis?

**Deputy John Perry:** The reply was comprehensive. There are 500 car parking spaces in Howth, a prosperous part of Dublin. There was a study in 2007, with due diligence carried out then. All the information and cost-benefit analysis is with Fingal County Council. Taking into account the emergency services that use the facilities and enhancement of the region, it is an important issue. This is one of the six State-owned harbours. The matter was initiated in 2007 during the term of office of the last Administration.

**Senator Averil Power:** It did not proceed at the time for very good reasons.

**Deputy John Perry:** The legacy of the last Government is, unfortunately, still being felt. That was a time when the country was awash with money but no decision was made to benefit any business community. I have no doubt that the interaction involving business people will lead to collaboration that will benefit the region. I am from a business background and we cannot assume that it is good having 500 car parking spaces free of charge. I come from Sligo town, which does not have anything close to Howth Harbour's locational advantages or amenities but there is still paid parking, even in centres that are out of town. A reasonable charge would allow the State reinvest some of the money.

The Minister is open to any reasonable suggestion for a new parking regime. I assure the House that he will try to be fair to all users of the harbour while ensuring everybody would pay a fair share. The day when the country was awash with money that could be thrown at everything is gone and a cost benefit has been carried out for this proposal.

**Senator Averil Power:** I have a brief observation.

**An Cathaoirleach:** There is no provision for further supplementary questions.

**Senator Averil Power:** The reality of the impact is understood by local businesses which must live with the reality of other extra charges placed on them. There is a genuine fear about the issue and I am not raising it for any reason other than that they are worried business will be lost.

**Deputy John Perry:** The business people will approve of it.

**An Cathaoirleach:** There is no provision in Standing Orders for this.

### **Organ Donation**

**Senator Colm Burke:** This matter relates to organ donation and I thank the Minister of State for coming to the House to address it. The matter was raised at the Joint Committee on Health and Children last week, with a number of groups before the committee as a result of representations made by Senator John Crown. A matter arising during the discussions was a lack of co-ordination in the promotion of organ donation.

The Irish Donor Network consists of the Irish Kidney Association, the Irish Heart and Lung Transplant Association, the Cystic Fibrosis Association, the Irish Lung Fibrosis Association, Alpha One, the liver transplant unit in St. Vincent's Hospital, the transplant co-ordinators in Beaumont Hospital and the Irish eye bank. These groups work as a network, but there is little or no support within the HSE and the Department of Health to assist them in promoting the idea of organ donation. They have sought co-ordination and a plan that would involve all interested bodies. If necessary, all the bodies should be able to sit down with personnel from the HSE and the Department. People require transplants, but there is a long waiting list because the organs are not available for donation, which is a concern.

**Deputy John Perry:** I thank the Senator for raising this important issue which I will address on behalf of the Minister for Health, Deputy James Reilly.

For many patients, transplantation is now the treatment of choice for end-stage organ failure. Ironically, its success has led to organ shortages and it is important for all concerned to highlight the enormous benefits to patients of organ transplantation and to create a greater awareness of the continuing need for people to become organ donors. The programme for Government envisages the introduction of an opt-out system of organ donation, with a view to improving the availability of organs for patients in need of transplantation. This will, of course, require detailed consideration and further consultation and the Minister for Health is developing proposals for Government on this matter.

In addition to consent systems, there is evidence from other countries that good co-ordination at hospital level and counselling arrangements for relatives are significant factors in achieving high organ donation rates. In conjunction with the HSE's national organ donation and transplantation office, the Minister for Health is considering what practices and organisational changes could further improve donation rates in this country. This office is developing a plan for the introduction of changes and improvements in donation and transplantation systems and practice in order that as many patients as possible benefit from a proactive and successful programme of organ donation. This includes the identification and deployment of donor co-ordinators in hospitals across the country.

The national organ donation and transplantation office is advised by a group of transplant professionals and also has regular interactions with the Irish Donor Network. The Minister is due to meet with representatives of the Irish Donor Network next Monday. Funding has been provided through the national lottery to support the organ donor awareness campaign for a number of years. I take this opportunity to share with the House some initiatives which are under way which will serve to highlight the benefits of organ donation.

Following discussions between the Department of Health and the Road Safety Authority, the new driving licence application form contains a question asking applicants if they would like a code on their licence indicating their wish to become an organ donor. Since the introduction of a new type of driving licence on 19 January, the code that will appear on new driving licences issued to people who indicate that they wish to become an organ donor is 115. The Department is also in discussion with the Department of Social Protection with a view to including a similar code on the public services card.

The EU action plan on organ donation and transplantation aims to reinforce cooperation between member states through the identification and development of common objectives and guidelines, jointly agreed indicators and benchmarks, regular reporting and identification and sharing of best practices. Directive 2010/53/EU which was transposed into Irish law in August last year sets standards of quality and safety and will help to minimise the risks of transmission of disease and to protect the health of organ recipients.

The Minister for Health and his Department will continue to work in collaboration with the HSE, voluntary organisations and health professionals to raise awareness of organ donation and enhance donation and transplantation rates for both living and deceased donors.

**Senator Colm Burke:** I thank the Minister of State for a very comprehensive response. I am delighted the Minister is meeting representatives of the Irish Donor Network next Monday. One group that seems to be left out of the response is the HSE and I wonder if the Department will take on board the important role that it must play in the co-ordination effort. I ask that this point be taken to the Minister.

**Deputy John Perry:** There is co-ordination within the hospital network which is encouraging and I am quite sure of the role of the HSE and autonomous hospitals being planned by the Minister. I will take the Senator's observation directly to the Minister. I assume the HSE is included, although the reply does not indicate that the executive is involved. Within the hospital structure, the HSE would be a delivery mechanism. I thank the Senator for raising this important issue. The Minister is holding a meeting on Monday and the use of the new driving licence is very good news. The Minister for Social Protection, Deputy Joan Burton, is also considering the use of an indication of donor intent on the social welfare card, which is also positive news. People can be instantly aware if a person is prepared to be an organ donor. I have no doubt the Senator will speak to the Minister directly, but I will raise his concerns also.

### **Hospital Services**

**Senator Martin Conway:** I welcome the Minister of State to the House. I raise this issue on foot of a news report from last week or the week before concerning a young person who had a cochlear implant inserted and had to wait four years to have a second implant. The report indicated that Beaumont Hospital had made a submission to the Department of Health for funding in order to do both ears at one time when treating a young person. It seems highly unusual and unacceptable to me that a hospital would carry out an operation to implant one device into a child's ear yet wait four years to do the second ear. By then the child will have developed and his or her hearing will have developed in certain ways. The time between both procedures is not best practice. On making inquiries it turned out that such delays happen, but that is unacceptable. It makes sense to treat both ears at the same time. I am sure that there is a waiting list to get the first treatment done. It makes medical and economic sense to implant a device in both ears at the one time thus leading to a greater improvement in the child's hearing. This is a no-brainer. No one should have to wait years to have a second device implanted and I hope that the Minister of State will have a positive response.

**Deputy John Perry:** Yesterday the Taoiseach comprehensively dealt with the matter in the Dáil and I thank the Senator for raising this important matter in the Seanad.

Beaumont Hospital is the centre for delivering Ireland's national cochlear implant programme with surgical provision for patients under six years of age carried out in the Children's University Hospital, Temple Street. Beaumont Hospital's annual budget for provision of the service, inclusive of implants, is €4 million. Since the programme commenced 17 years ago over 700 patients have received cochlear implants. I am advised that Beaumont Hospital carried out 90 cochlear implants in 2012; therefore, 48 adults and 42 children received implants.

In addition to providing the surgical services, the programme provides a comprehensive assessment service for potential candidates and a rehabilitative service for those actually implanted. There are three target groups that could benefit from cochlear implantation: prelingually severely or profoundly deaf children from one year to five years of age; post-lingually severely or profoundly deaf children from six to 17 years of age; and post-lingually deafened adults.

There is good evidence on the benefits of cochlear implantation and on the added benefit of bilateral implantation for children. In 2009 the United Kingdom's National Institute for Health and Clinical Excellence, NICE, recommended simultaneous bilateral cochlear implantation as best practice for children. The HSE undertook a national review of audiology services. The group was tasked with examining the services provided to children and adults nationwide and

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with formulating a national plan for the service. The report was published by the HSE in 2011. It provides the blueprint for the planning, development and delivery of HSE audiology services from newborn screening to assessment and management of adults and children with hearing problems, including cochlear implantation. Two of the main recommendations include the national roll-out of a universal newborn hearing screening programme and the establishment of a bone anchored hearing aid programme. The report included a recommendation that continued ring-fenced financial support be provided for the cochlear implant programme but at levels which allow for simultaneous bilateral implantation for children.

The HSE's audiology clinical care programme was formed since to oversee the implementation of the recommendations detailed by the report. Progress is being made on the modernisation of audiology services in Ireland, with the introduction of a universal national programme of newborn hearing screening a key priority. It will ensure all babies have their hearing screened shortly after birth.

While no dedicated programme for simultaneous or sequential implantation is being carried out here at this time, some bilateral implantation has occurred for patients, mainly very young children with certain medical conditions such as a history of meningitis or blindness. It is estimated that there are approximately 200 children in Ireland today who may be suitable for a second implant. Not all suitable patients proceed with the second implant when appraised of the all the issues involved.

The HSE is working closely with Beaumont Hospital to progress plans for both simultaneous and sequential bilateral implantation. The hospital, HSE management and the HSE's audiology clinical care programme have met recently to discuss a joint process to identify the options for developing and resourcing a programme of simultaneous and sequential cochlear implantation. An important element will be the development of clear clinical criteria to prioritise clients for assessment and follow on implantation. These plans will be progressed through the HSE 2014 Estimates process.

**An Cathaoirleach:** I thank the Minister of State.

The Seanad adjourned at 1.55 p.m. until 2.30 p.m. on Tuesday, 19 February 2013.