



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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## DÁIL ÉIREANN

*Déardaoin, 29 Samhain 2012*

*Thursday, 29 November 2012*

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

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*Paidir.*

*Prayer.*

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### Visit of Scottish Delegation

**An Ceann Comhairle:** Before proceeding with business, on my own behalf and that of the Members of Dáil Éireann, I offer a most sincere cead míle fáilte to Ms Tricia Marwick, MSP, Presiding Officer of the Scottish Parliament. I express the hope she will find her visit enjoyable and successful and to our mutual benefit.

### Leaders' Questions

**Deputy Willie O'Dea:** A press conference is being organised by the Irish Nurses and Midwives Organisation to unveil the results of research carried out by Dr. Keith Hurst, an international expert on comparative medical staffing levels. The results of his research are stark and frightening. They suggest patient safety is being compromised and give the lie to the notion that front-line services are being protected. One finding is that comparative staffing levels are significantly lower than in the United Kingdom. For example, there are six fewer staff in 25-bed surgical wards here and 3.5 fewer staff in medical wards, 13.5 fewer staff in AAUs and 3.25 fewer staff in wards providing elderly care. I do not know if the Tánaiste is aware that last week a report was published by the relevant authority in the United Kingdom which indicated that in 25% of units in the United Kingdom, which are significantly better staffed than ours, nurse staffing ratios were below minimum safety standards, which resulted in hundreds of premature mortalities. The Tánaiste will be aware that the Government proposes to reduce staffing levels in the health service by 3,700 during the next 12 months and by 3,700 the following year. Taking all of this into account, what assurance can he give to the people that the Government is maintaining a safe health service for those forced to use it?

**The Tánaiste:** The Minister for Health will examine the results of the INMO study when published. Without the full details of how the work was undertaken and the findings, it is not possible to comment in detail on the study at this point. I am aware that other studies have cited figures which suggest Ireland has a more favourable nurse to patient ratio than in the United Kingdom. The Government has determined, in line with its commitment to reduce the size of the public service, that health sector employment numbers must be reduced substantially in 2013 and 2014. Spending on health services will also have to be tightly controlled. The cumu-

lative impact of staff reductions this year and in previous years presents a significant challenge to the health system in delivering services. The priority is to reform the way health services are delivered to ensure a safe, more productive and cost effective health system. Effective service delivery requires processes to ensure there will be sufficient staff, with the right skills, diversity and flexibility at the right time to provide high quality care.

Skills mix is a central factor in staffing decisions. The Croke Park agreement has been crucial to the ability of the health service to manage in the difficult circumstances of recent years. The flexibility and adaptability shown by staff, including nursing staff, have meant that even with reduced numbers, service levels have largely been maintained, while performance in relation to emergency departments and hospital waiting lists has been markedly improved. In the grace period earlier this year the focus of the Minister for Health and health service management was on ensuring all critical and essential services were maintained. This was successfully achieved through measures that included the reorganisation of resources, more flexible working arrangements and the filling of a limited number of critical posts. The continuing reduction in staffing increases the need for reform, including greater flexibility in work practices and rostering and redeployment. The HSE is committed to fast-tracking innovative and more efficient ways of using reduced resources, including by providing for greater flexibility in work practices and rostering, especially of nursing and medical staff, and the changing of the skills mix. Further flexibility and efficiency measures are provided for in an updated health service action plan which has recently been completed.

**Deputy Willie O’Dea:** The Tánaiste appears to dismiss out of hand the results of this research, even before he has studied it. He must be aware that his colleague, the Minister for Health, in justifying his decision to proceed with a HSE inquiry in the case of Ms Savita Halappanavar, has said he owes a duty of care to the women of Ireland. Is the Tánaiste aware that the recent report from the State Claims Agency indicates that there were 5,600 accidents or near accidents in the area of childbirth in hospitals last year? The total number of accidents and near accidents is 86,000 which cost the health service €81 million in claims last year. Is the Government going to take action on this research? Will it, at a minimum, organise risk assessments of all staffing levels, or is its concern for the safety of those using hospital services confined to bringing forward legislation to deal with the outcome of the X case?

**Deputy Brendan Howlin:** That is a scandalous comment.

**The Tánaiste:** Having raised one issue and gotten an answer-----

**Deputy Willie O’Dea:** I did not get an answer - that is the problem.

**The Tánaiste:** -----Deputy O’Dea now switches tack to two or three other issues. I will now take each of the points he made in sequence. The Government is not dismissing out of hand the study conducted for the INMO. I told the Deputy in my reply that the Minister for Health would examine the results of that study when it is available. Deputy O’Dea will agree that it is prudent, if not courteous to those who produced it, that we at least await its publication and examine, in detail, what it contains. I said to the Deputy, clearly, that the Minister for Health will do that.

In respect of the reductions in staff that have taken place in the health service, I again pay tribute to the staff who work in our health services, including nursing staff, who have been flexible and adaptable and who are providing the best possible level of care to patients.

**Deputy Finian McGrath:** The issue is that there are not enough of them.

**Deputy Willie O’Dea:** They are burnt out.

**The Tánaiste:** They are taking on additional responsibilities and extra work as part of the undertakings to which they committed under the Croke Park agreement.

In respect of the issue that Deputy O’Dea now attempts to raise, it is unworthy of him to try to haul into this question the tragic case of Savita Halappanavar. The Deputy’s party leader, only a week ago, acknowledged that this country is one of the safest in the world for childbirth.

**An Ceann Comhairle:** I call Deputy McDonald, on behalf of Sinn Féin.

**Deputy Mary Lou McDonald:** Today we read details of the Government’s plan to tax the family home, leaked to the media by the Government. The plan to tax the family home is straight out of Fianna Fáil’s four year plan.

**Deputy Aodhán Ó Ríordáin:** It is Sinn Féin’s policy in the North.

**Deputy Mary Lou McDonald:** This Government is continuing to implement Fianna Fáil’s austerity plan.

**Deputy Emmet Stagg:** What about Sinn Féin in Northern Ireland?

**Deputy Mary Lou McDonald:** I am glad that Fianna Fáil has had a Pauline conversion on the road to Damascus.

**Deputy Timmy Dooley:** Sinn Féin would know all about that sort of thing. The consequences would be worse if they had not converted.

**Deputy Mary Lou McDonald:** That party now opposes its own policy, it seems, in a truly remarkable spectacle of political gymnastics.

**Deputy Niall Collins:** The Deputy seems to be very worried about us.

**Deputy Mary Lou McDonald:** The party might be a bit late in terms of convincing the electorate, however.

The plan to tax the family home is a crazy policy.

*(Interruptions).*

**Deputy Emmet Stagg:** It is Sinn Féin policy in the North.

**An Ceann Comhairle:** Please, Deputies.

**Deputy Michael Conaghan:** There are two Sinn Féins.

*(Interruptions).*

**An Ceann Comhairle:** The Deputies are wasting time. Thank you. The Tánaiste will have a chance to reply.

**Deputy Derek Nolan:** Sinn Féin are the arch partitionists.

*(Interruptions).*

**Deputy Mary Lou McDonald:** The Tánaiste knows that we are dealing with the consequences of a burst property market; that people were ripped off and paid outrageous sums for houses which have subsequently lost 50% or more of their value; that young couples are left raising children in one and two bedroom apartments or houses that are too small, with no prospect of moving on; that there are 160,000 families in mortgage distress, who cannot pay their mortgages and who are struggling on interest-only mortgages; and that thousands have paid out huge sums in stamp duty. Now the Government comes along and slaps a tax on the family home.

**Deputy Aodhán Ó Ríordáin:** It is good enough for the people of Newry.

**Deputy Mary Lou McDonald:** The Tánaiste ought to be ashamed of himself for doing this.

**Deputy Brian Stanley:** What about the Ministers and their tax breaks?

**Deputy Mary Lou McDonald:** Why is the Government continuing to take the soft options? Why does the Government continue to place the burden on low and middle income families, on the coping classes and the working poor? Why is it that the Government is continuing with this plan to tax people's homes which is one of the failed policies of Fianna Fáil?

**Deputy Dinny McGinley:** What is the Deputy doing about it in the North?

*(Interruptions).*

**Deputy Brendan Howlin:** The Deputy is being very partitionist.

*(Interruptions).*

**An Ceann Comhairle:** Deputies, please. There are some Deputies making noise in this Chamber who should know better. The Tánaiste to reply please. Thank you.

**The Tánaiste:** Sinn Féin used to believe in equality between North and South, which is a view to which I subscribe.

**Deputy Michael Conaghan:** There are two Sinn Féins.

**An Ceann Comhairle:** The Tánaiste does not need any help.

**Deputy Brian Stanley:** The tax in the North pays for services.

**The Tánaiste:** Deputy McDonald will know that a house valued at £150,000 in Antrim is subject to a property tax of £1,100.

*(Interruptions).*

**Deputy Sandra McLellan:** Yes, but what do the taxpayers get for that?

**Deputy Brian Stanley:** Services are actually provided.

*(Interruptions).*

**An Ceann Comhairle:** Settle down, Deputies, please.

**The Tánaiste:** The owner of a house valued at £100,000 in Strabane pays £714 in property tax and a house-----

**Deputy Willie O’Dea:** When the shiners get in that will all change.

*(Interruptions).*

**An Ceann Comhairle:** Deputies, please, there is a time limit on this question.

**The Tánaiste:** A house valued at just £75,000 in Coleraine is liable to a property tax of £506. Does the hypocrisy-----

**Deputy Eric Byrne:** Who would want to live in Northern Ireland?

**Deputy Sandra McLellan:** At least they know what they are getting for their money.

**An Ceann Comhairle:** Please allow the Tánaiste.

**The Tánaiste:** Does the hypocrisy of Sinn Féin know any bounds at all? The position is that the Government made it clear that we will introduce a local property tax which will replace the household charge. That is a budgetary matter which is under consideration by the Government and the Minister for Finance will announce the details of it on budget day.

**Deputy Mary Lou McDonald:** I do not think that the Tánaiste’s attempts at diversion qualify as an answer.

*(Interruptions).*

**Deputy Emmet Stagg:** Deputy McDonald really walked into it this time.

**An Ceann Comhairle:** Sorry, Deputies, we do not need your help.

**Deputy Mary Lou McDonald:** If he had done his research, the Tánaiste would know that the rates system in the North is a world away from the tax that his Government proposes to place on the family home.

**Deputy Aodhán Ó Ríordáin:** It is only a few miles up the road.

*(Interruptions).*

**Deputy Mary Lou McDonald:** It is a world away from it.

*(Interruptions).*

**An Ceann Comhairle:** Deputies are on their final warning. The next person who causes trouble, from either side, is out. Do Deputies understand me? I am not putting up with abuse about my chairing of the House while Deputies get away, scot free, for roaring and shouting. Deputy McDonald to proceed, without interruption.

**Deputy Mary Lou McDonald:** How does the Tánaiste imagine families will find an additional €400 or €500? Where are the exemptions? The media reports refer to deferrals of payment of the tax on the family home but a deferral is not a waiver. I ask the Tánaiste, at the very minimum, to reassure those who are out of work, who live on a pension and those who literally count the cents - not the euros, but the cents - month on month, as they try to meet their bills,

that the Government will grant waivers. Even if the Government is minded to proceed with this crazy policy, I ask that the Tánaiste have the decency to take account of the reality of people's lives and to grant extensive waivers. I ask him to spell that out now.

**The Tánaiste:** It would be advisable for Sinn Féin to at least await the announcement of the budget before it starts charging in, attacking what it thinks are elements of it.

**Deputy Mary Lou McDonald:** The information came from a Government source.

**The Tánaiste:** The party should at least await the announcement by the Minister for Finance on budget day. The budget will be a difficult one, although I note that Sinn Féin in its pre-budget submission acknowledges, on this occasion at least, that an adjustment of €3.5 billion will have to be made this year. Deputy McDonald can rest assured that the budgetary measures introduced by the Minister for Finance will be fair and balanced.

**An Ceann Comhairle:** I call Deputy Boyd Barrett.

**Deputy Richard Boyd Barrett:** A number of weeks ago Social Justice Ireland revealed that one in ten children goes to school without proper clothing or breakfast. The CSO revealed recently that 10% of the population is living in food poverty. Today we read, in a report from Trinity College and the ESRI, that two thirds of families of thousands of teenagers surveyed for the Growing Up In Ireland study are experiencing significant hardship and that the number of families in that situation has doubled in four years. Another survey reveals that nine out of ten people believe that after the forthcoming budget they will have less money to pay for basic food items. It is incredible that poverty and hunger are stalking the land in the 21st century. Against this background the Government plans to impose a tax of between €400 and €500 per year on the homes of already struggling families. Is there any red line the Labour Party will not cross? Is it willing to drive hundreds of thousands of families into poverty and hunger? Can the Tánaiste give us an assurance that those who are already struggling to put food on the table, clothe their children and pay their bills will be given protection and perhaps even relief in the forthcoming budget?

**The Tánaiste:** Once again Deputy Boyd Barrett manages to twist things. The figures he cited refer not to people who are in poverty but to those who are at risk of poverty. The reality is that Ireland has one of the lowest levels of poverty risk in the OECD. That said, however, poverty and risk of poverty are real concerns for this Government. That is why we have to restore our public finances. We are borrowing €3 out of every €10 that we spend on social protection, education, health and delivery of services. If we cannot continue to do that we will be condemning the children of the future to poverty. This Government is not going to do that. Our priority is to restore our public finances so that we can pay for the social protection programmes required to keep people out of poverty and in a decent living. That is why we have prioritised getting people into employment, sustaining employment and working towards a sound economy. The best way of getting out and staying out of poverty is to have a job and a decent income. That is the priority of this Government.

Although we would all wish it were otherwise, we are in a financial crisis. We can complain forever about why we got into that financial crisis or who was responsible for putting us into it, but the responsibility of the Government, which we are not going to shirk, is to get out of the economic crisis and ensure the country has the resources to provide for our people and keep them out of poverty.

**Deputies:** Hear, hear.

**Deputy Richard Boyd Barrett:** I will take that as a “No”. The Tánaiste cannot give an assurance to hundreds of thousands of families who are living in poverty. Approximately 700,000 children live in poverty and hundreds of thousands more are hovering just above the poverty line. He cannot assure them they will be protected or get relief from the dire circumstances they face.

The Tánaiste says there is no alternative because we must restore the public finances. A couple of weeks ago I asked a question on corporation tax which revealed that corporations that made profits in this State of €61 billion last year only paid an effective tax rate of 6.5%. If the Government brought the rate up to 12.5% it would raise between €3 billion and €4 billion and do away with the need for property taxes or further cuts in health services and education. Will the Government make corporations with multi-billion euro profits take the hit rather than families who are struggling with poverty and, in some cases, hunger?

**The Tánaiste:** I can give an assurance to people in this country that the approach we are taking, which is a rational approach to dealing with the financial and economic crisis-----

**Deputy Billy Kelleher:** Obviously he was being irrational in Opposition.

**The Tánaiste:** -----will restore our economy, get people back to work and ensure the country has the money to provide for social protection, social services, education, health services and all the other services we need to ensure people do not slip into poverty and are supported in getting out of poverty. That cannot be done by simply shouting at the problem.

**Deputy Richard Boyd Barrett:** Increase the effective corporation tax rate.

**The Tánaiste:** Do not be daft. The rate of corporation tax in this country is, by any standard, a strong and effective rate.

**Deputy Richard Boyd Barrett:** These companies paid €4 billion in tax out of profits of €61 billion.

**The Tánaiste:** Deputy Boyd Barrett should get a grip. Stop shouting slogans at everything.

**Deputy Timmy Dooley:** They are from your manual.

**The Tánaiste:** We need to continue to attract companies that will invest and create jobs here. Last year was the best in the past decade for attracting inward investment to generate direct and spin-off employment in the domestic economy. Deputy Boyd Barrett simply does not want them. He wants to chant slogans at them. He wants to send them away.

**Deputy Richard Boyd Barrett:** I simply want them to pay tax.

**The Tánaiste:** They are paying tax.

**An Ceann Comhairle:** We are over time.

**The Tánaiste:** These are the people and companies that we want to attract to this country in order to create jobs. That is how we will get out of the economic crisis, not by running around like a blue-behind fly waving slogans.

**Deputy Billy Kelleher:** With placards.

**Deputy Niall Collins:** Signing pledges.

### **Order of Business**

**The Tánaiste:** It is proposed to take No. 12, Supplementary Estimates for Public Services [Votes 12, 20, 22, 31 and 32] - back from committee; No. 13, motion re proposed approval by Dáil Éireann of the terms of the draft scheme entitled Credit Institutions (Eligible Liabilities Guarantee) (Amendment) Scheme 2012; No. 21, Health and Social Care Professionals (Amendment) Bill 2012 - Order for Report, Report and Final Stages; and No. 2 - Civil Defence Bill 2012 [Seanad] - Second Stage.

It is proposed, notwithstanding anything in Standing Orders, that No. 12 shall be decided without debate; Votes 12, 20, 22, 31 and 32 shall be moved together and decided by one question which shall be put from the Chair, and any division demanded thereon shall be taken forthwith; and the proceedings in relation to No. 13 shall, if not previously concluded, be brought to a conclusion after 65 minutes, and the following arrangements shall apply: the speeches of a Minister or Minister of State and the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group, who shall be called upon in that order, and who may share their time, shall not exceed 15 minutes in each case; and a Minister or Minister of State shall be called upon to make a speech in reply which shall not exceed five minutes.

**An Ceann Comhairle:** Is the proposal for dealing with No. 12 without debate agreed to?

**Deputy Mary Lou McDonald:** It is not agreed. I object to this matter going through without debate. The Supplementary Estimate seeks an additional €35 million for the payment of Civil Service pensions. I recognise that the vast bulk of civil servants are in receipt of very modest pensions, with €30,000 being the norm, but the Government has categorically failed-----

**An Ceann Comhairle:** Sorry; we cannot debate the issue.

**Deputy Mary Lou McDonald:** -----to deal with the excessive pension pots of a minority. It is unacceptable to look for €25 million in additional resources one week before another vicious budget when the Government will not deal with the issue of runaway pensions and pension pots.

**Deputy Willie O’Dea:** I am not opposing the Order of Business on this matter but I would like an assurance from the Tánaiste that the House will get an opportunity to discuss it.

*11 o’clock*

**The Tánaiste:** These Estimates were discussed at committee and there will be an opportunity after the budget is announced for a debate in the House.

Question, “That the proposal for dealing with the Supplementary Estimates for Votes 12, 20, 22, 31 and 32 for the service of the year ending 31 December 2012 be agreed to,” put and declared carried.

**An Ceann Comhairle:** Is the proposal for dealing with No. 13, motion re proposed approval by Dáil Éireann of the terms of the draft scheme entitled Credit Institutions (Eligible

Liabilities Guarantee) (Amendment) Scheme 2012 agreed to? Agreed.

**Deputy Willie O’Dea:** The Department of the Environment, Community and Local Government has a number of items of legislation on the Government’s legislative programme. Is there anything in those pieces of legislation that will be used to reduce commercial rates? These rates are crippling small businesses, particularly retail businesses, throughout the country. Also, is there legislation on the way that will allow the Government to revisit the issue of upward only rents or is that issue finally dead in the water?

**An Ceann Comhairle:** We can only debate matters relating to promised legislation.

**The Tánaiste:** The issue of commercial rates is a matter for local authorities and they have discretion as to what they do in that regard. With regard to upward only rents, the Minister for Finance informed the House of the Government’s position on this issue in the last budget.

**Deputy Willie O’Dea:** So it is dead in the water and there is no progress on it.

**Deputy Mary Lou McDonald:** I have two questions. The first relates to the taxi regulation Bill. The Tánaiste will be aware of the pressure taxi drivers across the State are under. The deregulation of the industry some years ago was a disaster. When can we expect that Bill? Second, the ombudsman has found, once again, that the Department of Health and Children is operating a scheme in breach of the Equal Status Act, namely, the motorised transport grant. Previously we learned of a similar breach in respect of the mobility allowance. Has the Government sought legal advice on this matter and how does it explain this ongoing breach? Will the Minister for Health and Children present himself to the Dáil to make a statement on this matter?

**An Ceann Comhairle:** That is not a matter for the Order of Business. Perhaps the Whips could agree something with regard to that second issue.

**The Tánaiste:** The taxi regulation Bill is being prepared by the Minister of State, Deputy Alan Kelly. The text of the Bill was approved by Government this week and it is hoped to publish the Bill this session. On the second matter, we have a parliamentary question procedure in the House and I am sure the Minister for Health and Children would be happy to answer a question on that matter if the Deputy cared to submit it.

**Deputy Mary Lou McDonald:** Does the Tánaiste have a view on it?

**Deputy Bernard J. Durkan:** The issue of crime continues to be a major issue, particularly in respect of crimes committed by people-----

**An Ceann Comhairle:** I thought it had gone away for a while.

*(Interruptions).*

**An Ceann Comhairle:** Sorry for the interruption.

**Deputy Bernard J. Durkan:** Some things remain constant. The issue of crime committed by those on bail continues to be a concern. Can the Tánaiste indicate when the bail Bill is likely to come before the House? Have the heads been discussed in Cabinet and what progress will be made on the Bill over the next few months?

**An Ceann Comhairle:** The Deputy got there eventually.

**The Tánaiste:** There are 40 heads to the bail Bill, which will consolidate and amend the bail laws. The draft heads are at an advanced stage, but I am not in a position to indicate a time for publication.

**Deputy Sean Fleming:** I have questions regarding three pieces of promised legislation from the Department of Jobs, Enterprise and Innovation. What is the position regarding the proposal for primary legislation to deal with the amalgamation of the Competition Authority and the National Consumer Agency? What is the position on the promised legislation to rationalise the industrial relations employee rights institutions, the Labour Court, the Labour Relations Commission, the National Employment Rights Authority, the Employment Appeals Tribunal and the Equality Tribunal? Also, what is the position with regard to the promised legislation relating to the review of city and county enterprise boards?

**The Tánaiste:** The heads of the consumer and competition Bill have been approved and it is expected it will be published this session. With regard to industrial relations, the Industrial Relations (Amendment) Act 2012 was enacted on 24 July this year. The heads of the Bill on the dissolution of the county enterprise boards were approved by the Government about one week ago and the Bill is expected to be published in 2013.

**Deputy Sean Fleming:** I think the Tánaiste made a mistake with regard to the second item of legislation when he spoke about legislation published in July. I have a note from his colleague, Deputy Howlin, by way of response to a parliamentary question, in which he said that significant progress had been made to date on the new two-tier general scheme Bill approved by Government. I think the Tánaiste may have been referring to some other legislation.

**The Tánaiste:** I apologise, but I picked the question up wrongly. The legislation in question is the workplace relations Bill, which will provide for reform of statutory workplace relations bodies. The heads of that Bill were approved by Government on 20 July and publication of the Bill is expected early in 2013.

**Deputy Seán Ó Fearghail:** In January, the Minister for the Environment, Community and Local Government gave the House an undertaking that he would do two things with regard to the climate change Bill. He committed to bringing the heads of the Bill to the joint committee and to publishing the Bill before the end of the year, but neither action appears to have happened. What is the position on this Bill? I would also like to raise a matter I have raised previously, namely, the Antarctic treaty. In excess of 40 countries have signed this important international treaty. The Tánaiste indicated in correspondence some time ago that this matter was being dealt with by the Department of the Environment, Community and Local Government. Will he update us on the current position?

**The Tánaiste:** With regard to the climate Bill, a policy analysis being conducted by the NESC is still under way and it is expected the Bill will be published next year. I will revert to the Deputy on the Antarctic Bill.

**Deputy Joe Higgins:** Yesterday, the Taoiseach would not give the Dáil information I sought on the timetabling of the property tax legislation. According to Standing Orders, we are entitled to get that information. I got significant information in a morning newspaper that was leaked from Cabinet yesterday, which answered questions to which we could not get an answer here yesterday. Leaving aside the new vicious austerity being applied in the form of a property tax, which will be resisted and boycotted----

**An Ceann Comhairle:** The Deputy should put his question without adding to it.

**Deputy Joe Higgins:** When will the stand alone property tax legislation be published and when will Second Stage be taken in the Dáil?

**The Tánaiste:** After the budget.

**Deputy Joe Higgins:** After the budget could mean any time between now and next July. Can the Tánaiste be precise? Will Second Stage be before Christmas?

**An Ceann Comhairle:** We cannot have a debate on this. The Deputy has got a reply, after the budget.

**The Tánaiste:** We must await the announcement of the Minister for Finance. Whatever legislative measures are required to give effect to his announcements will then be a matter for consideration by the Dáil, after the budget.

**Deputy Paschal Donohoe:** The Tánaiste is no doubt aware that our anti-corruption laws relating to public life are now over 120 years out of date, which has resulted in terrible costs for our country. The Government has published the Criminal Justice (Corruption) Bill 2012 in draft form and this has gone to public consultation through the relevant committee. Will the Tánaiste give an indication as to when it will be brought before the House?

**The Tánaiste:** The heads of the Criminal Justice (Corruption) Bill to consolidate and reform all of the legislation cited as the Prevention of Corruption Acts 1889 to 2010 in a single statute were approved by the Government on 19 June and have been referred to the joint committee for discussion and consideration.

**An Ceann Comhairle:** I think the Deputy is asking when the Bill is likely to be brought before the House?

**The Tánaiste:** I do not have a date. Obviously, the joint committee will have to consider it first and then it will be brought before the House. After the committee has considered the issue, the Minister for Justice and Equality will consider whatever observations and recommendations are made by it.

**Deputy Timmy Dooley:** I understand the Cabinet made a decision during the week to separate Shannon Airport from the Dublin Airport Authority. Does the Tánaiste expect that legislation will be required to give effect to that decision and, if so, when can we expect to see it before the House?

**An Ceann Comhairle:** Has legislation been promised in this regard?

**The Tánaiste:** The Cabinet has discussed proposals to combine the Shannon Airport Authority and Shannon Development. The Minister for Transport, Tourism and Sport will announce plans for Shannon Airport and Shannon Development in the coming days. The issue of legislation is one that may arise at some point afterwards.

**Deputy Michael Healy-Rae:** The Tánaiste is aware of the importance of the retention of Aer Arann flights to the Aran islands. In the interests of the health and safety of those living on and visiting the islands, will he ensure, in the same way that the Transport (Córas Iompair Éireann and Subsidiary Companies Borrowings) Bill provided for an increase in the borrowing

limit for CIE, some provision is made to ensure the service will be retained?

**An Ceann Comhairle:** When is this legislation due?

**The Tánaiste:** There is no legislation.

**An Ceann Comhairle:** There is no promised legislation.

**The Tánaiste:** The Minister for Arts, Heritage and the Gaeltacht has been dealing with the matter. Both the Minister and the Minister of State at the Department of Arts, Heritage and the Gaeltacht have recently met local representatives to discuss it.

**Deputy Mattie McGrath:** Given the plight of self-employed owner-drivers of lorries in the construction sector who have little work, when will the legislation be amended to allow them to pay as they go for tax purposes----

**An Ceann Comhairle:** About what Bill are we talking?

**Deputy Mattie McGrath:** -----in respect of the non-use of motor vehicles, rather than paying huge amounts in tax for a full week when they might work for only one hour?

**An Ceann Comhairle:** Is there promised legislation on the non-use of motor vehicles?

**The Tánaiste:** The non-use of motor vehicles Bill seeks to amend motor tax legislation to provide for new arrangements for making declarations that vehicles are off the road. The heads of the Bill were approved by the Government on 22 May and it is expected that the legislation will be published this session.

**Deputy Kieran O'Donnell:** There was much discussion recently about the Construction Contracts Bill, known as the sub-contractors Bill. What progress has been made and when will it be brought before the House?

**The Tánaiste:** It will be brought before the House next year.

**Deputy Kieran O'Donnell:** There is urgency attached to the legislation.

**The Tánaiste:** It is expected early next year.

**Deputy Patrick O'Donovan:** On promised legislation, there is much concern among vintners and publicans about alcohol pricing, a matter which has been discussed in the House previously. When is it expected that legislation will be brought before the House?

**The Tánaiste:** The legislation is being worked on by the Minister of State at the Department of Health, Deputy Alex White, and the Minister for Justice and Equality, Deputy Alan Shatter, and is expected to be brought before the House early next year.

## **Estimates for Public Services 2012**

**Minister for Public Expenditure and Reform(Deputy Brendan Howlin):** I move the following Supplementary Estimates:

**Vote 12 - Superannuation and Retired Allowances (Supplementary)**

That a supplementary sum not exceeding €25,000,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2012, for pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Public Expenditure and Reform, fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Board; miscellaneous payments, etc.

**Vote 20 - Garda Síochána (Supplementary)**

That a supplementary sum not exceeding €8,500,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2012, for the salaries and expenses of the Garda Síochána, including pensions, etc.; for the payment of certain witnesses' expenses, and for payment of a grant-in-aid.

**Vote 22 - Courts Service (Supplementary)**

That a supplementary sum not exceeding €5,000,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2012, for such of the salaries and expenses of the Courts Service and of the Supreme Court, the High Court, the Special Criminal Court, the Circuit Court and the District Court and of certain other minor services as are not charged to the Central Fund.

**Vote 31 - Transport, Tourism and Sport (Supplementary)**

That a supplementary sum not exceeding €4,000,000 be granted to defray the charge which come in course of payment during the year ending on the 31st day of December, 2012, for the salaries and expenses of the Office of the Minister for Transport, Tourism and Sport including certain services administered by that Office, for payment of certain grants, grants-in-aid and certain other services.

**Vote 32 - Jobs Enterprise and Innovation (Supplementary)**

That a supplementary sum not exceeding €1,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2012, for the salaries and expenses of the Office of the Minister for Jobs, Enterprise and Innovation, including certain services administered by that Office, for the payment of certain subsidies, grants and a grant-in-aid, and for the payment of certain grants under cash-limited schemes.

Votes put and agreed to.

**Credit Institutions (Eligible Liabilities Guarantee)(Amendment) Scheme 2012: Motion**

**Minister for Public Expenditure and Reform(Deputy Brendan Howlin):** I move:

That Dáil Éireann approves the terms of the draft scheme entitled Credit Institutions (Eligible Liabilities Guarantee) (Amendment) Scheme 2012 a copy of which draft scheme was laid before Dáil Éireann on 26th November, 2012.

**An Ceann Comhairle:** I understand the Minister of State at the Department of Public Expenditure and Reform is taking this motion.

**Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes):** Almost one year ago to the day, the Minister for Finance addressed colleagues in the House on the subject of the bank guarantee scheme, otherwise known as the ELG scheme. A lot has happened since in the banking sector. The covered banks have continued to make progress overall under the financial measures programme - the rigorous analysis of the capital and liquidity requirements of the domestic banks presented in March 2011 - and advanced in terms of recapitalisation, asset deleveraging, deposit inflows and restructuring plans. The recapitalisation of the PCAR banks - AIB, Bank of Ireland and the PTSB - and the IBRC has been successfully completed. According to the survey of European banks carried out by the European Banking Authority published late last year, the Irish banks more than met the minimum standard set down for core tier 1 capital ratio of 10.5%. Deleveraging has progressed well so far and total covered bank deleveraging of about €63 billion had been achieved up until the end of September this year. Further significant disposals have also been targeted for completion by the end of the current quarter of 2012 as part of the pillar banks' planned run-down of non-core balances. With respect to funding, the banks' positions have improved significantly. Deposits in AIB, Bank of Ireland and the PTSB have stabilised, with a gain in net inflows achieved since last year; international debt markets have opened up to the Irish banks; and reliance on ECB funding sources is down on previous levels. As part of the EU-IMF programme, the Irish authorities had submitted revised restructuring plans for all of the participating institutions by the end of September this year. On a related and supportive level, market sentiment towards Ireland as a sovereign borrower has improved considerably and this has been assisted by the re-entry of the NTMA into the bond auction markets, the fall in Irish Government bond yields, from 7.34% last May to 4.47% yesterday, and the prospect of a future agreement on breaking the link between bank debt and sovereign debt.

Against this background, as I have outlined, we have been looking in recent months at the future of the eligible liabilities guarantee scheme. In reply to a parliamentary question to the Minister for Finance on 4 October it was mentioned, *inter alia*, that an *ad hoc* working group chaired by the Department of Finance and involving both the Central Bank and the NTMA was looking to develop a strategy to exit the scheme, consistent with preserving financial stability. In the context of the subsequent recent visit of the troika partners and the eighth review of the programme, it was agreed that such a strategy would be finalised by year end. The early indications from this strategy are that a withdrawal of the scheme could occur in the first quarter of 2013. However, I can assure the House and give reassurance to depositors that the Minister for Finance will give sufficient notice in advance of the withdrawal of the scheme.

I do not want to pre-empt what that strategy will recommend but I am very much conscious of the negative effect that the payment of fees by the participating institutions, in return for the guarantee, is having on those banks' profitability. Furthermore, I am aware that the banks

themselves are anxious to continue to move away from the cover of the guarantee as soon as is practicable. From the perspective of the Government also, and the contingent liability on the State that results from the scheme, I consider its removal would be seen by the markets as a further positive step with respect to re-establishing Ireland's borrowing credentials.

In the meantime, however, while the details of winding down the scheme in the near future are being worked out, it is necessary to address the prolongation of the scheme. In the normal course, the scheme would expire after 31 December 2012 if steps were not taken to extend it beyond that date. Expiry would mean that new deposits made, or debt issued, from 1 January next year would not be covered by the guarantee, although of course liabilities incurred up until that time would continue to be guaranteed until their maturity. It is in this context that the extension of the ELG scheme needs to be considered and I would like to turn to the motion before the House to approve the draft statutory instrument entitled the Credit Institutions (Eligible Liabilities Guarantee) (Amendment) Scheme 2012.

As the House is aware, the ELG scheme, which was introduced in December 2009, provides a Government guarantee in respect of certain liabilities of a number of Irish credit institutions. As I have referred to already, and because of its nature, the scheme is time-limited so any prolongation requires that the scheme be amended periodically. This must be done by bringing a motion before the Houses of the Oireachtas in accordance with section 6 of the Credit Institutions (Financial Support) Act 2008 - the CIFS Act.

The Statutory Instrument before the House, therefore, contains two amendments to the Schedule of the scheme which relate to its extension in time. The opportunity is also being taken to include a third amendment, which is essentially a drafting or technical one. I will deal with these amendments in the order in which they appear in the draft statutory instrument. Item 1 updates a cross-reference which appears in the list of definitions set out in Article 3 of the Credit Institutions (ELG) Scheme 2009. This clarifies that a financial support order means an order under section 6(4A) of the CIFS Act 2008 rather than under section 6(3B), a change that resulted from amendments to the Act made by section 74 of the Credit Institutions (Stabilisation) Act 2010.

Item 2 amends paragraph 3.1(b) of the Schedule to the scheme, which sets out the period within which institutions may apply to join it. This amendment seeks to extend the application period by replacing 31 December 2012 with 31 December 2013.

Item 3 amends paragraph 11.1(c)(ii) of the Schedule to the scheme, which sets out the time-related criteria which a liability must meet to be considered eligible. This amendment seeks to replace the current end date of 31 December 2012, by which eligible liabilities must be incurred if they are to be guaranteed, with a proposed new date in national law of 31 December 2013.

The amendments are, in both cases, "subject to the continuing approval of the European Commission". This role for the Commission arises because, under state aid rules, all banking guarantee schemes require an assessment - every six months - of the case for their continuation. It follows, therefore, that, if approved, such schemes can only be prolonged for a maximum period of six months at a time. Consequently, the ELG scheme would remain subject to biannual Commission approval, notwithstanding the proposed one-year extension in national law, which is essentially a practical step to avoid having to legislate on a too frequent basis.

The necessary approval for prolongation has already been sought from the Commission and

is expected to be formally given shortly. Once given, this would mean explicit EU approval for the scheme until 30 June 2013, that is, for the six months from the end of 2012, in line with existing practice. If, and only if, extension beyond this period were required, would further state aid approval be sought. In addition to obtaining the approval of the European Commission as I mentioned, it is necessary to consult with the ECB: this process is already underway and the bank's opinion awaited. For reasons of good administrative practice and timeliness, it has been necessary to proceed on this basis in advance of the formal consideration of the motion before the House, in line with the procedure on previous occasions.

As is also the normal practice, before deciding to notify the Commission of our wish to seek prolongation of the scheme, the views of the other relevant Irish authorities, the Central Bank and the NTMA, which are part of the usual starting point in any assessment of the future of the scheme, were sought and they were supportive of its extension. I shall return to this matter later.

At this point however, it might be helpful to go into some detail on the scheme itself and set out the background to, and reasons for, its proposed continuation. As I mentioned earlier, the scheme commenced in December 2009. It succeeded the CIFS scheme, although both schemes over-lapped for a time until the expiry of the earlier scheme on 29 September 2010. The scheme has been extended three times already, from its original end date of 29 September 2010 to the end of that year; subsequently, to 31 December 2011; and, on the last occasion, to the end of the current year.

The ELG scheme was designed to be more focused in application than its predecessor and to cover both a narrower range and smaller amount of liabilities. The ELG scheme covers eligible liabilities as defined in paragraph 11 of the Schedule to the scheme. These liabilities can be summarised as consisting of certain deposits and various unsecured debt securities. Because eligible deposits of up to €100,000 are already covered under another scheme - the deposit guarantee scheme - the ELG scheme only covers the balances, where they exist, above this threshold. Deposits which do not qualify for deposit guarantee scheme coverage in the first instance but are nevertheless eligible under the ELG scheme, for example, corporate deposits, are covered by the latter scheme alone.

The credit institutions which avail of the guarantee provided under the ELG scheme are described as the "participating institutions". Essentially, there are four main ones, apart from their subsidiaries. The four are AIB, Bank of Ireland, Permanent TSB and the IBRC or Irish Bank Resolution Corporation, formerly Anglo Irish Bank and Irish Nationwide. Among the best-known subsidiaries are EBS and ICS Building Society. The full list can be viewed on the NTMA website. The participating institutions in the scheme may take deposits and issue debt, with a maximum maturity date of five years, during the so-called issuance period which runs from the date the institutions joined the scheme to the end-date of the scheme, currently 31 December 2012.

Compared with liabilities of €375 billion at the beginning of the CIFS scheme in 2008, eligible liabilities outstanding under the ELG scheme at end-September this year stood at €78 billion, which represents a major reduction in coverage. Over the course of 2012 itself, liabilities have fallen by about €25 billion, down from the €102 billion that was outstanding when the scheme was last discussed in the House.

The decrease in liabilities under guarantee during 2012 has been due to a number of factors. First, the subsidiaries of the two pillar banks, Bank of Ireland and AIB, in the UK have been

reducing their participation in the scheme since March last by not taking on new deposits under guarantee. The Minister for Finance facilitated this move by issuing a series of notices under paragraph 13 of the schedule to the ELG scheme, whereby he is empowered to limit the applicability of the guarantee to different categories of deposit. In this way it was possible to restrict the guarantee to that category of deposits existing up to - but not after - a given date in the case of the UK institutions concerned. The outcome is that deposits under guarantee have fallen by approximately €11 billion to date in these entities, but without any significant accompanying loss to the institutions of the deposits concerned. In other words, the deposits were successfully retained even in the absence of the guarantee.

A second reason for the fall in liabilities covered during 2012 is that bank debt that has been maturing this year has not been replaced. This accounted for approximately €6 billion of the reduction in liabilities. A third, albeit more modest, factor has been the uptake of unguaranteed deposits which in turn displaced an equivalent amount of guaranteed deposits to a total of almost €1 billion. This positive move stems from the original request - also made in accordance with paragraph 13 of the schedule to the ELG scheme - from the participating institutions to be allowed to offer unguaranteed deposits to certain corporate and institutional customers. Again, the Minister for Finance facilitated this request by allowing such offers to be made, subject to certain conditions. This move may now be seen, in retrospect, as being a small but significant first step towards removing the necessity for the maintenance of the guarantee in the first place.

I previously mentioned two specific amendments to the scheme before the House that are necessary to extend the scheme in law. For the further information of the House, however, I wish to mention in passing that there are also two amending orders of a consequential, technical nature which will have to be made if the statutory instrument amending the scheme is passed by this House. These are called financial support orders and will be made in exercise of the powers that are conferred on the Minister for Finance under section 6 of the Credit Institutions (Financial Support) Act 2008. These orders do not have to be brought before the House as they are not part of the proposed amendment to the scheme but are supplementary to it. I have set out what the two orders are in my speech for the information of colleagues.

I believe that we are in a much stronger position than we were a year ago but, notwithstanding that, I am bringing this statutory instrument before the House today. We are very near to bringing closure to the guarantee narrative. There have been similar guarantee schemes internationally, including in Europe - for example, in Finland, Austria, Denmark and Sweden - and these have all been successfully ended when the time was judged right. For Ireland, this time is close. We want to continue our return to more normal banking conditions under which, *inter alia*, a guarantee should not be necessary. To facilitate this move, it is proposed that we provide for prolongation of the ELG scheme into 2013 with the intention that this will be the last time we will have to discuss such a motion in the House.

I wish to make a final point, one which is often not fully comprehended when the ELG scheme is being discussed. The vast majority of bank, building society and credit union depositors are not affected by the existence of the ELG scheme at all. Most account holders, excluding the corporate sector, in the participating institutions are covered by the deposit guarantee scheme only, operated by the Central Bank of Ireland, which guarantees qualifying deposits of up to €100,000 per depositor per institution. This is the standard form of guarantee scheme in the majority of EU member states.

I began by setting out the improvements in the banks' capital, deposit and funding positions.

All of these improvements point to a normalisation of our banking system. The removal of the guarantee will be a further reinforcement of this return to normal operations. I again assure the House that the vast majority of depositors will continue to benefit from the deposit guarantee scheme. I commend the motion to the House.

**Deputy Sean Fleming:** I welcome the opportunity to speak on the motion, which in essence is to extend the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 for a period of 12 months, up to the end of December 2013. That is subject to continuing EU state aid approval. It is important to state that at the outset.

The current guarantee expires on 31 December 2012. We are talking about extending the scheme only for new deposits made in 2013. Existing deposits are guaranteed by the scheme until their maturity date. As the Minister of State indicated, we are talking about deposits of more than €100,000. It must be said, in the week before the budget, that if one has less than €100,000 in one's account in a bank, post office, credit union or State savings bank, or with An Post or Postbank, they are guaranteed by the Central Bank. One need not have any fear in that regard. When people hear the issue being discussed in the Dáil they often get worried, especially older people. We want to reassure them in that regard.

The order will extend the liabilities scheme for a further year, subject to the approval of the European Commission. The Secretary General of the Department of Finance, John Moran, recently indicated that, if possible, he would like the covered institutions to stop using the guarantee scheme in early 2013. He was more specific than the Minister on the matter. That is his target and he has stated it on the record. He said the income from the guarantee was not accounted for in Ireland's medium-term fiscal projections published earlier this month. The Department is saying that there is an income of €1 billion and that it will have a budgetary implication. It is important with regard to the memorandum of understanding, meeting our fiscal targets by 2015 and working our way out of the IMF programme at the end of next year. The Secretary General of the Department of Finance was categorical in saying that the continued guarantee is not accounted for - in other words, he presumes it will no longer be in place. The Department did not build it into its medium-term fiscal projections which the Minister for Finance published recently. That must be said. The scheme is on its way out and the Government does not expect it to continue into the future. It is important that this is taken into account. While there is a loss of income, this is already factored into the Government's medium-term fiscal projections.

Currently the scheme costs the banks approximately €1 billion, which does have an impact on their profitability. Both Bank of Ireland and AIB have deposits in the United Kingdom not covered by the scheme and at the end of September approximately €78 billion was guaranteed, with €56 billion of that by way of deposits and the balance of €22 billion by way of guaranteed bonds. The amount covered has fallen since the original guarantee was introduced in 2008, as shown in the schedules. Both AIB and Bank of Ireland recently issued covered bonds, backed by loans to customers, which were unguaranteed. That suggests the banks are almost ready to fund themselves without the aid of the guarantee. The majority of deposits guaranteed are now in this country as the main banks' UK deposits are not guaranteed. Even if the ELG scheme was not renewed, deposits in Irish banks of up to €100,000 would be protected.

The main banks joined the ELG scheme on 4 and 11 January 2010, while the EBS joined on 1 February 2010. Irish Life & Permanent, Bank of Ireland, ICS Building Society, Bank of Ireland Mortgage Bank, Allied Irish Banks plc, Anglo Irish Bank Corporation Limited, EBS and Irish Nationwide are all covered under the guarantee scheme, although some of them have

changed their formats and their names. In addition, a number of subsidiaries are covered. I do not expect the Minister of State to have time to reply on the matter but I would welcome the sending of a note to me and to the spokespersons in this regard. I understand that when the scheme came into operation in 2010, Irish Permanent (IOM) and Bank of Ireland (IOM) became involved in the scheme. Bank of Ireland (UK) plc joined the scheme in July 2010. AIB Group (UK) plc is involved in the scheme, while AIB (CI) limited joined the scheme in 2010. Does "CI" stand for the Cayman Islands? I do not know, but would be delighted to hear it does not. The Minister of State might tell me what AIB (CI) is. AIB North America Inc.-----

**Deputy Brian Hayes:** It refers to the Channel Islands.

**Deputy Sean Fleming:** Right. I knew it was an island somewhere, so that was my suggestion. Anglo Irish Bank Corporation International plc and Irish Nationwide are also included in the scheme. The Minister of State might indicate whether some of those subsidiaries are involved. He stated that with the Government's prompting, as well as on their own behalf, the banks are looking to their bottom line and want to reduce their participation in this scheme. This applies particularly to the subsidiaries and deposits in the UK. The Minister of State might provide a note as to how much of the deposits and bonds not based in Ireland are covered by the scheme we are passing today.

The amount of money paid by the financial institutions under the scheme to date has been phenomenal. Total fees received to the end of September were €3.597 billion. It is important to say, in regard to restructuring our banks, that under this heading alone the banks have contributed that amount of almost €4 billion back to the Exchequer already, with the balance to come in by the end of the year. A brief breakdown can be shown under two headings - the current eligible liability guarantee scheme, which replaced the original credit institutions financial support scheme. Combining the two schemes, Irish Life and Permanent has paid €442 million, Bank of Ireland €1.264 billion, AIB €1.254 billion, IBRC €444 million, Irish Nationwide €33 million and EBS €152 million.

We are talking today about the eligible liability guarantee scheme but what intrigues me is that the income received under the original scheme has effectively expired because all the institutions have migrated to the new scheme. I note that in the course of 2011 Anglo Irish Bank was paid €750 million. The Minister of State might inform us whether that has been washed out of the system, or if there is any more to come. That bank still seems to have accounts some under the old scheme, although I accept the figures apply to last year.

The Secretary General of the Department of Finance stated that the banks would eventually be weaned off the scheme but the guarantees would remain in place for deposits and bonds that have not yet matured. Some of these will mature next year or in the coming years. I understand the maximum period involved is five years so in theory it could take up to five years for the scheme to wind down fully. The Minister of State might give us an estimate, based on current levels, of how much is expected to be received each year from 2012 to 2015. We cannot predict how much will come in during 2013, but it is known that €78 billion is in the system so we should be able to calculate how much that will generate in the coming four years.

Is there a system whereby the banks could buy themselves out of the current guarantee? For example, Bank of Ireland, which seems to be our strongest bank, issued €1 billion of three-year unguaranteed cover bonds last week, the first time an Irish bank has tapped into the markets in more than two years. If that bank is in a position to replace some of the guaranteed bonds

by its own unguaranteed bonds, raised on the markets as a result of its improving position, and wants to rid itself of this cost affecting its bottom line, can it buy out the guarantee? Is there a mechanism whereby it can exit the guarantee scheme in regard to current deposits, buying out the Exchequer in that way? Mr. John Moran stated it is Government policy to wean the banks from the eligible liability guarantee scheme in the first quarter of next year, so we are very close to that date.

Professor Philip Lane of the international macro-economics department in Trinity College observed that the removal of the guarantee would not impact on Irish deposits because the evidence throughout Europe shows there is no risk to depositors in the event of a bank collapse. That is the underlying assumption at EU level. In the first place, the EU will not allow a bank to collapse so there will be no such collapse in Ireland, given that we have signed up to the ESM and all such arrangements. From that point of view there is no serious threat, and I believe it will be possible for the banks to exit the guarantee scheme very quickly.

It is very important to mention that when the first figures were reported, a total of €375 billion was applied to all the banks covered on the night of the guarantee. The document does not outline the assets of the banks at that time but that was one of the reasons the Government was allowed to provide the guarantee. It was controversial, however, and we could talk about it forever and a day. The Labour Party Members who are now in government opposed the scheme all the way although they made a remarkable somersault when they supported the guarantee last year. I am sure they will do the same this year. We are used to the Labour Party making political somersaults - the people can see that happening. The longer that party stays in government the more the people will understand that Labour will say anything in opposition and then do the exact opposite in Government. It is not good for politics that the Labour Party acts like that but that is its choice. The people will adjudicate on that in due course.

When the guarantee was introduced the assets in the Irish banks were considerably more than €500 billion. Their assets were always over and above the value of their liabilities under the guarantee. Notwithstanding the €64 billion we have had to write off the bank balance sheets since then, there were always more than enough in assets to cover the amount issued under the guarantee on that night several years ago. It was widely criticised and we are all curious to know why it was necessary. The people of Ireland and the Government were not told the truth by the banks. I do not claim the banks deliberately misled anybody; my belief is they did not understand how badly off their institutions were and considered they had a liquidity problem. It has taken a long time for some of them to come to realise the level of the write-downs that were necessary. That realisation was forced upon them. The transfer of their loans to NAMA helped to crystallise it.

In his final remarks, the Minister of State spoke about improvements and the reduction in the guarantee, noting:

All these improvements point to a normalisation of our banking system. The removal of the guarantee will be a further reinforcement of this return to normal operations.

I do not accept the good faith of the Irish banks but I accept the good faith of the Minister of State and his Department in stating that. I doubt if there is anybody who accepts the good faith of the Irish banks in regard to such claims. They have to be sat on, watched and stamped upon to make them do their business. When the banks mention “normalisation” they refer only to the normalisation of their profits, their capital reserves and their ratios. The function of a

bank is to lend money, charge for it and make a profit, but these banks are not lending money to small and medium-sized businesses or to individuals. People with excellent credit ratings cannot get car loans; people in small businesses cannot get loans and those who want to start up a business must make an application to their local enterprise board because they will not get a loan. In spite of all the official statistics that appear, we all know that the local bank manager will regularly tell his customers not to bother putting in a loan application because he knows it will not succeed. The official statistics on loan approval may show one thing but they do not reflect the level of inquiries or the applications people would like to make if they thought they might get a fair hearing. We know about the difference between the figures for loan approvals and those for actual draw-downs. Banks describe loan restructuring as new loans but that is a sham in some cases. Some banks stand by their good customers and will give them additional finance but generally the loan situation is very difficult.

I would like to see normalisation of bank lending, not of the old bank profits or financial ratios. It is good to know, in the last quarter of the current year, that in regard to what we are guaranteeing today, 72% is customer deposits with only 1% being interbank deposits. The balance of 28% is bank debt. The banks have been streamlined, their balance sheets have been made smaller and they are becoming more fit for purpose but they need to be kicked even more than before because they are not lending to the Irish consumer. I would like to have confirmation that at this stage we are not guaranteeing any deposits outside the State or in any bank subsidiaries similarly outside.

My party will support this scheme because it must be put in place. I look forward to the entire scheme being wound down naturally, and as quickly as possible.

**Deputy Pearse Doherty:** This is the third occasion on which the Government has sought to extend the operating period relating to the eligible liabilities guarantee, ELG, scheme. In June 2011, under the secrecy of a Cabinet meeting, it extended the scheme by six months. Then, last December, the Minister for Finance came before the House and sought a 12-month extension. On both occasions, I said that the Government had no exit strategy in respect of the guarantee within the timeframe set down under the scheme. While both Bank of Ireland and AIB have started to return to the international money markets, there is still no sign that the Government has succeeded in its strategy for exiting the guarantee. It is clear that it has failed in its attempts in this regard. Not only are Fine Gael and the Labour Party continuing to accept the liabilities of the existing scheme; they have gone further and are insisting that the banks should continue to pay out in respect of unsecured and unguaranteed bonds that are not even covered by the scheme. The fact that the Minister of State is before the House to seek a further 12-month extension proves beyond any doubt that the Government has again failed to release the State from the grip of the guarantee.

As of the end of September, the total amount guaranteed under the current scheme was €78 billion. What the Government wants to do now is to reopen the guarantee after 31 December and allow banks to place new liabilities on the State and its taxpayers. How times have changed. When Fianna Fáil sought to introduce this scheme in December 2009, both Fine Gael and the Labour Party spoke out against the proposal. The Labour Party's Deputy Burton and Fine Gael's Deputy Bruton were both highly critical of the proposal. Deputy Burton opposed the extent of the liabilities being placed on taxpayers' shoulders and Deputy Bruton demanded that the banks should demonstrate that they had changed their errant ways before being given any further public moneys. Nine months later, when Fianna Fáil sought to extend the scheme, Fine Gael and the Labour Party - along with Sinn Féin - rightly rallied against the guarantee.

Deputy Burton said it was yet more evidence of the failure of the then Government's banking strategy and informed the House that the Labour Party "does not write blank cheques". The Minister of State, along with the Minister for Finance, voted against the extension on the grounds that the then Anglo Irish Bank continued to be covered by the scheme. Yet here we are again. The former Anglo Irish Bank continues to be covered by the scheme, senior banking executives continue to receive pay and pension packages in the hundreds of thousands of euro and small and medium-sized businesses continue to be starved of credit.

All of the arguments used by Fine Gael and the Labour Party to oppose the ELG scheme while in opposition are just as valid today. The only difference is that the Minister of State now sits where Brian Cowen and the late Brian Lenihan previously sat. Like so many of its other broken promises, the Government has swallowed lock, stock and barrel the failed policies of that which preceded it. The motion before the House is proof, if more proof were needed, that Fine Gael and the Labour Party are now enthusiastic supporters of the failed banking policy of Fianna Fáil despite having opposed it only two years ago. Today, the Minister for Social Protection, Deputy Burton, and her Labour Party colleagues will write another blank cheque for the banks, the Minister for Finance, Deputy Noonan, will support the inclusion of the former Anglo Irish Bank's toxic debts in the extended scheme, the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, will agree to potentially take on more bank liabilities despite the banks' ongoing failure to lend to new businesses and Fine Gael and the Labour Party will do exactly what Fianna Fáil did in December 2009 and September 2010.

The Minister of State will be well aware of reports in this morning's newspapers to the effect that the number of families facing difficulties making ends meet has more than doubled in the past four years. The latest Growing Up in Ireland survey of 7,400 children and their families shows that 61% are struggling now, compared to a figure of 29% just four years ago. People across the State are gripped by fear as they wait to see what additional hardship the Government is going to impose on low- and middle-income families in next week's budget. Yet here we are once again throwing a lifeline to failed banks such as the Irish Bank Resolution Corporation, IBRC, which continue to cost the State billions of euro every single year. People want to know why there is one rule for the banks and another for struggling families. Why there is unlimited funding for bailing out the banks yet so little for investment in jobs? Why is there no action on the excessive pay and pensions of top bankers when struggling families are being hit with extra taxes and charges? Why has no attempt been made to use the guarantee in order to secure real reductions in payments to bankers or real increases in lending to small and medium-sized enterprises?

The bank guarantee is not just bad policy; it is a symbol of all that is wrong with the financial and economic strategy begun by Fianna Fáil and continued by Fine Gael and the Labour Party. What does it say about our Government that it is willing to guarantee the banks to the tune of hundreds of billions of euro but that it did not for one second think to provide a guarantee for citizens in order to shield them from the social and economic crisis created, in the first instance, by the reckless behaviour of the banks? The guarantee represents the great inequality at the heart of Government policy. The basis of that inequality is that the banks must be saved at all costs and the people must pay the price. This is the meaning of the word "austerity". The latter is the policy that protects financial institutions and their senior management while imposing the full burden of the economic crisis on ordinary people.

In my home county of Donegal last week we once again witnessed the human face of the burden to which I refer. An emergency call was made for an ambulance to attend to a young

child who was unconscious. The ambulance was dispatched with only one advanced paramedic on board and that individual was driving the vehicle. At the scene, the paramedic made the clinical decision, based on the needs of the unconscious child, to travel back to the hospital. As the paramedic was the only staff member on duty at the time, the boy had to be transported to hospital in the back of his mother's car with the paramedic tending to him there. When I sought clarification from the HSE on this matter, it was confirmed that the advanced paramedic was working on his own from 5 p.m. to 8 p.m. on the evening in question. The HSE had failed to provide cover in order to ensure there would be two paramedics on duty at the time. When the paramedic to whom I refer was on site, I understand he requested that the HSE allow one of two paramedics who live a number of a number of doors away from the unconscious child's home to assist him. This request was refused, all in the name of trying to keep costs down. This is the very real effect of Fine Gael's and the Labour Party's policy of austerity on our public services.

When the Government bails out banks to the tune of €21.4 billion, as it did last year, and then makes the State potentially liable for billions more through the extension of the guarantee scheme, it is making a very clear choice. It is choosing to follow the lead of Fianna Fáil. It is choosing austerity over recovery and banks and bankers over ordinary people. Let me be clear: Sinn Féin will be opposing the motion before the House. It was a bad policy in 2009 and 2010, when Sinn Féin, the Labour Party and Fine Gael voted against it, and it remains a bad policy today. The only thing that has changed is that Deputies Micheál Martin, Michael McGrath and the others in Fianna Fáil are no longer running our economy and society into the ground. That job is now being ably done by the Taoiseach, Deputy Enda Kenny, the Tánaiste and Minister for Foreign Affairs and Trade, Deputy Gilmore, and the Minister for Finance, Deputy Noonan.

**An Leas-Cheann Comhairle:** I call Deputy Boyd Barrett, who is sharing time with Deputy Ross. Is that agreed? Agreed.

**Deputy Richard Boyd Barrett:** We are discussing the notorious blanket guarantee that Fianna Fáil gave to the banks, the major corporate donors, the bondholders and the speculators who helped to cause the crash in our economy and the wider European economy.

*12 o'clock*

Fianna Fáil initiated it and Fine Gael at the time also backed this guarantee. Whatever qualifications they may have put on it, when it came to it, just like the European political establishment, they prioritised the interests of the very institutions, speculators and financiers who had caused the crisis. They rushed in to provide an emergency guarantee to these gangsters, frankly, who had caused the crisis.

The Government is claiming success in that we are moving towards the winding down of this guarantee. It claims this is being enabled because the banks are now able to access money on the international markets. Whatever small bit of stability might be returning to the famous markets, the Government should not count its chickens on that stability being retained over the medium to long term, particularly considering the net effect of the policy of bailing out the banks and paying for it with an austerity that is crippling economic growth across Europe. At some point the markets will recognise the significant contradiction. I would confidently, but regrettably, predict that the panic will return at some point when the extremely damaging downward spiral caused as a result of the austerity measures imposed on the European economy, begins to kick in and to make its way into the core of the European economy. This is beginning to happen. Even in so far as the Government is claiming success in its efforts to move towards the

winding down of this guarantee, we should remember that this so-called success has only been made possible because these banks have been stuffed with the cash of ordinary people. The previous Government and this Government, under the diktat of the ECB, said that they would do whatever is necessary to protect the banks; it is their top priority. Everything will revolve around restoring the banks to so-called normality, bringing them back to profitability, bringing them back to where they were before the crisis began. I find this to be a bizarre aspiration, that we are going to nurse them back to the situation they were in before all this mess started and that we think that is the recipe for sustainable economic and financial development over the long term. This shows a complete failure to understand what caused the crisis in the first place. It is not just a case of studying past history because we will be counting the cost when the crisis hits again, as it surely will.

The cost being paid by Irish citizens for returning the banks to so-called normality is the €64 billion we have had to borrow - for which we will be paying interest for many years to come - in order to stuff these banks with cash and restore the confidence of the all powerful markets. The cost is an unsustainable debt burden taken off the backs of the private banks, the for-profit banks, and unloaded onto the backs of the Irish people. If people are made suffer to the extent that we are making them suffer, the banks will be nursed back to health but at what cost for ordinary people. It is a cost we will be counting for decades, possibly. We are counting this cost now because of an unsustainable debt burden. The cost next year will be €9.1 billion in debt interest. The spectre of the deficit is constantly raised by the Government. We are warned that the deficit is €15 billion which we must cover. We are told that anyone who criticises the Government's policies is living in Cloud Cuckoo land. I ask the Government please to state the qualification that €9 billion of that deficit is in debt interest----

**Deputy Brian Hayes:** Deputy Boyd Barrett wants us to default.

**Deputy Richard Boyd Barrett:** Yes. We should not pay their debts and cripple our economy.

**Deputy Brian Hayes:** The Deputy is talking about a situation like Argentina.

**Deputy Richard Boyd Barrett:** This is a terrible price which is even more galling when one considers that these banks which we have nursed back to health refuse to give relief to distressed mortgage-holders. They refuse to lend to small and medium enterprises and they refuse to put the mountains of cash we have given them back into the economy to create jobs. I draw the attention of the Minister of State, Deputy Hayes, to the sharp contrast between the behaviour of the banks we bailed out to this extent and the offer of the credit unions to use their assets to finance job creation programmes, social schemes and so on. They are pleading with the Government to use their assets to help the economy but the banks, which have been stuffed with our cash and which we own, refuse to do so. That is the contrast between the two.

We will not support the extension of this guarantee. Over the next three or so years, we will be paying off the bondholders at a rate of €17.4 billion in 2013, €6 billion in 2014 and €11 billion in 2015. If we were to assert control over these banks, which we own, and if we were to default on these bondholders, that money could be used for the stimulus programme needed to create jobs, economic growth, the protection of the vulnerable and the development of the economic and industrial infrastructure of the country. Why not do this instead of continuing with this insane protection of the financiers and banking system that caused the crisis? The Government is allowing them to walk off into the sunset after we have bailed them out and paid

this terrible price. They will walk off into the sunset, be again privatised and return to making profits, while we are left holding the can.

**Deputy Shane Ross:** There might be some sort of a case for an extension of this guarantee if the Government were prepared to take responsibility for the banks and were prepared to direct their operations. There might be some sort of a case for saying the banks need to attract further funds, that they are too fragile at the moment to be allowed depend upon the bond markets and that the Government should decide what the banks should do with the money on deposit. However, the banks are in an extraordinary situation. They are being guaranteed by the Government, subsidised by the taxpayer and allowed to run themselves as some sort of quasi-independent organisations. I cannot understand why the Taoiseach - and I am sure the Minister for Finance also - told the House it was nothing to do with the Government when AIB increased the variable rates for mortgages some weeks ago. The Taoiseach said it was nothing to do with the Government, that AIB is an independent commercial organisation and that the Government has to leave it alone. Yet at the same time, the Government guarantees the money, some of which is used to lend out as mortgages. This cannot happen unless one is prepared to defer to the banks, as every Government had done in the history of this State. I thought that perhaps the crisis would prompt this Government to take a hold of the banks and to direct their operations in the interest of the people of Ireland who, after all, own the banks. This has not happened. The banks are still allowed to do exactly what they like commercially, under the guise of being detached, even though they are fully owned by the taxpayer.

I would like to know what the Government thinks would happen if this guarantee were not extended. As other speakers have said, all the past deposits are guaranteed and only the future or present deposits would come into this category. The only reason the Minister of State appears to have given is that the banks need breathing space. They have had a very long time to breath owing to a series of extensions, yet they are still nowhere near out of the woods and not nearly credible.

I worry when I hear Ministers state in the House that they have taken the advice of the NTMA. It is about time we took a proper and critical look at the NTMA. It is a prop for Governments. Always, when they are in trouble regarding the finances or the banks, they take the NTMA's advice. The NTMA is in the banking loop. As I believe people are beginning to realise, staff in the NTMA receive vast salaries and are joined at the hip to the banks. I am sure the Minister of State is aware that Mr. Michael Somers, former head of the NTMA, was the only public servant ever to walk away with €1 million in one year. That is a formidable achievement, but it is very difficult to understand how it happened. What is more interesting – this is why I worry about taking advice from the NTMA – is that Mr. Somers retired on a pension of €265,000. As if that were not enough for him, he was then compensated by being made deputy chairman of Allied Irish Banks, on a salary of €150,000 a year. The NTMA, therefore, is used to the banking culture and springs therefrom. Before the current chief executive of the NTMA, Mr. Corrigan, entered office, he was in AIB. Ms Eileen Fitzpatrick who was appointed as chief executive of NewERA was in AIB beforehand. Therefore, taking advice from the NTMA is like taking advice from the banks' country cousins. It is deeply involved in the banking culture and will look after the banks before the nation.

I also worry when a Minister tells us not to worry on the grounds that we and the banks are back in the bond markets. Our presence in the bond markets is fragile. While it is welcome and represents an achievement, the Minister of State will know that if one pays interest at a high enough rate, one will always get back into the bond markets. We are paying very high inter-

est rates, as is evident from the fact that one fund, Franklin Templeton, owns 10% of the Irish bond market. This is a precarious place to be because Franklin Templeton is showing a massive profit – I believe 12% - on its investment in the Irish bond market. The fund is hanging over the market and if it decides to sell, yields will rise, bond prices will fall overnight and we will not be able to present such a cheery picture of Ireland's position in the bond markets. Our position depends on the future agreement on the link between bank debt and sovereign debt. That agreement has been promised for a long time, but it has not been reached. There is a great deal of doubt about legacy debt and not everybody believes an agreement will be reached. I would not rely on it.

The guarantee is dangerous because I worry about banking policy for the future. The Government has cleverly spun the term “pillar banks” into banking language as if these banks were in some way secure. The dependence on the so-called pillar banks is worrying. We had a duopoly in the past and are heading for it again. If we have another, involving Bank of Ireland and Allied Irish Banks, we will have a new cartel as sure as night follows day. The Minister of State will remember the unhealthy dominance of the two big banks in the 1980s and 1990s. The entry of Bank of Scotland into the market initially was good news. When it established here, the cartel on mortgages was broken. Apparently, this will not happen anymore because the Government's banking policy is now to build up the two pillar banks such that they will be virtually unassailable. This territory will not be welcome to foreign banks anymore and the two pillar banks will be able to run a new cartel. One should remember the way in which the banks overcharged, what they did in respect of DIRT and foreign exchange and how they treated whistleblowers. The banks reigned supreme and one should remember the way in which the Central Bank co-operated in this regard.

**Minister of State at the Department of Public Expenditure and Reform(Deputy Brian Hayes):** I thank my colleagues for their contributions to the debate. In the five minutes allowed to me I will reply on some of the issues raised.

I recognise the appalling circumstances in which the country has found itself because of the reckless lending policies and arrogance of the banking sector over a generation. Many in the House today were, in their own way, cheerleaders for that arrogance and some of the well known personalities who fronted that arrogance over a generation. Of course, they have changed their position because the popularity stakes have changed.

The task of the Government on entering office had two dimensions, the first of which was to correct the appalling deficit of fiscal mismanagement by the previous Administration having been in power for 14 years. The second was to create the conditions in which the economy could grow again. In this regard, it is essential to have a banking system that is trusted by the people. Since we cannot say the banking system is trusted by the people, owing to the collapse brought about by the banks, we must take incremental steps to get the country into a better position. The Government stands over the decisions it has taken. The first decision it took on entering office was on further bank recapitalisation, built on the pillar banks. This is evident from a statement issued to the House in March 2011 by the Minister for Finance. There has since been a significant improvement in respect of the banks and the new banking culture we want to have instigated in the State. In the first instance, we have seen money coming back into the banks. I am not over-egging the pudding or suggesting there has been a radical inflow of money from international markets into the Irish banking system because that has not happened. However, there has been a slow, consistent inflow of moneys into the banking system to stabilise the banks. Deposits have stabilised. News on AIB this week indicates that, independent of

the guarantee, €500 million was raised in three year bonds and that they were four times over-subscribed. The announcement on Bank of Ireland two weeks ago showed that, independent of the guarantee, the bank was able to obtain money in the international market. There was no chance that this could have happened two years ago or last year.

Our ambition in asking the House to accept the extension of the ELG scheme is to ensure it is brought to a swift conclusion next year. Will those who are criticising the two Government parties today support the Government when the scheme comes to an end? The bringing to an end of the guarantee, more than anything else, will be an example to the country, the banking sector and the international markets of our putting our house in order and changing the dynamics of the Irish banking sector. In asking colleagues to support the motion our objective is to exit the ELG scheme at some point next year. This would be an example of normalisation and Ireland making further progress in rebuilding the tattered banking system the Government was left to clear up. If we are to make progress, we must have a totally new banking system. That is why we put our store in the pillar banks. We got rid of the directors. It is also why the new banking unit in the Department of Finance is leading bilateral discussions with the banks and the Central Bank on a daily basis. That is why the Taoiseach, Tánaiste, and the Ministers for Finance and Public Expenditure and Reform have been in direct negotiations and discussions with the banks about their commitments. They gave us a commitment when we set out the new strategy in March 2011 that, over a three-year period, €21 billion would be lent into the economy to help SMEs and to help existing businesses restructure their debt. We will hold them to those commitments because they have been recapitalised by the taxpayer.

The objective is to bring this guarantee to an end and to get the banks out of the accident and emergency ward we found them in when we took up office and to get our money - the €64 billion colleagues referred to - back from them. I agree with those who say competition is needed in the banking sector. It would be good if banks from other markets competed in the Irish market but that will only happen when we get to a more normal arrangement when the guarantee ends. The ambition of the Government and the banking sector is to enable banks to move to a more profitable position.

Deputy Boyd Barrett argued for default. He is correct that 20% of the taxes we will take in this year will go to paying the national debt. He says we should not pay that debt, that we should default on it, as some of his descamisados in Argentina did, and take the consequences of that. He should not forget that the Argentinian Finance Minister said that when Argentina did that this, one quarter of the population went hungry. That is what he wants to bring down on the Irish people in the context of that crazy, mad man strategy of defaulting. We can get this country to a better place. It requires determination on the part of the Government to correct the deficit but also a new banking culture. The ambition of the Government is to exit the guarantee next year and, hopefully, that will happen. That will be another example of weaning the banks off taxpayer's money and putting them on a profitable trajectory into the future in order that we as taxpayers can get the money back that we put into them.

Question put.

The Dáil divided by electronic means.

**Deputy Pearse Doherty:** As a teller, under Standing Order 69 I propose that the vote be taken by other than electronic means just to remind the Labour Party that this is about the extension of the bank guarantee.

**An Ceann Comhairle:** The vote will proceed.

Question again put:

The Dáil divided: Tá, 85; Níl, 31.	
Tá	Níl
Browne, John.	Boyd Barrett, Richard.
Burton, Joan.	Broughan, Thomas P.
Butler, Ray.	Collins, Joan.
Buttimer, Jerry.	Colreavy, Michael.
Byrne, Eric.	Crowe, Seán.
Calleary, Dara.	Daly, Clare.
Carey, Joe.	Doherty, Pearse.
Coffey, Paudie.	Donnelly, Stephen S.
Collins, Áine.	Ellis, Dessie.
Conaghan, Michael.	Flanagan, Luke 'Ming'.
Conlan, Seán.	Fleming, Tom.
Conway, Ciara.	Healy, Seamus.
Coonan, Noel.	Healy-Rae, Michael.
Costello, Joe.	Higgins, Joe.
Cowen, Barry.	Mac Lochlainn, Pádraig.
Creed, Michael.	McDonald, Mary Lou.
Daly, Jim.	McGrath, Mattie.
Deenihan, Jimmy.	McGrath, Finian.
Deering, Pat.	McLellan, Sandra.
Doherty, Regina.	Murphy, Catherine.
Donohoe, Paschal.	Nulty, Patrick.
Dowds, Robert.	O'Brien, Jonathan.
Doyle, Andrew.	Ó Caoláin, Caoimhghín.
English, Damien.	Ó Snodaigh, Aengus.
Farrell, Alan.	O'Sullivan, Maureen.
Feighan, Frank.	Pringle, Thomas.
Fitzgerald, Frances.	Ross, Shane.
Fitzpatrick, Peter.	Shortall, Róisín.
Flanagan, Charles.	Stanley, Brian.
Flanagan, Terence.	Tóibín, Peadar.
Fleming, Sean.	Wallace, Mick.
Hannigan, Dominic.	
Harrington, Noel.	
Harris, Simon.	
Hayes, Tom.	
Hayes, Brian.	
Heydon, Martin.	

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Humphreys, Kevin.	
Humphreys, Heather.	
Keating, Derek.	
Keaveney, Colm.	
Kehoe, Paul.	
Kelleher, Billy.	
Kenny, Seán.	
Kitt, Michael P.	
Kyne, Seán.	
Lawlor, Anthony.	
Lynch, Ciarán.	
Lynch, Kathleen.	
Lyons, John.	
McConalogue, Charlie.	
McGinley, Dinny.	
McLoughlin, Tony.	
McNamara, Michael.	
Mitchell O'Connor, Mary.	
Moynihan, Michael.	
Mulherin, Michelle.	
Murphy, Dara.	
Nash, Gerald.	
Neville, Dan.	
Ó Cuív, Éamon.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Dowd, Fergus.	
Ó Fearghaíl, Seán.	
O'Mahony, John.	
Ó Ríordáin, Aodhán.	
Penrose, Willie.	
Perry, John.	
Phelan, John Paul.	
Reilly, James.	
Ring, Michael.	
Ryan, Brendan.	
Sherlock, Sean.	
Smith, Brendan.	
Spring, Arthur.	
Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	

Troy, Robert.	
Tuffy, Joanna.	
Twomey, Liam.	
Wall, Jack.	
Walsh, Brian.	
White, Alex.	

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

Question again declared carried.

### **Topical Issue Matters**

**An Ceann Comhairle:** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Maureen O'Sullivan - the threatened closure of Barnardos, Buckingham Street Family Support Project, Dublin 1; (2) Deputy John O'Mahony - the suspension of grants by North East Leader Company to community groups in County Mayo and when the payment of grants will resume; (3) Deputy Tom Hayes - the need to attract multi-national investment to provide jobs in rural Ireland, particularly the need to replace jobs lost in County Tipperary; (4) Deputy James Bannon - the potential national fall-out of the loss of approximately 100 jobs at Ericsson, Athlone, County Westmeath; (5) Deputy Joan Collins - the need for the Minister for Health to intervene to ensure that the current system of the management of cystic fibrosis rooms at St. Vincent's University Hospital, Dublin, is reviewed; (6) Deputy Gerald Nash - the future of the charitable lotteries scheme; (7) Deputy Alan Farrell - the funding of primary schools; (8) Deputy Michelle Mulherin - the need for clarification of the way that it is expected that all airports, including Ireland West, Knock, will operate in a competitive environment following the separation of Shannon from Dublin Airport; (9) Deputy Mary Mitchell O'Connor - the need to discourage people from availing of the services of moneylenders; (10) Deputy Thomas P. Broughan - the need to ensure that key teacher and learning resources in DEIS schools and other schools in areas of disadvantage generally will be maintained in budget 2013 and specifically that educational resources will be protected in the parishes of Darndale Belcamp, Priorswood and Bonnybrook in Coolock, Dublin 17; (11) Deputy Brian Stanley - the recently published report into the risks to Ireland from incidents at Sellafeld; (12) Deputy Joanna Tuffy - the current position regarding the reason for non-payment to third year DIT biomedical students (details supplied) of the monthly training allowance payable to student medical scientists while on placement in public health service laboratories; (13) Deputy Seán Ó Fearghail - the need to bring forward a package of supports for those children and adolescents suffering with narcolepsy and additional medical complications following vaccination with Pandemrix; (14) Deputy Derek Keating - the increased incidences of tuberculosis throughout Dublin city and county; (15) Deputy Aodhán Ó Ríordáin - the need to discuss childhood obesity following the publication of the report Growing Up in Ireland; (16) Deputy Michael Moynihan - the need to

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reverse the cuts in home help hours; (17) Deputy Éamon Ó Cuív - the future of the subsidy to Aer Arann services to the Aran islands; (18) Deputy Joe Higgins - the dismissal by Chartered Accountants Ireland of nine staff and the replacement of them by persons on JobBridge; and (19) Deputy Simon Harris - the need for the provision of hospice facilities in County Wicklow and the current situation relating to the plans for same.

The matters raised by Deputies John O'Mahony, Michelle Mulherin, Joanna Tuffy and Seán Ó Fearghaíl have been selected for discussion.

### **Health and Social Care Professionals (Amendment) Bill 2012: Order for Report Stage**

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

Question put and agreed to.

### **Health and Social Care Professionals (Amendment) Bill 2012: Report and Final Stages**

**An Leas-Cheann Comhairle:** As there are no amendments on Report Stage we will move to Fifth Stage.

Bill reported without amendment and received for final consideration.

**An Leas-Cheann Comhairle:** When is it proposed to take Fifth Stage?

**Minister of State at the Department of Health (Deputy Alex White):** Now.

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

**Minister of State at the Department of Health (Deputy Alex White):** The Health and Social Care Professionals (Amendment) Bill 2012 is a relatively short technical Bill, with 20 sections in total, Committee Stage of which was passed on 9 November, without amendment.

The Bill proposes to amend the Health and Social Care Professionals Act 2005 to provide for the enhanced and effective functioning of the Health and Social Care Professionals Council and the registration boards established under the Act. It will also amend the Act to better provide for the assessment and recognition in Ireland of qualifications obtained outside the State and to ensure compliance with the relevant EU instrument.

The 2005 Act provides for the establishment of a system of statutory regulation for designated health and social care professions. The regulatory system comprises a registration board for each of 12 designated professions, a Health and Social Care Professionals Council with overall responsibility for the regulatory system and a committee structure to deal with disciplinary matters. These bodies are collectively known informally as CORU. CORU is responsible for protecting the public by regulating health and social care professionals in Ireland. It promotes high standards of professional conduct and professional education, training and competence among the registrants.

I thank Deputies for the valuable and thoughtful contributions made on Second and Com-

mittee Stages. Deputies highlighted the urgent need to bring counsellors and psychotherapists within the ambit of the 2005 Act. I would like to now restate the commitment made by the Minister, Deputy Reilly on Committee stage to make the necessary regulations under the Act as soon as possible. A key regulation in this regard, namely, the regulation to prescribe the qualifications needed to register under the Act, will be made when the minimum qualifications and standards of knowledge, skill and competence for future counsellors and psychotherapists have been set by Quality and Qualifications Ireland. To explain further, the regulation of designated professions under the Act is, in the first instance, activated by the registration of persons with specific qualifications approved by the relevant registration board. These approved qualifications are awarded by the Higher Education and Training Awards Council, HETAC, now subsumed into Quality and Qualifications Ireland, QQI, or by the universities. In the case of counselling and psychotherapy, however, QQI is only now in the process of establishing standards of knowledge, skill and competence to be acquired by those wishing to practice in this field. When these standards have been determined, in consultation with the professional bodies and other stakeholders, the educational institutions offering courses and programmes in counselling and psychotherapy can seek QQI accreditation and, in time, QQI will be able to award qualifications to those graduating from the accredited courses. These QQI qualifications will be the minimum qualifications required of counsellors and psychotherapists to register under the Health and Social Care Professionals Act 2005.

The Minister, Deputy Reilly, will be asking Quality and Qualifications Ireland to conclude its work as soon as possible next year. In tandem, the Department will work with CORU to have all the other necessary arrangements in place so that there will be no delay in establishing the counsellors and psychotherapists registration board when the minimum qualification standards have been set. On Committee Stage, Deputies raised concerns about inadequately trained counsellors and psychotherapists advertising services to the public. While many services, private and public, have quality assurance arrangements in place, as have a number of reputable professional bodies, there is cause for concern that standards are not universally high. Deputies pointed out that these advertisements are often aimed at people in vulnerable or distressing situations. It was asked whether it would be possible to require those advertising counselling and psychotherapy services to alert the public to the fact that counsellors and psychotherapists are not currently regulated under the 2005 Act. This may be a worthwhile temporary measure in the interest of public safety particularly and the Department is now seeking legal advice on the practicalities involved. The Minister, Deputy Reilly, hopes to be able to come to a clear policy position on this proposal shortly.

I commend the Bill to the House.

**Deputy Caoimhghín Ó Caoláin:** As previously stated, Sinn Féin supports this Bill, which as indicated now and previously by the Minister of State, is a technical Bill amending the Health and Social Care Professionals Act 2005, which established the Health and Social Care Professionals Council and, following a protracted debate in this House, which Deputy Neville will recall all too well, 12 health and social care professions. While the main purpose of the Bill is to allow the Minister for Health to continue to make appointments to the council because the 12 registration boards have not yet been established and, therefore, are not in a position to make their own nominations.

*1 o'clock*

I ask the Minister of State to update us on this issue. Have there been further developments

in terms of the establishment of registration boards across the identified 12 professions?

One of the issues which was the subject of substantial debate on Committee Stage was extending the number of stated professions. I refer specifically to an amendment tabled by Deputy Fitzpatrick on behalf of his colleague, Deputy Neville, in which he proposed adding the role of psychological therapist to the list. I record my support for that proposition which I also supported during the 2005 debate on the principal Act. I would like to see us moving forward speedily in including it and other health care professionals in the accredited list.

I wish to focus once more on the situation that applies across several of the professions mentioned. I will use the example of speech and language therapists to underscore what is a major need, namely, lifting the current recruitment embargo in order that the current demand for specific professional services can be met by the supply. There is no question but that we have significant numbers of highly trained speech and language therapists - as we have across other professions named within the cohort of 12 provided for in the Bill - for whom there are no vacancies or opportunities to perform their specific role in the health service. We are continuing to train a significant number year on year of highly skilled, highly motivated young speech and language therapists, but we are training them for export, for employment overseas. This is really sad because, make no mistake, there is a huge demand for both adult and child speech and language support services across the State. To lose so many unemployed, fully qualified therapists to other countries across the globe is a source of huge regret for every one of us and a terrible reality for graduates, their parents and communities. Again, I take the opportunity on Fifth Stage to make a special appeal on behalf of those who have chosen a particular career path across all of the listed professions provided for and enumerated in the list of those who will have immediate access to roles on the councils. It is not only in their interests, in terms of career opportunities, but also in the interests of those of us who depend on the health service that the recruitment embargo be lifted at the earliest opportunity in a programmatic way, if necessary. It is incumbent on us to open up opportunities for our highly trained young people to remain at home, as well as to seriously address the very significant and identified need that is not being catered for.

I welcome the passage of the Bill and look forward to the time when it can be declared redundant, when the Minister will no longer require these powers and the various representative bodies of the named professions will be able to make their own appointments.

**Deputy Dan Neville:** I too welcome the passage of the Bill which will bring to an end the delay in the introduction of the councils. It is seven years since the original Health and Social Care Professionals Act was passed. I was involved in the debate at the time and everybody accepted, including the then Minister of State at the Department of Health and Children, former Deputy Tim O'Malley, that the professions of counselling and psychotherapy should be included in that legislation. However, there was disagreement among the professional bodies at the time and the then Minister of State suggested there might be legal difficulties in doing so, but he gave a guarantee that once agreement was reached, he would do so. He also said that if agreement was not reached, he would do it anyway. Some 22 psychological therapies organisations came together, reached an agreement and drew up a report which was presented to the then Minister of State at the Department of Health and Children, former Deputy John Moloney in 2008. However, very little, if anything, has happened since.

I welcome the announcement by the Minister of State that he is progressing that issue to ensure regulations will be put in place because it is a very serious matter. Untrained and un-

qualified individuals are acting as counsellors and psychotherapists and engaging with very vulnerable persons who are suicidal, suffering from eating and various psychological disorders. There is no regulation in this area. The Minister of State referred to the fact that organisations were providing short courses and awarding “qualifications” to allow people to act as psychotherapists. He promised that he would try to deal with this issue before the regulations came into force, about which I am very pleased.

I will give Deputies two quick examples of the courses which cause concern. I have a leaflet advertising an advanced diploma in suicide studies, a three module course. The first on suicide prevention is run over two weekends. The second and third modules on suicide intervention and suicide post intervention measures are also run over two weekends. Therefore, the prospective student will receive an advanced diploma in suicide studies after six weekends. I have another brochure advertising a course on eating disorders. There are seven modules run over seven weekends. At the end of the course the student is awarded a diploma in practitioner skills for eating disorders. As Deputies will know, eating disorders are highly complex and involve psychological, psychiatric and general medicine aspects and sufferers have physical, mental and psychological issues. The cost of the aforementioned course is €3,000. The leaflet advises that the course is aimed at professionals, but when the brochure was brought to my attention some years ago, my secretary who has no interest in the area applied for a place on the course. She received a reply immediately, with a hand-written note welcoming her to the course, despite the fact that she had no related qualifications. Thus, over seven weekends, she was able to obtain a diploma in practitioner skills for eating disorders. This illustrates the seriousness of the issue. We must protect vulnerable individuals. In November 2011, *The Irish Times* reported on a high-profile psychotherapist who was charging €3,000 for a course leading to a diploma in the treatment of eating disorders despite having no official professional accreditation in Ireland or medical or psychological qualifications from any university. The psychotherapist claimed that diplomas were accredited to the British Psychological Society but a spokesman for the society stated that it did not recognise any of the courses offered by her organisation.

This case demonstrates the need for regulation. I have been dealing with reputable Irish professional psychology bodies for many years and they do very good work. A total of 22 organisations operate in the field of psychological therapies, including counselling and psychotherapy. This is a broad area which includes marriage counselling and a range of societal counselling. These organisations register people in a proper manner but the looseness of the regulatory environment should have been addressed many years ago. We would not dream of allowing a doctor or nurse to operate without being registered. Perhaps one of the reasons for the lack of regulation is that counselling and psychological therapy is a new field relative to other professions.

I acknowledge the Minister’s position on the issue. There is no difficulty in regulating psychotherapists, but how does one define and regulate a counsellor? Are the members of the Council of State counsellors? They are, because they advise the President. There are good community counsellors who know where to refer people and are conscious of the limits of their knowledge. They will not go beyond those limits in advising people on finance, day-to-day living or household budgeting. They do good work within the limits of their knowledge, but we must ensure that people operating in the delicate area of psychotherapy and counselling are regulated. Bodywhys, the eating disorders association, has reported that people have been seriously damaged by unqualified counsellors. As Members will be aware, there is a high level of mortality among those with eating disorders.

29 November 2012

I welcome the passage of the Bill. The Minister's objective is to finalise the Bill in 2013.

**Deputy Alex White:** I thank the two Deputies for their contributions on Fifth Stage. Deputy Ó Caoláin inquired about the progress made on registration boards. I can confirm that in addition to the two registration boards already in existence, three more were established on 1 November 2012, giving a total of five, and it is expected that the remaining seven boards will be established during 2013. I thank the Deputy for supporting the Bill. I also thank Deputy Neville, whose knowledge of and feel for this area was eloquently expressed. He also made strong contributions on Second and Committee Stages and the Minister has given a commitment on progressing the matters that he raised.

As is customary at this point, I thank the officials who invested a considerable amount of work in the legislation. Although the Bill is described as technical, it does not necessarily follow that the matters with which it deals are peripheral or easy to address.

Question put and agreed to

### **Civil Defence Bill 2012 [Seanad]: Second Stage**

**Minister of State at the Department of Defence(Deputy Paul Kehoe):** I move: "That the Bill be now read a Second Time."

I am pleased to present this important legislation to the House. The Civil Defence Bill 2012 provides for the repeal of the Civil Defence Act 2002, the dissolution of the Civil Defence board and the transfer of its functions and other responsibilities back to the Department of Defence. The purpose of the Bill is to bring the management, development and administration of the Civil Defence at national level back into the Department of Defence, where it resided when the organisation was founded in 1950. In the context of current Government policy on bringing the functions of many State agencies back to their parent Departments, it has been decided that the functions of the board should return to the Department of Defence and specifically to a branch within that Department.

The board was established following the passage of the Civil Defence Act in 2002, the stated purpose of which was to update Civil Defence legislation generally and to establish a board to oversee and manage the future development of civil defence at national level. On a day-to-day basis the 2002 Act did not make any fundamental changes to the governing structures. Policy formulation remained with the Minister for Defence and the key relationship for effective civil defence operations between local authorities and the organisation at national level was not altered in any way.

I wish to put on record for the avoidance of doubt that the Bill will not alter the fundamental structures that have served the Civil Defence well over many years and supported the voluntary ethos that has been the hallmark of the organisation since its foundation.

I take the opportunity to express my sincere gratitude and that of the Minister for Defence, Deputy Alan Shatter, to each and every person who gave of his or her time to serve with distinction on the Civil Defence board and its statutory committees. I commend the board and its committees for their contributions to the ongoing development of Civil Defence in the past nine years in bringing forward plans and proposals which have driven the evolution of the

organisation in that period. The day-to-day role of Civil Defence is to provide a range of supports for the front-line emergency services and community supports at local level. The training programmes and strategic development plans developed by the board in recent years have very much embraced that support role to front-line services across a range of activities. The benefits of these policies were very clear to communities all across the country during the severe weather in recent years in the comprehensive and sustained nature of the response from Civil Defence acting in support of all front-line services. The modern Civil Defence organisation, trained and equipped to the highest standards, is capable of assisting whichever of the front-line emergency services calls on it for assistance, as we recently witnessed when Wexford Civil Defence carried out an extensive search of Wexford Harbour for a missing person on Sunday, 18 November, with the support of other boats crews from the region. I commend Civil Defence for its work in that search.

I recognise and support all of the volunteers in their continued efforts to support local communities. The Bill will in no way diminish these efforts. In the future, as part of the Department of Defence, Civil Defence at national level will be fully integrated with the planning and implementation of our response capability for major emergencies. This will be achieved by working through the Office of Emergency Planning and the Defence Forces. It will be able to devote all of its energies to the core business of Civil Defence, namely, training volunteers to the highest professional health and safety standards. It will no longer have to devote valuable resources to complying with its own governance requirements. In the current economic climate I am delighted to say we have succeeded in maintaining the current level of funding for Civil Defence at €5.585 million per annum in the face of reduced funding to almost all other State bodies. It is our intention to maintain that level of funding in so far as it is possible to do so.

As I said during the recent debate on the Bill in the Seanad, it is worth repeating for the avoidance of doubt that the future development of Civil Defence will remain of paramount importance to me, the Minister and the Government. With that development in mind, a Civil Defence forum will be established after the Bill is enacted, comprising the main players in Civil Defence and members from the wider emergency response community. Central to these deliberations will be the critical involvement of representatives of the Civil Defence officers and volunteers based in each local authority area. The purpose of the forum will be to assist the Civil Defence branch of the Department to consider the major issues affecting or likely to affect its development.

I now turn to the main provisions of the Bill. Sections 2 and 3 deal with the dissolution of the Civil Defence board, the date of which will be set by order. Sections 4 to and 6, inclusive, will ensure the transfer of land, property, rights and liabilities, leases and licenses from the board back to Minister will take place. Section 7 ensures any claim in respect of loss or injury arising before dissolution will lie against the Minister, not the board. Furthermore, legal proceedings pending to which the board is a party will continue with the substitution of the Minister in the proceedings.

Section 8 makes provisions for functions commenced but not completed by the board before its dissolution. All functions partially completed will be carried on by the Minister. All moneys, stocks, shares and securities registered to the board prior to the dissolution date will be transferred to the Minister. The income of the board was derived from the grant-in-aid from the Defence Vote and no shares or securities were registered to the board.

Section 9 provides that the former director general of the board will submit, within six

months of dissolution, the final accounts of the board to the Comptroller and Auditor General for audit. Furthermore, he must also submit to the Minister the final annual report of the board within nine months. The Minister must, as soon as practicable thereafter, lay it before the Houses of the Oireachtas. The transfer of staff and the director general back from the board to the Department of Defence is dealt with in section 10, while section 11 ensures any contract or agreement in force before dissolution day between the board and any other person or body shall continue in force in the name of the Minister.

Section 12 deals with Civil Defence plans and sets out the requirement for local authorities to submit a plan within 12 months of dissolution to the Minister. The components of the plan are clearly set out for the authorities, as well as a requirement for them to review the plan within three years.

Section 13 amends section 221 of the Local Government Act 2001 to ensure annual reports prepared by local authorities will make suitable reference to the performance of their functions relating to civil defence, including the expenditure incurred by them in carrying out these functions. Section 14 continues the Department of Defence's grant of funds provided by the Oireachtas for the local authorities for the purpose of defraying expenditure incurred by the authorities in carrying out civil defence functions.

The recruitment of Civil Defence members by local authorities is dealt with in section 15, while the requirement for and the details to be contained within the Civil Defence members' register are outlined in section 16. Section 17 repeals the 2002 Civil Defence Act, while section 18 deals with the Short Title, collective citation and commencement.

This legislation will provide Civil Defence with the ideal platform to strengthen its capacity to continue to develop as a first class second-line emergency response service, while retaining its voluntary ethos and continuing with its community support activities. I am pleased to submit the legislation for the consideration of the House and look forward to hearing the views and contributions of Deputies in their deliberations and reflections on the Bill which I commend to the House.

**Deputy Seán Ó Fearghaíl:** I welcome the opportunity to participate in this debate and pay tribute to Deputy Stanton who in October provided Members with an opportunity to hear directly from the chairman of the Civil Defence board at a meeting of the Joint Committee on Justice, Defence and Equality, at which there was a useful exchange of views. I point out to the Chief Whip that it is useful that legislation is ventilated at committees in advance of being taken in the House. This is a positive development.

I am conscious in taking this legislation that the Minister of State is sitting in the same seat occupied in 2002 by my late colleague and friend, Séamus Brennan, when the 2002 Act was first brought forward. At the time it seemed like sensible legislation which sought to empower and introduce a dynamic to Civil Defence that he considered at the time might best be achieved by providing for a degree of autonomy for the body. If we look back at what happened in the intervening years, we will see that far from being autonomous, it became semi-detached from the Department of Defence. We are now operating in a completely changed economic climate. We are going through a period of retrenchment and looking at a plethora of agencies in existence. For that reason, Fianna Fáil is prepared to support the proposal to bring the agency back within the remit of the Department. However, we have a number of questions to which we would like answers. In general, however, we support the initiative.

On a broader level, we have some concerns about the return of Civil Defence to the Department. This is happening at a time of radical change in that Department. The number of Army battalions has been reduced from three to two and there is a particularly low level of morale within the Defence Forces. It is clear from the response to recent parliamentary questions that there is a disproportionate level of promotional opportunities for people in the Defence Forces in the NCO ranks. We are living through a period where the Reserve Defence Forces consider their position is under threat.

In regard to the initial parent body, they are not returning to a stage where all the players are happy and delighted with what is happening. When the late Seamus Brennan introduced the legislation in 2002, its purpose was two-fold, to update the Civil Defence legislation generally because up to then Civil Defence operated under the Air Raid Precautions Acts 1939 and 1946 and a number of emergency powers. It also provided a necessary legislative framework for the development of the Civil Defence organisation which was an important element of the chapter on Civil Defence contained in the Government's White Paper of 2000 on Defence. The Bill provided for the establishment of a Civil Defence board to oversee, supervise and co-ordinate the operation and development of Civil Defence at national level in co-operation with and in support of all the emergency services, such as the Garda, the fire service, the ambulance service and the Coast Guard. The board was also given the role of advising the Minister on policy issues and to carry out all of the non-policy roles relating to Civil Defence that had up to then been carried out by the Civil Defence branch of the Department of Defence. There were approximately 6,000 volunteer members in the organisation in 2002.

Following the end of the Cold War, the principal focus of Civil Defence in the 1990s changed to one of community support and emergency response. This was highlighted with the launch in 1992 of the development programme, *Towards 2000*, which was designed to put in place the structures to develop the skills that would enable the organisation to face the future challenges. The aim of the programme was to develop Civil Defence as a top class second line emergency service within the local community. From 1992 to 2002 the organisation learned to operate in close support of the front-line emergency services and so integrated in a meaningful way into the day to day emergency planning structures. This has allowed the Civil Defence organisation to focus on serving the needs of local communities.

The Minister mentioned the value we all place on the role of the Civil Defence. Very often we learn about that through our direct experiences in our local communities where our neighbours, friends and colleagues engage actively with Civil Defence. We see the valuable role they play not only in times of crises - obviously we appreciate what it does at such times - but during periods of inclement weather and during searches for missing persons. Much positive comment has been made of its role in the aftermath of the tragedy of the *Tit Bonhomme*. We realise that the members of Civil Defence are engaged in an activity that is of enormous value to the local community. They enrich the lives of people in their community and contribute to its overall well being. It behoves us to pay tribute to those people throughout the length and breadth of the country who play an active role in the organisation. If I read the statistics correctly there are in excess 6,000 members on its books but it has 4,500 active members.

Under the legislative proposals before the House, I suggest we look at innovative ways whereby Civil Defence could be encouraged and facilitated and given the necessary resources to continue to develop the valuable role it plays in local communities. I say that against the background of being conscious of huge numbers of people in our communities who are no longer involved in gainful employment and who are looking for ways and means through which

they can contribute to the well-being of the community in which they live and through which they can find meaning for their lives and a reason to get up in the morning. In particular, there is merit in an idea put forward by one of the Government backbenchers for the development of Civil Defence to the point where it could be facilitated with a cadet corps, where young people could get involved at local level and avail of the high quality training programmes being made available by Civil Defence. The money spent in expanding the organisation would be well spent and would ultimately be cost neutral in terms of the benefits that would accrue to communities.

It would be remiss of me coming from Kildare not to acknowledge what I have seen in my county in terms of the work of people from the age of 18 to 80 years who turn out time and again in support of various crises and various events in the constituency. I learned much of what I know about Civil Defence from a great Offaly man, an all-Ireland medal winner, the late Comt. Larry Coughlan who, while a Civil Defence officer in Kildare, did enormous work to develop and promote an understanding of the organisation and to increase its membership there. That role is continuing under the leadership of Patricia McNeela as it continues in many counties across the country.

There are a number of areas of concern. Under the provisions of the 2002 Act, the new Civil Defence board was empowered to initiate and foster contacts with other Departments and State authorities, external educational and research institutions both national and international, as well as utilising its own resources to enable it to develop optimum standards for the training of volunteers. We need to be assured in the context of these changes that this capacity will not be curtailed by the board's return to the Department of Defence. It is estimated that enacting the legislation will save €60,000 per year. In the overall context that is not a significant amount but will the Minister give an indication of the cost of the changes, that is, the move from the board system to the return to the Department of Defence?

That the Civil Defence works closely with local authorities means that its response can be immediate and locally focused. That is a great strength of the organisation. We saw it in north County Kildare recently and in other parts of the country where missing person situations gave rise to an immediate positive response from Civil Defence. The public need to be assured that the nature of that response can continue to be focused on the local need and as rapid as in the past.

When introducing the 2002 legislation, the late Seamus Brennan said it was vital for the Department charged with responsibility for co-ordinating the emergency plans of local authorities and with the supervisory and co-ordinating role in relation to all local authority activities to be represented on the new board. Consequently, the Bill provides for a representative from the Department of the Environment, Community and Local Government with expertise in emergency planning to be a member of the board. This is an area in which we might consider possible amendments. I am concerned that the circuit of management is moving away from the local authority back to the Department of Defence. One wonders whether the lines of communication can be as smooth and as effective as they should be. What arrangements are being made to maintain strong expertise in emergency planning in Civil Defence?

The then Minister, Mr. Brennan, said: "It is important in terms of national emergency planning that the Radiological Protection Institute of Ireland be represented on the new board." Will the Minister of State be able to give effect to this and what will be the nature of the relationship between the Radiological Protection Institute of Ireland and the Department of Defence? Mr.

Brennan continued:

With the many threats to our environment now evident, it is important that whatever first line service is charged with combating the particular threat can call on the resources of Civil Defence to support it in its endeavours. Having an EPA representative on the board will be of great assistance in developing strategies to offer support in such circumstances.

Again, no more than with the Radiological Protection Institute of Ireland, having ready lines of access, given the need for ongoing communication between the agencies, seems to be essential. I am sure the Minister of State will be able to give us some indication of what his views are in that regard.

Current arrangements provide for the Civil Defence Officers Association, CDOA, to be represented on the board and contribute to its management. How does the Government propose to ensure the voice of volunteers is heard in the proposed new arrangement? The 2002 Act sought to strengthen and maintain the voluntary ethos of Civil Defence and ensure the voice of the volunteer would be clearly heard on the management board, something we hope will continue.

At the recent Oireachtas committee meeting with the chairman of the board it was mentioned a forum might be established which would liaise with and consult interested parties from outside the Department of Defence. I would like to think we could go a little further than suggesting the establishment of a forum and make actual provision to ensure a forum is brought into existence. Such a forum need not cost any money and we would not have to pay anyone to serve on it, but it could have a very useful role to play in the public interest.

A further question arises. Is it in the Department of Defence that this body should find its new home or, to put it another way, is it the place to which it should return? One is conscious that it is in continuous engagement with the local authorities and, through them, the Department of the Environment, Community and Local Government. In the consideration given to the legislation which, as I said, we are prepared to support, was any thought given to whether the Department of Defence was, in fact, the most appropriate location for management of Civil Defence? Should we be looking at the Department of the Environment, Community and Local Government as the more likely home for such a body, not least given the critical role it will play in national emergency planning? As the debate progresses, I am sure we will have the opportunity to tease out matters further.

I acknowledge the role played by the organisation and the value of the contribution volunteers make. We hear a lot of talk about voluntarism. If there are people who want to do something to serve their communities, they could avail of the opportunity to go to the local Civil Defence officer, look at the training programmes available and consider how they might become involved. I make one final plea to the Minister of State to ensure resources are made available in order that those members of the public who wish to become involved in what is a valuable and productive endeavour, one that produces real and potential local heroes, can do so. Civil Defence should have the opportunity to recruit as many as possible of these people who are enthusiastic about society and their local community. I commend the Bill to the House.

**Deputy Pádraig Mac Lochlainn:** While Sinn Féin is not opposed to allowing the Civil Defence Bill 2012 to proceed to Committee Stage, it has some concerns about the impact the Bill will have on the functioning and management of Civil Defence. The Civil Defence board, as constituted, represents a broad balance of interests, from the Environmental Protection Agency

to the Garda, the Radiological Protection Institute of Ireland and the emergency services. There should be no doubt about the value of their input into how Civil Defence functions and, whatever changes are made to the body in this or other legislation, a mechanism must be included to ensure it can draw on the valuable expertise and opinions of these other groups.

If the Bill is passed in its current form and the property and assets are transferred back to the Department of Defence, the result will be a mere €60,000 in savings. This is a very tiny amount in budgetary terms but not to be sniffed at. An extra €60,000 allocated by the Department of Justice and Equality to a women's refuge would make all the difference in terms of how it could provide a service for vulnerable women and child victims of domestic violence. The point is that there is no value in proceeding with legislation on the basis that it will save €60,000 if the lack of expertise on the previous board becomes an issue. If a cost-benefit analysis of the impact of this lack of expertise demonstrates that it will cost more in the long term, obviously, it will not be worth continuing. On that basis, Sinn Féin is examining the legislation to ensure expertise is not lost in the restructuring of the Civil Defence board.

I take the opportunity to commend the work of Civil Defence - the ordinary people across Ireland who do extraordinary things acting in a voluntary capacity as members of communities. I saw this myself in my own home county of Donegal during the spell of severe weather in late 2010-early 2011 when we had snow and freezing cold weather conditions for a sustained period of two months. Civil Defence was deployed to assist the emergency services in keeping everything going. Its members are trained to professional standards and can be called upon at any time to volunteer in emergencies. They do great work and no change should be made that will have a negative impact on their ability to do it. We must maintain the resources and supports available to them.

We have a further concern that the parameters for funding are being changed. What was a responsibility of the local authorities is being transferred to within the Minister's discretion and funding could be cut. I should say this was a responsibility of the Civil Defence board in how it allocated moneys to local authorities, for which there are clear parameters and criteria in place. This will now be done at the Minister's discretion and the fear is that, in the context of ongoing cuts in local authorities, they may not be allocated the necessary resources to support Civil Defence activities in their respective areas. We must receive assurances from the Minister that funding will be maintained for Civil Defence training programmes and activities, as appropriate.

I am also conscious that, while Civil Defence acts in support of the Defence Forces and the emergency services in dealing with the effects of flooding and heavy snowfalls, the Government is engaging in a serious programme of cutbacks within the Defence Forces. That in itself will lead to its own problems, but we must not allow a situation to develop where the Civil Defence ends up being the fall-back plan when it comes to emergency service provision because the Government has hammered away at it with its cutbacks agenda.

As I said to Minister about the Reserve Defence Forces and the changes in that regard, a mistake was made in not giving adequate time to the representative association to respond and make an input before the so-called value for money report was agreed and published. I do not doubt the Minister of State has the same value and respect for the Reserve Defence Forces and the Civil Defence as I have. It is not about that; it is about involving those affected in the change and the decision-making process. It is clear from the feedback we are getting from the Reserve Defence Forces that they are annoyed about that. I call on the Minister of State to

involve the Civil Defence members' representative association and to invite suggested amendments or ideas from it on the Bill as it moves through Committee Stage. I will do that, but I urge the Minister of State to do the same to ensure that we protect the integrity of everything that has happened to date. We must continue to resource the Civil Defence and give its members the necessary training because they are very proud of what they do. We must continue to facilitate active citizenship. The Minister of State and I both know members of the Civil Defence. They are wonderful people who have a sense of community commitment. They want to do more than the average citizen in terms of contributing and being a backup to the Permanent Defence Force and the emergency services.

The key issues are to ensure that the balance of skills currently available to the Civil Defence Board is maintained in the new arrangements, and that there is an advisory stakeholder role in the future management of the service by the Department. Local authorities must continue to be resourced by the Minister. I ask the Minister of State to give an assurance that will be the case and that the Civil Defence will have what it requires to support its activities. Participation in the Reserve Defence Forces and the Civil Defence are in the main voluntary contributions to community and society by some of our finest citizens. We must show in actions as well as words that we value the contribution and partnership they offer and that we will continue to resource them properly.

**Deputy Seamus Healy:** I wish to share time with Deputy Healy Rae.

**Acting Chairman (Deputy Joanna Tuffy):** Is that agreed? Agreed.

**Deputy Seamus Healy:** I welcome the opportunity to speak on the Civil Defence Bill 2012. The Bill seeks to repeal the Civil Defence Board Act 2002, dissolve the Civil Defence Board and transfer the functions and responsibilities of the board back to the Department of Defence.

Civil defence is important for the country, in particular for local communities. The origins of civil defence go back a long way. Much of the legal basis for the Civil Defence service is founded on the Air-Raid Precautions Acts 1939-46. The legislation, together with the Local Government Acts 1941-76 continues to form the main legal basis for the Civil Defence.

The precursor organisation to the Civil Defence was the air raid protection organisation, which obviously dated to the Second World War and had a particular responsibility in those times. Today's service has developed and grown and is now an experienced, active and efficient emergency response organisation supporting front-line emergency organisations and local communities. The Civil Defence organisation itself was founded in 1950 and now has approximately 6,400 volunteers, approximately 4,500 of whom are active on a regular basis. It provides a professional support to the front-line emergency services and support to local communities. Some of the activities in which they are involved include the support of communities in the event of severe weather conditions such as flooding, snowfalls and various emergencies, in addition to the organisation and stewarding of public events. The Minister of State referred to a search for a missing person in Wexford. I was involved with the Civil Defence in a search for a missing person in the Clonmel area recently. The Civil Defence provides a range of local services on a voluntary basis.

It would be remiss of us if we did not extend our thanks and appreciation to the organisation and the individual members and volunteers for the wonderful work they do on a regular basis in all of our communities. The fact that it is a volunteer organisation is something that is

part of the Irish ethos. I refer to the old saying: Ar scáth a chéile a mhaireann na daoine. That is the ethos of Civil Defence and the entire volunteer structure in this country. In the past two and a half years Volunteer Ireland and local volunteer centres have registered more than 34,000 volunteers and 4,173 volunteer organisations who have contributed in excess of 1 million hours of their time to local communities.

My first contact with Civil Defence came when I was a young clerical officer in South Tipperary County Council. My staff officer at the time was a man called Eddie Bergin, who was also the Civil Defence officer for the county. He did tremendous work and put the organisation on a sound footing, not just during his tenure but for the future. He was followed by other committed individuals such as Sean O'Dwyer and Eddie Cooney. The local Civil Defence officer in south Tipperary today is Dolores Fahey and she does tremendous work in the county.

I hope the Minister of State can assure us that the changes being made in the Bill will not in any way impact negatively on the work of the Civil Defence in communities. I welcome what the Minister of State outlined in his speech. "I wish to put on record for the avoidance of doubt that the Bill will not alter the fundamental structures that have served the Civil Defence well over many years and supported the voluntary ethos that has been the hallmark of the organisation since its foundation." I take the Minister of State at his word and hope that also means the organisation will be properly resourced and funded in the future. Civil Defence has done considerable work in communities and deserves the support of all Members. I hope that the views of those involved in the Civil Defence Officers Association and volunteers on the Bill will be taken into account. I hope also that the forum to which the Minister of State referred, which will be set up when the Bill is passed, will be put on a statutory footing in order that all stakeholders will have a voice and will be heard on matters concerning the organisation and Civil Defence activities in the future.

*2 o'clock*

The core issue of members' involvement and the future involvement of the forum or any other structure is vitally important.

I refer to the situation in south Tipperary. The Minister recently indicated that moneys would be available and also that he supported the building of a Garda station in Kickham Barracks in Clonmel. I welcome that commitment and hope moneys will be provided in the budget to progress it. Given that the functions of the Civil Defence board are now returning to his Department, will the Minister consider locating the organisation in that complex? It would be an excellent centre, not just for Civil Defence and the Garda Síochána, but also for all emergency organisations. I know Civil Defence would wish to be involved, as it hopes to be located on the Kickham Barracks site. I ask the Minister to look at this suggestion to see if it would be feasible.

I look forward to the Bill progressing through the House, with particular regard to the forum and the involvement of stakeholders, and hope there will be a statutory framework through which their views can be sought and given.

**Deputy Michael Healy-Rae:** I thank Deputy Seamus Healy and the Technical Group for allowing me to share time.

The Bill provides for the repeal of the Civil Defence Act 2002, the dissolution of the Civil Defence board and the transfer of its functions and other responsibilities back to the Department

of Defence. Its purpose is to bring responsibility for the management, development and administration of Civil Defence at national level back into the Department where it lay at the time the organisation was founded in the 1950s. It was designed to undertake very important activities and take measures to defend persons and property against all eventualities, including radioactive fall-out or biological or chemical warfare attacks on the State. I have no great difficulty with the purpose of the Bill and commend the great work done by the Civil Defence board and its members during the years. The board and its committees have overseen the development of Civil Defence at a national level.

Coincidentally, this week saw the publication by the Department of the Environment, Community and Local Government of an expert report which stated a radioactive leak at the Sellafield nuclear plant would not pose serious health concerns in this country. That is hard to believe. The Sellafield nuclear plant is on a site on the edge of the Irish Sea in Cumbria, but, according to the report commissioned by the Government, it poses no health risk to Ireland. The report states that even a worst case incident such as a massive explosion would not produce “observable health effects in Ireland”. This flies in the face not only of what all of us know but also contradicts a British Government watchdog report issued earlier this month which found that hazardous nuclear waste at Sellafield posed an “intolerable risk” to people and the environment. A public spending watch group warned that plans to replace ageing nuclear waste facilities at Sellafield that posed “significant risks” to the population faced considerable uncertainty. If such a catastrophic event were to occur, it would be a perfect example of where we would need the massive manpower and efforts of Civil Defence.

In a recent debate in the Seanad the Minister of State highlighted the role played by Civil Defence during the rescue operation following the tragic sinking of a trawler in Glandore Harbour, County Cork, last January, with the loss of five lives. In an operation lasting more than 27 days an average of 36 Civil Defence volunteers per day, drawn from nine local authority areas, assisted in the search for the missing trawlermen. Civil Defence volunteers served for almost 8,000 hours in that operation. I join the Minister of State in commending all the volunteers involved.

Civil Defence is an organisation with approximately 6,000 members who voluntarily make themselves available in their spare time. Civil Defence is a respected organisation with highly trained and effective members who provide valued and appreciated support for the emergency services and the community. It is a voluntary organisation of dedicated men and women who assist the community and freely give of their time. They provide invaluable backup for the full-time emergency services and casualty, rescue, auxiliary fire and welfare services when needed. I offer the example of Kerry Civil Defence which is headed by people such as Mr. Tom Brosnan and has more than 240 volunteers who assist in all kinds of operations during severe weather conditions. A number of years ago they had to transport public health nurses to take care of their patients and also provided transport for members of the general public in coping with their day-to-day difficulties during that awful spell of bad weather. They provide invaluable assistance for organisations such as the Kerry mountain rescue team which also does excellent work. There is a great attraction for climbers in the mountains of County Kerry and, given the law of averages, accidents and incidents will take place on the hills and in the mountains. We are very fortunate to have such a good rescue team. Its members also assist Civil Defence during major events such as the annual cycle around the Ring of Kerry, the Rose of Tralee festival, Puck Fair and the 15 August celebrations in Kenmare. On all of these big occasions one can see the work and input of Civil Defence, the members of which are available when wanted. The

Kerry county manager and Kerry County Council also support Civil Defence in recognition of the valuable contribution the organisation makes on a daily basis.

It is essential that the vital link between local authorities and Civil Defence is continued. It should not be affected in any way by the transfer of functions back to the Department. Local knowledge and communication with local authorities are essential to ensure the effective working of Civil Defence teams. This line of communication must remain open to ensure a immediate response to emergencies. I would not want to see the enactment of the Bill leading to a dilution or removal of the understanding of the work Civil Defence does throughout the country.

As already stated, all Civil Defence members are volunteers. In that context, we must ensure that Civil Defence's budget in respect of equipment and training is protected. It is the Minister's job to ensure that this happens and I have no doubt but that he will do his job. He certainly realises the importance of the work done by Civil Defence volunteers in his local community and the wider constituency he represents. I wish the Bill well and I look forward to its passage through the Houses. I thank the Minister of State for coming before the House to take this debate.

**Deputy Mary Mitchell O'Connor:** I wish to share time with Deputy Feighan.

**Acting Chairman (Deputy Joanna Tuffy):** Is that agreed? Agreed.

**Deputy Mary Mitchell O'Connor:** According to the former President of the United States of America, Mr. Bill Clinton, "Volunteering is an act of heroism on a grand scale. And it matters profoundly. It does more than help people beat the odds; it changes the odds." I am of the view that this statement is acutely true when it comes to the work of the Civil Defence. The Civil Defence has many functions including search and rescue, the provision of auxiliary fire services and radiation monitoring. I am very much aware of the fantastic work performed by Dublin Civil Defence volunteers, particularly those in the Dún Laoghaire-Rathdown area.

The work of the Civil Defence, especially during periods of flooding, has been immense. Beginning in the early hours, on Thursday, 2 July last, a total of 59 Civil Defence personnel were involved in flood relief activity in Dublin. Some 18 people were evacuated from Sherard Street in Dublin's city centre by An Garda Síochána and accommodated at the Dublin Civil Defence emergency accommodation centre. An emergency rescue vehicle distributed approximately 100 sandbags to 23 houses in the Sandymount area. Civil Defence fire crews were on standby at Swords, Blanchardstown, Nutgrove-Rathfarnham and Dún Laoghaire, with further crews operating from Civil Defence headquarters. The Civil Defence casualty service was also on stand-by at Malahide, Dún Laoghaire and Mount Argus. The professionalism and care displayed by the Civil Defence on the date to which I refer was extremely impressive and it made me realise the importance of the organisation. No one would disagree that the people who work in our emergency services are heroic individuals. I agree with Deputy Ó Feargháil that Civil Defence volunteers are local heroes.

The Bill provides for the dissolution of the Civil Defence Board and for the transfer of its functions and other responsibilities back to the Department of Defence. I thank all those who served on the Civil Defence Board and its various committees. I welcome the Minister of State's commitment to maintain the current level of funding for the Civil Defence at €5.585 million per annum. The programme for Government contains a commitment to reduce the number of State bodies and the Bill is proof of the Government's action in this regard. Shortly

after taking up office, the Minister, Deputy Shatter, decided that the functions of the Civil Defence Board should be transferred back into the Department of Defence. The Bill gives legislative effect to that decision.

Progress is being made in the context of reducing the number of State agencies. In that context, significant streamlining is taking place in the Department of Education and Skills. The amalgamation of 33 VECs into 16 educational training boards will reduce the number of State agencies by 17. Some ten agencies under the remit of the Department of the Environment, Community and Local Government are being dissolved. Six public bodies under the remit of the Department of Transport, Tourism and Sport have been either merged or restructured. This includes the merger of Dublin Tourism and Fáilte Ireland. The number of agencies which come under the remit of the Department of Jobs, Enterprise and Innovation has been reduced by four, with review pending in respect of a number of others. Three bodies which come within the remit of the Department of Health have been dissolved or merged. Similar work is under way in other Government Departments. Other reforms, including the merger of the National Qualifications Authority, FETAC and HETAC into a single body, are in train. During the next three years, the Government will continue to rationalise and restructure agencies and ensure that value for money is obtained for the taxpayer.

The Minister for Defence, Deputy Shatter, has guaranteed that the dissolution of the Civil Defence Board will not have a negative knock-on effect in respect of the Civil Defence. At the end of 2011 he gave a commitment to the effect that “The proposed transfer of functions will result in verifiable savings and will allow management to develop the provision of training support, which is a key demand in a voluntary organisation like Civil Defence rather than duplicating the corporate governance of the Department.” As a result of the downturn in our economy and the commitment that was made by the previous Government to the troika, streamlining must occur, savings must be made and rationalisation of agencies must take place. These things will continue to happen. I endorse the measures contained in the Bill.

**Deputy Frank Feighan:** I thank the Minister of State for introducing the Bill, which is in line with the current policy to bring the functions of many State agencies back within their parent Departments. The Bill makes provision for the dissolution of the Civil Defence Board and the transfer of its functions back to the Department of Defence. The Civil Defence Board is funded from grant aid provided out of the Department of Defence’s Vote.

The Civil Defence officers of the relevant local authorities oversee the delivery of Civil Defence functions. These officers are full-time employees of local authorities and are responsible for the day-to-day management of Civil Defence matters. Civil Defence instructors come from all over the country in order to be receive training in a wide variety of areas at Civil Defence headquarters in Rossreea. The Irish Civil Defence was set up in 1950, to be part of the national defence structure as the necessary civil response to potential hazards which might arise in a war situation. I do not recall the 1950s but I do remember the Cold War and being told that in the event of a nuclear attack, we should huddle under the kitchen table. In such circumstances, prayer would have been our only hope. A few years ago a Minister of State saw to it that iodine tablets were delivered to every home in the country. Such tablets would not have provided much succour in the aftermath of a blast caused by a nuclear missile. It is good that we have emerged from the difficult period of the Cold War.

The Civil Defence is currently split into 32 administrative areas. The Civil Defence Board currently has responsibility for these areas at national level but from now on that responsibility

will again reside with the Department. The Civil Defence grew out of the voluntary air raid protection organisation, which had operated during the Second World War. It comprises some 6,000 members, all of whom are volunteers. Many of these individuals work for local authorities and they have made themselves available to deal with very difficult situations such as those caused by flooding. The duties of Civil Defence include the management of public events, search and rescue, fire-fighting, river rescue, monitoring levels of radiation if necessary and providing assistance to the public during adverse weather events.

Until the move to Roscrea, Ratra House was the home of the Civil Defence from the establishment of the organisation in 1950. The lodge premises in the Phoenix Park was named by the first President of Ireland, Dr. Douglas Hyde, after his home, Ratra House, in Frenchpark, County Roscommon. Deputy Calleary will be familiar with Frenchpark as he passes it every second day. The people of Roscommon are very proud that Douglas Hyde, a great statesman, lived in Ratra House in Frenchpark.

I commend the Civil Defence Board and its committees for their contribution to the ongoing development of civil defence in the past decade. Their proposals have resulted in the development of the Civil Defence into a highly professional, albeit volunteer group. Civil Defence training programmes are well supported at local level. My first encounter with the Civil Defence was the occasion of the visit of Pope John Paul II to Knock in 1979, when the personnel of the Civil Defence, the Defence Forces and the FCA provided security and crowd control. The current level of funding for the Civil Defence will remain at €5.585 million, even in these straitened times, for which I commend the Minister. He acknowledges that the service provides value for money.

I am familiar with the work of the Civil Defence in Roscommon and Leitrim. The personnel are volunteer participants who take great professional pride in their work. I note the Department has upgraded the equipment available to them and the Civil Defence is the equal of similar organisations in other countries. I pay tribute to the men and women who provide the service. The Minister intends to set up a forum of stakeholders to share knowledge and expertise. The legislation will provide the Civil Defence with the ideal platform to develop as a first-class second-line emergency service. The voluntary ethos of the organisation is necessary and is to be welcomed.

The Civil Defence Act 2002 transferred responsibility for the governance of the organisation to the Civil Defence Board. The proposed Bill will not alter the co-operation between the national Civil Defence organisation and the local authorities. It will transfer the functions and responsibilities back to the Department of Defence. The Civil Defence uniforms and badges worn by members are internationally recognisable, showing that the organisation is part of a worldwide network of committed people preparing to serve in their own countries and communities or overseas. There may be a role for overseas involvement by Civil Defence volunteers who could provide assistance in cases of natural disasters. I commend the Bill to the House.

**Deputy Dara Calleary:** I welcome the opportunity to discuss the role of the Civil Defence and its work. It is appropriate to acknowledge the work of our late colleague Séamus Brennan, who introduced the 2000 Bill and whose vision for civil defence has resulted in the organisation we know today. The teams of volunteers and staff around the country work in partnership with the relevant local authorities. They have expanded the role and the public profile of the organisation to become a front-line community response to crises and a supporting resource for local festivals and events. The organisation is embedded in the community and this relationship

must be retained when the Civil Defence is returned to the Department. The work of the past decade will be for naught if the link with the community is lost. I hope that in the construction of the new board there will be a means of measuring the strength of that link.

The occurrence of bizarre weather events in the recent past, such as flooding and heavy snowfalls, has demonstrated that the Civil Defence operates effectively and in a timely manner. The organisation is locally based and managed. It is hoped the response time element will be retained so that the organisation can continue to mobilise its forces in the community as efficiently as possible. Volunteers can respond to any event in the community within hours. This is possible because of the local command structure in the organisation. Deputy Feighan noted the nationwide co-ordination aspect of the organisation. We must ensure this immediate response to community situations is retained in the new structure. I welcome the guarantee that the budgetary arrangements for the service will be maintained. We must ensure that operations and activities account for the bulk of the expenditure rather than administrative functions. Will the involvement of the Radiological Protection Institute of Ireland and the Environmental Protection Agency with the Civil Defence organisation be maintained and developed?

The Civil Defence Officers' Association is represented on the Civil Defence Board. The association has a strategic input into the running of the organisation. This input needs to be formalised to allow for some form of representation of Civil Defence officers on the new board. The Civil Defence is a volunteer organisation and this is the basis of its community focus. These volunteers need to be represented on the new board to ensure their input is central to the development of the new structure and the ongoing development of civil defence. There would be no Civil Defence without the volunteers. That must always be kept in mind.

Recently at a meeting of the Joint Committee on Justice, Defence and Equality, the chairman of the board of the Civil Defence referred to the creation of a very informal forum. His view on the forum is that it would liaise with and consult interested parties. Has the Government given that any thought? Could it formalise the forum to have a required amount of consultation annually or biannually with the various stakeholders in the Civil Defence, who represent community and local authority interests and those involved in emergency planning and services?

I welcome the fact that the Government is retaining the headquarters and keeping the Civil Defence function somewhat separate from the functions of the rest of the Department. Although the Civil Defence falls within the remit of the Department, it is important that it retain as much autonomy as possible. It is its own unique community-led organisation. I welcome the fact that the offices will be retained in Roscrea.

It should be recognised that the Western Brigade of the Defence Forces will be stood down this weekend. This will end a fantastic link with the west dating from before the foundation of the State. I thank all those who served in the Western Brigade. It is unfortunate that its identity has now been lost. I understand it will be stood down tomorrow evening.

The Civil Defence has considerable opportunities in terms of involving and engaging with communities and attracting more volunteers. It should become involved with schools, displaying its work and equipment and engaging with transition year students to get them involved at an early age in civil defence, obviously in low-level operations.

We need communities that do not traditionally become involved in civil defence to know that they can become involved. Part of the budget should be devoted to promoting participa-

tion and recruitment. There are many individuals with skills who now, because of the economic circumstances, have time to participate. Their skills could be maintained and developed to the benefit of the community. I encourage the Minister to engage with the new board on promoting the Civil Defence as an outlet for one's skills and talents.

In the past 12 years in Mayo, the Civil Defence has developed phenomenally. It plays an active and intense role in responding to floods and bad weather conditions, and on unfortunate and tragic occasions it leads the way in search-and-rescue missions, often at short notice and in very difficult circumstances. We all owe the volunteers a great debt of gratitude. I hope the new design, while well intended, will not fall short in the implementation. We have a superb organisation; let us not damage it in the implementation of the plans for the new structure.

**Deputy Tom Hayes:** I am sharing my time Deputy O'Donovan.

One must salute the wonderful volunteers who work with the Civil Defence, who were rightly described by another speaker as local heroes. I welcome the fact that the headquarters will be maintained in Roscrea in County Tipperary. This is an important, central part of the country that is proud of its volunteers. The savings being made indicate the Government's determination to cut back on waste. That is why I welcome the initiative.

We are all mindful of the work of the Civil Defence. I refer to volunteerism and supporting local efforts in the wake of floods, freezing temperatures and snowfalls. For many years the River Suir overflowed in Clonmel in County Tipperary, causing considerable hardship to people in the town. The Civil Defence sprang into action immediately and helped to alleviate the problem. Now, owing to considerable investment and work on flood relief in the town, I hope its services will not be needed any more. Other towns will obviously be subject to flooding; one cannot predict when it will happen. Where other floods occur, the work of the local Civil Defence will come into play. The volunteers play a considerable role in improving the quality of life of everybody.

When the Civil Defence is called upon for local shows, activities and games, the volunteers always oblige. I am struck at all times by the pride with which they carry out their work. Day after day, event after event, I see the Civil Defence engage in emergency and support work to back up the Garda, local authorities and others who need it. This is why I salute the organisation.

The Civil Defence provides stewarding, first-aid cover and other supports at major public and community events. It supports the front-line ambulance service during environmental and other emergencies and the efforts of local authorities in dealing with all types of emergency. It cares for displaced people and supports efforts nationwide to combat the spread of infectious animal diseases in support of the Department of Agriculture, Food and the Marine. If a national herd is under threat, the Civil Defence will be ready to support the work of the Department's officials. This is sometimes forgotten when we introduce new legislation in the House. We must think of the volunteers who are so active.

I acknowledge the work done by the Department of Defence regarding the closure of the barracks in Clonmel. Some months or a year ago, we received the bad news that Kickham Barracks was to be closed down. Since then, Department and local authority officials in south Tipperary have made a genuine effort to put a plan together. The Minister for Justice and Equality, Deputy Alan Shatter, announced in recent weeks that a new Garda station would be built on the

site. There has been widespread negativity over the past 12 months among certain individuals, and false accusations were made that members of the Government parties were standing idly by and doing nothing. I was pleased some weeks ago when the Minister for Justice and Equality gave his full backing to a proposal, involving the local authority, the VEC and LIT, to put the site to valuable use. I hope that over the coming years this proposal will be implemented. The plan is now almost in place. While one may criticise members of the public service, one must acknowledge this is an example of public servants working together to put a strategic plan in place for the Army barracks site. It must be acknowledged that it is worthwhile to make the site useful for the taxpayer and convert it into a valuable asset for the town and surrounding area. I thank the Minister sincerely and am only too glad to put these points on the record.

I am pleased that the Civil Defence headquarters will be in Roscrea and that the new changes will save €60,000. That amount may look small but if we can save money in every area in every Department, it will be easier for the Minister for Finance to balance the budget next week and it will not be a struggle to find more taxes and more ways to make life less difficult for people. The Government parties committed to cut public waste during the election campaign and that is happening, although the pace may be slow. However, it is worthwhile and we should continue on that track.

**Deputy Patrick O'Donovan:** I welcome the opportunity to contribute to the debate. Before I get into the nuts and bolts of the legislation, I often wonder whether the previous Government did anything apart from establish boards, quangos, talking shops and unnecessary stuff because we have spent most of the past two years doing nothing other than abolishing them. I acknowledge we have to try to get rid of 14 years of quangos but this is another board that was badly in need of abolition. What was it set up for in the first place? The recommendations in the legislation will not change how the Civil Defence operates or administers the functions it carries out effectively around the country. Why over the past two years have successive Ministers had to traipse into the House with legislation to unwind a spider's web of quangos that the previous Government left them with?

**Deputy Dara Calleary:** They have not done much so far.

**Deputy Patrick O'Donovan:** On the one hand, the parliamentary time it is taking to undo the bureaucratic monster, which is the legacy of the previous Government, is a waste, but, on the other, it epitomises the wanton waste in which the previous Government engaged like a juggernaut out of control spewing out cash. The €60,000 saving resulting from this Bill might be small but, as Deputy Tom Hayes said, it is part of an overall package. Yesterday, we dealt with regulations to downsize political administration. We will also have fewer VECs, the number of county enterprise boards has reduced and a clatter of other publicly funded organisations are being reformed by being merged, amalgamated or abolished. It is taking a great deal of time and effort on the part of civil servants, Ministers, Oireachtas committees and parliamentary draftsmen. The legacy of Fianna Fáil, the Progressive Democrats Party and the Green Party in government is the two years the current Government has had to spend on the "de-quangoisation" of Ireland.

The Bill includes a commitment to maintain Civil Defence numbers at their current level of 6,500 but there is scope to do a little more. Significant emphasis has been put on volunteerism over the past few years. In 2013, The Gathering will be one of the Government's major initiatives. The Civil Defence will have an important role to play at events that are planned throughout the country. Bearing in mind that the population has increased and the number of

people, unfortunately, as a result of the economic collapse who have time on their hands and want to put it to good use in their local communities has increased, there might be an opportunity for the Department to increase the strength of the Civil Defence because, at the end of the day, civil defence is not only about people helping their communities but also about developing their personal skills, including leadership.

Deputy Tom Hayes alluded to the role the Civil Defence will have in the future dealing with natural disasters, emergencies and so on. It was established in 1950 to provide assurance to the State during the height of the Cold War when nuclear bombs and so on were a threat. Since then, it has evolved into an organisation that is fit for purpose and it responds quickly and effectively. Over the past five or six years, there has been a noticeable change in our climate. One only needs to consider the past summer and the volume of rainfall, which meant land was saturated all the time, channels could not take more water and flooding was a threat. Going forward, the Department of the Environment, Community and Local Government and the Civil Defence need to examine whether the capability is available to come to the aid of communities more quickly than is the case currently. Deluges and flash flooding are becoming regular occurrences. In 2008, my home town, Newcastlewest, experienced a flash flood and water rose to 20 ft. in a few hours. A small river, the River Arra, burst its banks and, within a few hours, an air sea rescue helicopter was hovering over the town and Civil Defence boats were on the streets. That is not the image we want to see but it is important that the capability, infrastructure and local volunteer network is in place.

I refer to Deputy Ó Feargháil's proposal. The Civil Defence has a strong relationship with local authorities, as much of its capital expenditure derives from the Department of the Environment, Community and Local Government. In many cases, Civil Defence officers, including my own in Limerick - Mr. Jos Kirby - are based in local authority offices and, therefore, they have a ready made link to the Department. As reform evolves, the Minister might consider more devolution into the local authority structure from the Department of Defence to give chief executive officers and local authority members a role in setting targets for the Civil Defence. The organisation will be party to the formulation of major emergency plans for local authorities, which is positive, but local authority members, engineers and local gangers on the roads have the knowledge about where flooding is likely and so on. It is on that basis that the organisation might migrate in the long term into the local authority structure.

A sum of €60,000 is 1% of the overall budget but the Government is progressing with the "de-quangoisation" of the country and trying to restore a semblance of accountability. Restoring the Civil Defence to the Department of Defence begs the question: why was it moved out of there in the first place? Given this will happen, we must examine whether greater efficiencies can be made. My sole criticism of the Government parties is that they are not getting the message out about the number of quangos that have been changed in a short time. Last year, I tabled parliamentary questions to every Minister to elicit the number of quangos, State boards and talking shops in one form or another that had been abolished, merged or subsumed and there was a huge number. A review of the reforms that are being made should be carried out on an annual basis by the Department of Public Expenditure and Reform.

I pay tribute to the Civil Defence in my own county. Given the local authorities in Limerick are being merged, as they are in Tipperary, the organisation will face a challenge in the county, no more than the fire service and other emergency services provided by the two local authorities. However, there is potential for greater synergies between the fire and emergency services and the Civil Defence and to subsume them into a more integrated, responsible and accountable

local authority system. I commend the Bill to the House.

**Minister of State at the Department of Defence(Deputy Paul Kehoe):** I thank all the Members who contributed to this debate. Everyone praised the work done by the Civil Defence across the country. As I stated in my opening remarks, it is intended that this Bill will return the management, development and administration of the Civil Defence to the Department of Defence. In the day-to-day running of the organisation and for the volunteer on the ground, the basic structure of the Civil Defence will remain the same. That was a concern for several Members. The only change to the Civil Defence is the dissolution of its board, while its management will be brought into the Department of Defence. A forum will be established with representatives from the Department of the Environment, Community and Local Government, county managers, Civil Defence officers and volunteers and the Department of Defence. Civil Defence officers and volunteers from all local authorities and local areas will have a voice in this proposed forum. The concerns of every volunteer on the ground will be listened to.

The Bill is a major advance for the Civil Defence and represents a sensible and practical model for its operation in the years ahead. I believe the Bill's measures will be welcomed by all Civil Defence members and ensure it develops as a first-class second-line emergency response organisation. In County Wexford, I am very much aware of the amount of work Civil Defence volunteers do on the ground. While some may say the savings from this legislation are minimal, €60,000 is still not to be sniffed at in these times.

I thank Members for their contributions, which have been most instructive and helpful. I look forward to an equally constructive debate on Committee Stage.

Question put and agreed to.

### **Civil Defence Bill 2012 [Seanad]: Referral to Select Committee**

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

That the Bill be referred to the Select Committee on Justice, Defence and Equality pursuant to Standing Order 82A(3)(a).

Question put and agreed to. *Sitting suspended at 2.53 p.m. and resumed at 3.42 p.m.*

### **Topical Issue Debate**

#### **Leader Programmes**

**Deputy John O'Mahony:** I thank the Ceann Comhairle for selecting this topic. It is necessary to raise the issue because the approval of projects under the Leader element of the rural development programme has been suspended at the Mayo North East Leader Partnership Company. This follows an ongoing investigation into the Mayo North East Leader Partnership Company.

Leader funding has played an important function in the economic and social development

of rural Ireland in the lifetime of the funding. It supports hundreds of jobs, some 300 jobs in the case of the Mayo North East Leader Partnership Company. It sustains communities and it is needed now more than ever because of the difficult times. We hear a good deal about how rural communities are suffering and about services being withdrawn. Leader funding is crucial in this regard. The funding comes from Europe but the tap has been turned off and there has been a detrimental effect on various applications in the north and east Mayo areas. I am aware of a grant that has been approved for a youth cafe in Ballyhaunis, while applications relating to the Seosamh Mac Gabhann summer school in Kilmovee, the John Healy weekend in Charlestown and a community centre in Kilkelly have been delayed. This week I was contacted by Ballina Town Council, which expressed its concern at the suspension of funding. There is a mystery or cloud about it and it is important that clarity is provided. This is the reason I am raising the matter today. In addition, rumour and innuendo have been doing the rounds about why the investigation was requested, by whom and why it is taking so long. This is really why I need clarity today.

The big issue is funding. Projects worth almost €2 million are either in the pipeline or ready to be applied for in this region. Approved projects must be paid out while others must be applied for, approved and allocated before the end of 2013. The important thing is that funding is not lost to the region. Everyone understands that there must be strict rules and guidelines and that these must be transparent and above board. The whole affair has dragged on. I am keen to know when the investigation will be completed or, if it is complete, what was the outcome and when will funding be restored to the projects that have been approved.

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd):** Funding of €314 million is available under the Leader elements of the rural development programme for allocation to qualifying projects up to the end of 2013. There are 35 local action groups or Leader companies contracted on behalf of the Department of the Environment, Community and Local Government to deliver the rural development programme throughout the country. These groups are the principal decision-makers in respect of the allocation of this funding. Such decisions are made in the context of the local development strategy of the individual groups and in line with the operating rules and EU guidelines.

Currently, Leader activities are co-financed by the European Union at a rate of 85% and, accordingly, come within the remit of a strict regulatory regime which requires that each project must be compliant before any funding is awarded by the Leader companies and that the conduct of these companies must be shown to be beyond reproach. Furthermore, the conduct and constitution of the companies must be in accordance with the corporate governance guidelines. These guidelines are designed to assist the companies, sectors and pillars that are involved in supporting and promoting social, enterprise and community development at local level. The provision of public funding to such companies imposes national and EU obligations on the Department to ensure that there is transparency in the receipt, administration and disbursement of such funds. It is essential that the companies are governed by appropriate standards which provide the companies, their directors and other stakeholders, such as the public, the Department and the EU, with a reasonable assurance with regard to the governance arrangements in place.

Mayo North East Leader Partnership Company is the local action group contracted by the Department to deliver both the rural development programme and the local community development programme to the north Mayo area. On foot of correspondence received in 2011 by the Minister for the Environment, Community and Local Government, Deputy Hogan, regarding

a possible governance issue at Mayo North East Leader Partnership Company, the Minister directed his Department to investigate the matter. This investigation is complex and pending its completion the authority for Mayo North East Leader Partnership Company to approve projects under the Leader elements of the rural development programme was suspended in early March 2012. This will remain the position for the time being. Regretfully, since the required processes relating to the investigation report are ongoing I cannot comment further on the matter at this stage.

**Deputy John O'Mahony:** I thank the Minister of State for the answer but the problem I have is that there is no timeline. The basic question that required an answer was whether the backlog would be cleared and whether new applications would be opened up soon in order that all the money that can be drawn down is made available. It is important that this issue is clarified for the sake of confidence in the Leader programme and for the sake of the new projects and the communities in the region. I understand Cabinet meetings are under way today and I thank the Minister for State for taking the debate, but I am keen to know when clarification will be published.

Have other investigations like this taken place elsewhere in the country? If so, have they taken as long as this? It is important that everything is absolutely above board but it is also important that allocated funding is made available and can be applied for. Communities are depending on this.

I noted earlier that innuendo has been flying around about who was responsible for whistleblowing and so on. While the Minister of State may not be able to clarify the matter now, it is important it is clarified because some of the rumours I have heard are untrue. It is important that the truth is established and that the funding is made available as soon as possible. I ask the Minister of State to seek answers to my questions and to revert to me at a later stage if possible.

**Deputy Fergus O'Dowd:** I thank Deputy O'Mahony for the manner in which he has raised this matter. The Deputy has raised some important issues, which I will bring to the attention of the Minister, Deputy Hogan, for direct reply to him.

It is important that the Minister ensures that the funding programmes are delivered in an efficient and effective manner and in compliance with EU and national requirements. When an issue is identified, a comprehensive process of investigation is required to determine whether the programme is being delivered in the appropriate manner. Obviously, investigations such as this cannot be rushed and must be thorough and complete. They must be seen to be fair and to get to the truth of the matter. I assure the Deputy that the Department of the Environment, Community and Local Government will act on the recommendation of the investigation as soon as possible and will support the local area and continue to provide resources through the rural development programme into the future. Programmes were suspended in March 2012. This remains the position for the time being. However, as the required processes relating to the investigation board are ongoing, I cannot give any further commitment or comment further at this time. I assure the Deputy that the Minister, Deputy Hogan, will be made aware of his comments.

### **Airport Development Projects**

**Deputy Michelle Mulherin:** I understand the Minister for Transport, Tourism and Sport,

Deputy Varadkar, is otherwise disposed. However, I regret he is not here to take this matter. I am from Mayo, where Ireland West Airport Knock is located. I am gravely concerned for the future of this airport in light of the announcement earlier this year with regard to the separation of Shannon Airport from the Dublin Airport Authority and its amalgamation with Shannon Development, the purpose of which is to make Shannon Airport self-financing. We know that Shannon Airport operates at a significant operational loss year-on-year, to the tune of €8 million. Shannon Airport is key to the future development of the mid-west region. Knock airport, which serves the west and north-west regions, is equally significant, if not more so. Knock airport is a success story. The Minister should not be making decisions which have an anti-competitive effect on Knock airport and ultimately undermine its future viability. The airport operates on a shoestring budget. The three State airports should be benchmarked against Knock airport for efficiencies.

Knock airport was established in 1985 by Monsignor James Horan, whose mantle has been taken up by the trusteeship under which Knock operates and by the people of the area. Some 680,000 passengers will pass through Knock airport this year. Five major airlines serve 25 international routes from the airport. All of this is being done without the financial and regulatory focus the Government has on the State airports. Knock airport does not need to be undermined. The Minister is on the record as saying that it is a role model in terms of efficiencies, how to do business in aviation and how to be competitive and succeed. There is a great emotional attachment to Knock airport in the region, which, more than any other region in the country, has suffered mass emigration. For many years our diaspora were in the international sphere but we were not internationally accessible. However, that was before the construction of Knock airport.

The Minister has stated on many occasions that any development of Knock airport is a matter for the management of the airport because it is a privately owned entity. This is his reason for not having a plan for Knock airport. I do not accept that. Knock airport is run as a trusteeship. Its stated objective is the social and economic development of the region. Unlike any other airport in this country, Knock airport has been funded to the tune of €26 million by the people of the region and its diaspora. It is owned by the people and should be supported into the future. It is a red herring to suggest that this is the reason something cannot be done for Knock airport.

The concerns of the management of Knock airport need to be taken seriously and a plan for the future growth of the airport needs to be worked out. It must be given the same focus shown to Shannon. As a peripheral area competing in a global village for business and tourism, Mayo cannot afford to have its airport undermined going forward. I do not wish to play any part in putting the final nail in the coffin of Knock airport. This problem will not go away.

**Minister of State at the Department of Finance (Deputy Brian Hayes):** I am taking this topical issue on behalf of my colleague, the Minister for Transport, Tourism and Sport, Deputy Varadkar. Since his appointment, the Minister has set out to rationalise the system of State support for the privately owned regional airports. The Government now has a settled policy with regard to these airports. The Minister has also endeavoured to restructure the State-owned airports and, in particular, to map out the best future for Shannon Airport. All Irish airports should operate to a commercial mandate and the Minister has stressed in the past that regional airports, including Knock airport, must work towards achieving operational viability over the near term. This also applies to the three State Airports. This aim is particularly acute in the current difficult financial and economic situation in which the country finds itself.

Next week, the Minister for Finance will announce budget measures to achieve a further €3.5 billion in savings through expenditure cuts and revenue-raising initiatives. The State has recognised that the six privately owned airports needed financial assistance with their capital and operational costs and substantial amounts of taxpayers' money has been disbursed to them over the years to support their operations, but this could not go on indefinitely. To ensure best use of scarce Exchequer resources, it has already been necessary to cease all funding for the two airports in Galway and Sligo. Subject to funding availability, the other four airports, including Knock, will continue to be eligible for funding up to the end of 2014. In this regard, approval was secured from the European Commission in 2011 to extend the Department of Transport, Tourism and Sport's capital expenditure grant scheme for three years to 2014. It is in this context that all airports must work towards sustainability over the coming years, without an ongoing need for Government subvention. Capital funding for these four airports is focused on safety and security projects aimed at ensuring they can comply with the latest national and international aviation safety and security standards. Current funding is split between subvention for PSO air services between Dublin and the two most remote regional airports, Donegal and Kerry, and operational subvention towards the cost of providing core airport services at these airports.

As the Deputy will be aware, following the Government decision last May to separate Shannon Airport from the Dublin Airport Authority group and merge it with a restructured Shannon Development to create a new entity, a steering group of senior officials from five key Departments was established to introduce proposals for the implementation of that decision. The steering group was assisted by two task forces, which submitted their reports for consideration by the steering group earlier this month.

*4 o'clock*

On the basis of the work undertaken by the task force and the steering group, detailed proposals on the restructuring of the State airports and Shannon Development have been submitted to the Government by the Minister for Transport, Tourism and Sport and the Minister for Jobs, Enterprise and Innovation. An announcement will be made about this shortly. The task force made a submission to the Department of Finance in the context of the forthcoming budget and it is understood that it suggested a range of potential nationally available incentives that could be considered in support of aviation development in this country. However, as the Deputy is aware, budgetary matters are an issue for the Minister for Finance. Aviation is a key component of all major forms of economic activity in Ireland, in our tourism as well as our business sectors. The measures being taken are based on increasing the overall number of passengers to and from Ireland through increased efficiencies and attracting new aviation business that can have a beneficial national impact. The Minister believes that these measures will form the basis for sound, sustainable airport businesses into the future that will support the growth of these sectors and help drive Ireland's economic recovery.

**Deputy Michelle Mulherin:** I thank the Minister of State for his reply. I find the rationale operating here amazing. We have an airport in Shannon that has been haemorrhaging money. I have no issue with helping out Shannon Airport but I do have an issue with the Government putting at risk an airport that is doing its best on a shoestring budget by intervening in another State airport. I have consistently asked questions about the anti-competitive effect of decisions made in respect of Shannon Airport but have received no answer. If I am asking these questions, the Minister of State can only imagine what the trustees and staff of Knock airport are wondering. I have asked whether there has been any liaison with the European authorities regarding competi-

tion law and whether the Government's intervention falls foul of this, but the silence has been deafening. No concrete information is forthcoming, despite the fact that a decision about one airport is having massive ramifications for another.

This situation requires a lot more joined-up thinking, because I cannot see any clear Government airport policy. Before proceeding with the preferred approach for the separation of the Dublin Airport Authority, would it not benefit the Government to clarify its airport objectives? The Government must clarify its desired level of airport competition for the country as a whole, as well as among the current DAA airports. Is it just going to ignore the West as a region? Is it acceptable that we all go to Shannon Airport and undermine Knock airport? I do not think that is acceptable. It is not fair to hide behind the fact that the DAA airports are State airports. Knock airport is a public airport, owned by the people of the area in trust; that is the way it was set up. A lack of consideration of Knock airport by the Government will not wash, because it has the potential to be a strategic aviation hub for us. Without it, the west will be at a significant disadvantage in terms of business and tourism. This matter must be addressed. The issues surrounding competition and the possible illegality of some of the moves the Government appears to be planning must be addressed. Some consolation must be given to Knock airport in this regard and some plan must be drawn up for the airport and for the people of the region.

**Deputy Brian Hayes:** I agree with Deputy Mulherin that we need a plan for Knock airport and the region, given the importance of the airport to the entire region in terms of tourism and business development. However, any such plan must be sustainable, viable and based on a thorough examination of what pertains in other parts of the country. As I said in my response, a task force has been established which will advise the Minister on the regional airports, whether privately or publicly owned. My understanding is that the task force will report directly to the Minister, who will in due course submit his proposals, if any, to the Government. The points raised by Deputy Mulherin on the importance of Knock airport, not just to County Mayo but to the wider region, are very real and I will make sure the Minister for Transport, Tourism and Sport is fully appraised of the comments she has made.

### **Student Training Allowances**

**Deputy Joanna Tuffy:** I had hoped the Minister for Health or one of his Ministers of State would be here.

**Deputy Brian Hayes:** The Deputy is not the only one.

**Deputy Joanna Tuffy:** I have had replies from the Minister to several parliamentary questions on this issue and had hoped the Minister would be here, given that he knows the background to the matter. In any event, I wish to know the up-to-date position regarding the reason for non-payment to third year DIT biomedical science students of the monthly training allowance payable to them while on placement in public health service laboratories. I am raising this on behalf of current and former students of biomedical science at DIT Kevin Street, who used to be paid a monthly allowance for the period of their third year full-time placement, which involves training in public health service laboratories in hospitals. Payment of this allowance was stopped three years ago on the grounds of HSE cutbacks. However, although biomedical science is offered at three third level colleges - namely, DIT, NUI Galway and Cork University - and students of those courses had all previously received the allowance, it was stopped only for the DIT students. Students at the other two colleges still receive the allowance and have

done so over the past three years.

It is also worth noting that the Department of Health and Children document on consolidated salary scales for new entrants, effective from 1 January 2011, states that the third year student medical scientist monthly training allowance is €813.58. I am aware that when the allowance was stopped, the issue was raised on behalf of the students by the Medical Laboratory Scientists' Association and, as I mentioned earlier, I have raised it in a number of parliamentary questions, starting in February of this year. I have since put other parliamentary questions to the Minister for Health on this matter, the last of which was in September. I have also written to the Minister on the issue a number of times. In response to my question in February, the Minister stated the following:

Student medical scientists who are in their third year of study and who are accepted for a clinical placement in a public health service laboratory are eligible to receive a monthly training allowance of €813.58. I am making inquiries about the particular issue raised by the Deputy and will correspond with her on the matter as soon as possible.

I have sent a number of follow-up letters to the Minister as well as tabling several parliamentary questions, and in his responses he has told me the matter is receiving attention. It is important that this matter is resolved.

It is also noteworthy that the Department of Public Expenditure and Reform, in its review of allowances, makes reference to the monthly training allowance paid to third year medical science students. I ask the Minister of State to update me on the investigations the Minister of Health said he was carrying out. What is the reason for this anomaly? Why is it that the DIT students do not receive the allowance but students in the other two colleges do?

**Deputy Brian Hayes:** On behalf of the Minister for Health, I thank the Deputy for raising this issue, in which she obviously has had a keen interest.

Student clinical placements in the health sector are a feature of training and education in a range of health disciplines. These placements build on the academic training received in colleges and universities and provide students with practical experience of a health service working environment. Clinical placements ensure that graduates are then in a better position to take up employment following graduation. Some placements involve the payment of a salary or allowance, while others do not.

Arrangements for a payment to student medical scientists undertaking clinical placement in hospitals were put in place in the 1980s. These arrangements applied to all hospitals where such placements occur. I understand that in recent years a number of hospitals in the Dublin area discontinued this payment to student medical scientists, primarily on cost grounds. The Health Service Executive is currently examining this issue with a view to determining which hospitals are involved and the number of students affected. This process will be concluded shortly. It will then inform a decision with regard to future payment of this allowance in the hospitals concerned. Here is the old official line: it would not be appropriate for the Minister or for me to prejudge the outcome of this process. However, the Department of Health has assured me there will be no undue delays in dealing with the matter and that the HSE will be communicating with the hospitals concerned in the very near future.

Deputy Tuffey made a compelling case which cut through the verbiage that one regularly hears on these matters. The HSE needs to get its act together because clearly there is a disparity

in the payments issued by the various colleges and hospitals. I am informed by another note that the Department has emphasised to the HSE the need to resolve this issue in light of the fact that the Deputy previously raised it in a parliamentary question as long ago as last year. The fact that it has taken this long to come up with a convincing argument on payments dating back to 1981 suggests a certain inadequacy in decision making, if that is not too bold a comment to make. I understand the Department has asked the HSE to clarify the issue and the latter is investigating which hospitals are involved and the number of students affected. When the HSE comes to a conclusion the Department and the Minister will be informed.

**Deputy Joanna Tuffy:** I thank the Minister of State for his response. The students work full-time when they are on placement in hospitals. As a result of the allowance for DIT students, many are required to take on part-time employment in addition to their full-time placements. Clearly, that undermines their ability to work to their full capacity in the hospitals concerned. The Department of Health has stated that the allowance is payable and, similarly, student environmental health officers receive a weekly payment while on placement. Other students such as student nurses are paid substantially more. If the Department sets an allowance, surely it is not for the hospitals themselves to decide whether to pay it. This is an unfair anomaly and it is important that it be addressed. The issue of back-pay also arises for students who did not receive the allowance and as a result incurred significant costs. They expected to be paid the allowance and their peers in NUIG and Cork were paid.

**Deputy Brian Hayes:** It is absurd that one group of students should receive an allowance of €903.98 per month while, just because the Dublin hospitals have disentangled themselves from it and decided not to provide support, another group of students does not. We either have one system or we do not. Deputy Tuffy has highlighted an important issue. In 2009, the Dublin hospitals that received students from DIT decided to discontinue the payment, but that is not applicable to other hospitals around the country. There is a clear disparity and this is why the Minister has asked for a thorough examination of the issue and a report from the HSE with credible answers and proposals for addressing it. I hope that as a consequence of Deputy Tuffy's raising the issue the students will get answers at the earliest opportunity. It is not good enough that she is still waiting for a concrete answer despite having raised the issue last year.

### **Vaccination Programme**

**Deputy Seán Ó Fearghail:** I would have expressed disappointment that the Minister for Health is not present, but with everything taken into account I may have more confidence in the assurances provided by the Minister of State, Deputy Brian Hayes. The final report of the national narcolepsy study steering committee was published on 19 April 2012. The report was commissioned following concerns about an increase in narcolepsy among those who were administered the swine flu vaccine Pandemrix. The report found that the risk of narcolepsy was 13 times higher among those given the swine flu vaccine than in unvaccinated individuals. At the time of the epidemic, approximately 900,000 people were vaccinated. The report states that symptoms developed between two weeks and 20 months after vaccination and there was increased risk of narcolepsy among young people aged between five and 19 years.

Inevitably, a campaign group was set up to represent families who believe their children have been affected. The group, which is called Sufferers of Unique Narcolepsy Disorder, SOUND, represents more than 30 children and their parents. SOUND has been seeking health

and educational supports, as well as a compensation programme. I raise this matter on behalf of the group and I am aware that other Deputies have also raised it by means of parliamentary questions. Correspondence received by my colleague, Senator Thomas Byrne, from the parent of a sufferer describes the difficulties that arise. The correspondence states that the final report of the national narcolepsy study steering committee concluded that the higher incidence of narcolepsy among children and adolescents was associated with vaccination with Pandemrix. The Minister for Health subsequently gave a clear commitment to the members of SOUND that a paper would be presented to the Government prior to the previous summer recess to propose a package of supports for those affected. SOUND was later advised that the paper had been delayed but would be put to the Dáil in September 2012. It was then delayed until October. The most recent communication with SOUND is that a statement will be made by the Minister in the next four to six weeks, with no mention of the proposed paper or further consultation with SOUND. The parent was most disappointed at the lack of follow-up by the Minister and was concerned for the future of his teenage daughter.

Notwithstanding the children's referendum, children with narcolepsy due to a State-sponsored vaccination programme appear to have been forgotten. What does this say about the Government's commitment to children? The correspondent's daughter was vaccinated against the H1N1 virus in November 2009 and, following 18 months of fear, anxiety and misdiagnosis, was conclusively diagnosed with narcolepsy as a result of the vaccination. This means that for this family the journey began three years ago. The chronic condition is not curable and is managed with lifetime medication, with only limited success. The daughter suffers constantly from narcolepsy and frequently also suffers cataplexy attacks - complete loss of muscle tone - and has recently begun to experience disturbing night terrors. Her quality of life and her ability to fulfil her potential in sport, education and normal social behaviour have all been dramatically diminished by this terrible consequence of the State-promoted vaccination programme. The quality of life of her siblings has also been adversely affected by her condition, as has normal family life. The parent believes that the Minister, his Department and the HSE are reneging on their collective duty and, in particular, on the Minister's personal commitment to this child and the other children, adolescents and young adults, to meet the needs of their particular circumstances.

**Deputy Brian Hayes:** I thank Deputy Ó Feargháil for raising this and for providing me with the opportunity, on behalf of the Minister for Health and Children, to outline to the House the importance of the issue raised.

The Minister's priority is to ensure that the children and adolescents affected are provided with services and supports to meet their health and medical needs. The Department is working closely with the Health Service Executive and the Department of Education and Skills to address the needs of those affected by narcolepsy following Pandemrix vaccination. The Department is engaged with the support group SOUND, which represents those affected. Meetings have been held by the Minister, Deputy Reilly, and his Department with representatives of SOUND.

The HSE provides a wide range of services and supports to those affected, including access to rapid diagnosis, clear treatment pathways, temporary medical cards and reimbursement of expenses incurred. Multidisciplinary assessments, which allow for appropriate individualised health and educational supports to be put in place, have commenced. The National Educational Psychological Service, NEPS, is also engaging with the HSE and with the individual schools and parents of children concerned to identify and provide educational supports for the children

and adolescents affected.

The Department of Education and Skills has held a number of meetings with SOUND to outline the range of educational supports that may be provided for children with narcolepsy, subject to an assessment of their needs. These supports can include special arrangements at State exams, access to special needs assistant support, additional learning assistance in schools, information for schools regarding this condition and home tuition support for children who have missed a significant amount of time in school due to illness.

A meeting was held recently between SOUND and representatives from the Higher Education Authority national access office and the Department of Education and Skills higher education unit on the issue of assistance that may be made available for young adults with narcolepsy in third level education. Students with narcolepsy may access the disability access route to education, DARE, scheme, which offers enhanced access routes to third level education for pupils with disabilities. Support may also be provided to pupils in colleges through the disability officers at third level colleges. The association for higher education access and disability, AHEAD, group, which works to promote full access to and participation in further and higher education for students with disabilities and to enhance their employment prospects on graduation, will also provide assistance to SOUND on these matters.

The Department of Health is considering all possible supports that may need to be put in place for those affected. Any such supports require the Minister's approval and the consent of the Minister for Public Expenditure and Reform. I assure the House that this matter continues to be a priority for the Minister and the Department of Health.

**Deputy Seán Ó Fearghail:** I appreciate the bona fides of the Minister of State, and if nothing were to come from this discussion other than perhaps a commitment from him to promote this issue with Government, I would be happy.

The response from the Minister lists the supports that are generally available within the health and education systems to children or young people with disabilities. The people in question here are people who are suffering from disabilities as a result of a vaccination given to them by the State. The State has a responsibility to address that situation. The Minister gave the organisation to understand that he would do that. He has given three different timescales for the introduction of a proposal to address the specific needs of those affected, but he has not honoured those commitments.

Having been involved for a number of years with the 33 thalidomide survivors and having heard the commitments made by the Minister, as a Deputy, when he and I served on the health committee in the previous Dáil, I believe the parents of children affected by narcolepsy have little reason to be optimistic the Minister will address their problems if he proceeds along the same lines along which he has proceeded to date in dealing with the survivors of thalidomide. We would, however, have some confidence if we thought the Minister of State would raise, promote and make progress on this matter. We could take some little hope and optimism from this debate based on that.

**Deputy Brian Hayes:** I thank Deputy Ó Fearghail for raising this matter in such a constructive way. He recognises, as does the Government, the State's responsibility to the people who have been affected this way as a result of the vaccination to which he referred. He must also recognise that the response must be multi-departmental, because it involves young people and

adolescents who must interact with a number of different services, including health and education services. As a consequence, the issue must be approached in a multi-departmental manner.

On behalf of the Minister for Health and Children, I can assure the Deputy that the Minister is preparing a memorandum for the Government on this issue. I understand the memorandum will set out all of the issues in terms of additional supports required for those affected by narcolepsy. I also understand the memorandum requires the consent of the Minister for Public Expenditure and Reform and that the Department of Health and Children is in contact with the relevant officials in the Department. As Minister of State at the Department of Public Expenditure and Reform, I assure the Deputy that I will raise this matter not only with the Minister for Health and Children but also with the Minister for Public Expenditure and Reform, Deputy Howlin. It seems that in order for a memorandum to come to the Government setting out additional supports for these people, it requires the approval of both of these Ministers, as these supports will require additional funding. I will raise the issue with both Ministers.

## **Ceisteanna - Questions**

### **Priority Questions**

#### **Energy Prices**

1. **Deputy Michael Moynihan** asked the Minister for Communications, Energy and Natural Resources his views on the need to ensure that energy prices are kept under review; and if he will make a statement on the matter. [53547/12]

**Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte):** I have no statutory function in the setting of gas or electricity prices, whether in the regulated or non-regulated parts of these markets. Responsibility for the regulation of the retail electricity market is a matter for the Commission for Energy Regulation, CER, which is an independent statutory body. Since 4 April 2011 prices in the electricity retail market have been fully deregulated and business and domestic customers can as a result avail of competitive offerings from a number of electricity supply companies. Price setting by electricity suppliers is a commercial and operational matter for the companies operating in the retail market, including Electric Ireland which is ESB's electricity supply business.

The Government is most concerned at the impact of higher electricity prices on residential and commercial consumers. Ireland is at the mercy of international fossil fuel prices which dictate the retail price of electricity.

There are a number of avenues open to consumers to try to mitigate rising electricity prices, and measures are also in place to assist them. Accordingly, consumers can shop around to get the best possible price and service deal from suppliers bearing in mind that other suppliers can and do offer competitive prices and products. Consumers can also take steps to improve the efficiency of their electricity usage which delivers demonstrable savings. The CER is also working with energy suppliers to ensure that vulnerable customers are protected through, *inter alia*, the installation of pay as you go meters.

As regards keeping electricity prices under review, the CER publishes a report every quarter on information on the retail markets in electricity and gas. It includes metrics on market share, switching rates, the rollout of pay as you go meters, debt flagging and customer disconnections. The report can be found on the CER website.

**Deputy Michael Moynihan:** As this is the first time I face the Minister across the Chamber in my new role as spokesperson I hope we can work in a constructive fashion. There is no doubt the issue of energy and energy prices is a matter of concern for many people. An issue that arose recently was the granting of a price increase to Electric Ireland by the Commission for Energy Regulation and later it emerged that its half-yearly profit was of the order of €230 million heading for €0.5 billion in a full year. The hard-pressed householder and business people note that the Regulator has granted a price increase to the ESB while it is making huge profits. I am aware that the statutory body, the Commission for Energy Regulation, makes periodic reports. Can the Minister comment on those reports internally and put pressure on the Commission for Energy Regulation to ensure price increases are not granted? The public perception is that price increases are granted when they are not necessary in view of the fact the companies concerned are making huge profits.

**Deputy Pat Rabbitte:** I welcome the Deputy to his role as spokesman in this area and wish well and also a long stay there. I look forward to working with him and counsel him not to sign any statements prepared over quiet weekends in the Fianna Fáil head office as he did last weekend on “The Frontline” programme because the assertions in that statement about my role were not true.

The Deputy raised a good point in respect of energy prices and particularly the issue of the profits returned for the first six months by the ESB. Obviously it is regrettable that as price takers Ireland is a victim of prices on the oil and gas market. The weakness of the euro against the dollar is a particularly acute reason for the upward trend but there is some misunderstanding about the six-monthly returns by the ESB. I would be as surprised as the Deputy if a similar performance was returned for the second six months of the year. There are very particular accounting reasons that figure was returned for the first six months. It will not, unfortunately, survive until the end of the year. In addition, a significant and far-reaching restructuring programme has been concluded in the ESB which will have to be funded by the company next year.

**Deputy Michael Moynihan:** It is vitally important in all the sectors that are independently regulated that the consumer has confidence in the Regulator. What has transpired in recent months has led to some people losing confidence in the regulation of the energy market. It is important that clarity is brought to the issue of companies making profits on the backs of others. If there are issues in respect of returns for the second half year performance they should be in the public domain.

**Deputy Pat Rabbitte:** I am looking at a note on the voluntary severance package to which I have referred and that will close by year end. The associated costs are forecast at €137 million due to approximately 500 staff exits being anticipated. It is good on the one hand to see a strong Irish multinational State company turning in a strong performance. When the 12 months returns are available they will give less cause for alarm. The Regulator does a very rigorous monitoring and policing job on prices and probably had an eye to the yearly out-turn.

2. **Deputy Michael Colreavy** asked the Minister for Communications, Energy and Natural Resources the tax percentage the State would take from a company (details supplied) following oil extraction from the proposed site off Dalkey, County Dublin; and if he will make a statement on the matter. [53500/12]

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd) (Deputy Fergus O'Dowd):** Standard Exploration Licence 2/11, which was issued last year, is held by a consortium comprising Providence Resources Plc and PSE Seven Heads Ltd. over an area of approximately 380 square kilometres in the Kish Bank Basin off the Dublin-Wicklow coast.

The licence is for a six-year period with an obligation to drill an exploration well by August 2014. The licensees have not as yet submitted detailed proposals for drilling to my Department for approval and at this early stage of exploration activity it is far too soon to anticipate a commercial discovery that could potentially lead to a petroleum production project. In the event, however, that the proposed drilling on the licence was successful and resulted in a commercial discovery, profits would be subject to a tax rate of between 25% and 40%, depending on the profitability of the field.

Ireland's tax terms for oil and gas exploration and production are set at a level which seeks to maximise the financial return to the people of Ireland from our indigenous oil and gas resources while at the same time encouraging exploration companies to invest in exploration in the Irish offshore.

Ireland's tax rate for oil and gas production is set at a level similar to countries such as France, Portugal and Spain which, like Ireland, have limited petroleum production and with which we compete for investment, rather than at a level comparable to countries such as the UK and Norway which are major petroleum producers.

**Deputy Michael Colreavy:** Sometimes I wonder why people and parties which have good plans and policies, as soon as they enter government with a larger party have those good plans and policies watered down. I do not know whether it happens during the negotiations around forming the Government or if it is a question of continuing as before with the Civil Service; that phenomenon could probably be called civil subservience. However, the Minister will recall that in the 1970s there was an active campaign seeking reform of the tax take from oil and gas. A former Labour Party Minister, Mr. Justin Keating, introduced a 50% maximum stake in any commercial find, production royalties of 8% to 16% and bonuses on particularly significant finds. These terms were dismantled by Mr. Ray Burke and Mr. Bertie Ahern-----

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

**Deputy Michael Colreavy:** I am aware that the Joint Committee on Communications, Energy and Natural Resources has issued a report on a pricing structure for oil and gas finds. When does the Minister propose to implement it, or does he propose to do so?

**Deputy Fergus O'Dowd:** The joint committee published its report on offshore oil finds in May. The report recommends an increase in the tax rate to 80%, but it does not address the continuing low level of offshore exploration and makes no suggestion on how it can be improved. It also makes it very clear that even if there were to be changes from its perspective, they could not apply retrospectively.

The key point I would make to the Deputy is that we have had something like 146 wells drilled off the Irish coast to date compared to over 4,000 in the United Kingdom and over 1,200 in Norway. We have to compete with these countries to get companies to come here to find oil and gas and exploit it and bring it ashore. The reality is they are not investing here compared to the level of investment in other countries where there is certainty of finding oil. We have to attract them to come here. The big bonus, if and when oil and gas are found, is the spin-off to the economy in terms of job creation.

This is the best deal we have available. We believe it is at the right level to attract more companies to prospect for and find oil and gas. Our terms are comparable to those on offer in other countries such as France, Spain and Portugal and we have exactly the same take.

**Deputy Michael Colreavy:** The Minister of State is as aware as I am that the jobs, income and oil security promised in the non-negotiations in this development are illusory. All exploration costs can be written off against any tax rate we set. Surely, we need to button down our expected return from these companies. We need to know in advance that this return will be made. Otherwise, we are risking our environment and people's enjoyment of life for very little or no return.

**Deputy Fergus O'Dowd:** I reject all of those assertions because they do not make sense. As I said, we have had a very small number of drills off our coast compared to the numbers in Britain and Norway because of the fact that there is a much better chance of finding oil off their shores. We have to get companies to invest here and we are getting them. However, during the years, the graph showing the number of companies coming here has not gone up but down. We want companies to come here, but they will not come if there is an 80% tax regime in place because there is no certainty of finding oil and gas and there is a much greater certainty of finding them at other locations. We have to be in the marketplace to attract them. There are companies which I hope, will find oil next year. However, we do not know if they will do so and they do not know either. It costs at least €60 million to drill a well. We have to provide the seismic knowledge they need. In that regard, a major seismic survey will take place on the Atlantic margins in the next two years. It will inform companies in the next Atlantic margins round and I hope as a result that more companies will come here to drill.

### **Better Energy Homes Scheme**

3. **Deputy Catherine Murphy** asked the Minister for Communications, Energy and Natural Resources his views on the fact that his plan of phasing out the subsidisation of home energy retrofit without a suitable pay as you save replacement facility in place has had a detrimental effect on employment in the construction and retrofit sector which has created sustained employment for 5,000 people over the past four years; his plans to expedite the introduction of the planned pay as you save home retrofit scheme; if so, if he will offer details of the scheme; if he has had any consultations with the Department for the Environment, Community and Local Government in terms of the utility such a programme can offer as part of a national CO<sub>2</sub> emissions reduction plan in the context of climate legislation; and if he will make a statement on the matter. [53528/12]

**Deputy Pat Rabbitte:** The Government, through the Sustainable Energy Authority of Ireland, SEAI, has invested over €145 million in Better Energy Homes and its forerunner schemes since 2009. The existing scheme is demand-led, with €76.146 million committed in Exchequer

funding this year.

Better Energy Homes provides financial assistance for improving the energy performance of older homes built any time before 2006. The scheme enables homeowners to save money, while improving comfort and reducing harmful greenhouse gas emissions. It also promotes employment in the construction sector. The programme for Government commits to a phased transition from grants to a pay-as-you-save scheme after 2013. Following on from work completed last year, a project team has been established to bring forward a scheme design for the Government's consideration by the middle of next year.

It is important to note that no measure has as yet been removed from the list of those supported since the Greener Homes scheme was subsumed into the wider Better Energy Homes scheme. Reductions in grant value have been made, but this is to ensure grant supports are in line with the reduced market prices. Clearly, it is essential that the transition from an Exchequer supported industry to one that is sustainable takes place in an orderly manner and it is the case that the SEAI will continue to operate its current schemes during 2013. Central to this will be engagement with stakeholders, including the Department of the Environment, Community and Local Government. The project team put together draws heavily on industry expertise.

The Better Energy Homes scheme has successfully supported the creation and retention of a large number of jobs in the past few years. These jobs have been underpinned by Exchequer capital funding provided via my Department's Vote. In the light of the general pressure on all Exchequer expenditure and other demands on my Department's Vote, including in future years in the area of broadband provision, new and innovative funding models must be pursued to ensure maintenance and enhancement of energy efficiency schemes. What is required is a retrofit model that is both sustainable and attractive to the consumer, which is why my Department is working closely with industry and stakeholders, including the banks, to design a scheme that does both. The protection of jobs is a key objective of the pay-as-you-save scheme and underlines the importance of a strong value proposition for consumers in the scheme's final design.

**Deputy Catherine Murphy:** This scheme has the potential to be a winner on three fronts: job creation, the environment and in making it more affordable for people to heat their homes. Essentially, as the Minister said, the Better Energy Homes scheme replaced three other schemes. Within that context, there was a reduction in the amount available and, in fact, the grant rates were cut twice last year. I have several questions. The changes taking place and the lack of certainty seem to be impacting on the level of confidence in the scheme. For example, there has been a considerable reduction in the number of calls and inquiries to the Sustainable Energy Authority of Ireland from some 500 to 100 a day. This suggests something to us. The absence of continuity and certainty in transitioning from one scheme to another is impacting on people's ability to plan to employ themselves in this market. Is all of the €76 million committed to be drawn down this year? Does the Minister have information readily available on how many grants this sum would cover? It is as if we have stopped in the middle and are transitioning to something else, yet at the same time it appears that while the scheme to move towards the industry model was ready prior to the Government taking office, it will now be 2014 before it is rolled out. This has not provided the confidence people involved in the industry and those who would potentially employ themselves in it want.

**Deputy Pat Rabbitte:** The Deputy is right to draw attention to the value of these schemes and also to point to the fact that there has been a decline in the number of applications this year. However, she is wrong in somehow persuading herself, as she has done in the question, that it

is due to a lack of continuity. Whatever it is, it is not due to a lack of continuity and it is not the case that the pay-as-you-save scheme was ready before we went into government. The scheme is still not ready. It is a complex issue. In any event, we did not want it to be ready because we are still operating a grants-based incentive scheme for people to insulate and retrofit their homes so they make energy savings, and as Deputy Catherine Murphy said, that they can live in their homes with more comfort. I accept the grant was moderated this year, but it was done because the price of doing that kind of job is now less than it was three to five years ago. We are trying to ensure that the money goes as far as possible. I remind the House that I invested an additional €30 million into the scheme last year. Far from cutting it, we put in €30 million extra in the jobs initiative in the middle of last year. A total of 5,500 people were supported last year.

I suspect what the Deputy is really interested in finding out is the reason for the apparent fall-off in applications. That is her net point. I am interested in it too. I find it difficult to come up with experts who can provide a reason. Two major reasons have been advanced. The first is that last year there was a particularly mild winter. Anytime there is a particularly harsh winter such as the two previous ones, there is a spike in demand and then it falls off. The second reason is the recessionary climate where people are reluctant to put their hand in their pocket. Even if one gets grant funding one still has to fund the work by a factor of 2:1. If one gets a grant, for example of €4,000, one is expected to come up with €7,000 or €8,000 to do the job. In the present climate people are reluctant to spend that kind of money. That is one of the advantages of the pay-as-you-save scheme. The idea of the pay-as-you-save scheme is that householders are not expected to put money upfront. They repay it from the energy savings that have accrued over a period. We must try to make the product attractive to the householder.

**Deputy Catherine Murphy:** Will grants still be available once the new scheme is fully rolled out? People might wish to take up the other type of scheme.

I do not know whether the Minister has been listening to the pre-budget discussions from around the country on “Morning Ireland”.

**Deputy Pat Rabbitte:** Oh my God, Deputy Murphy would not inflict that on me.

**Deputy Catherine Murphy:** Utility bills are coming up as a key issue every morning. It strikes me that the grants scheme is precisely the type of measure the vast majority of people would want if it were put in place quickly. While the scheme might not save people money immediately, they are conscious of the cost of energy and the scheme is a means of eventually saving. I am not convinced by the weather argument.

**Deputy Pat Rabbitte:** I listen to Lyric FM in the morning. It is one thing having half the population of the country being depressed by the unending dirge of misery and negativity one gets from 7 a.m. until midnight, without me being depressed because we would have no hope at all if that were to happen. I did not hear the programme but I will take Deputy Murphy’s word for it that it was as dismal as she suggests.

She is correct; this is one thing that could be done. In a country that imports its fossil fuels what we can do to affect the price of oil or gas on the world markets is limited, but we can make savings in energy and we can use energy more efficiently. That is what we are trying to do.

There is no doubt that the scheme will continue. I am currently locked in mortal combat trying to hold on to as large a budget in this area as I can for next year. I do not see it being a clear ending on 31 December 2013 and on 1 January it is a brave new world. I do not think it

will happen that way.

I am worried that there is a third factor at play in the point raised by Deputy Murphy, namely, that the category of householder who like her is energy aware and wants to get the job done, is gone in the first flush of applications, and that we will have to evangelise to get the next tier. That is an issue as well.

### **Broadband Services**

4. **Deputy Michael Moynihan** asked the Minister for Communications, Energy and Natural Resources the way he proposes to ensure fair treatment of rural consumers in the provision of telecommunications services; and if he will make a statement on the matter. [53548/12]

**(Deputy Pat Rabbitte):** I accept that the widespread availability of reliable telecommunications services in both voice and data are imperative in a modern economy and society. As a result of targeted Government interventions through initiatives such as the national broadband scheme, basic broadband services are now widely available across the country. In addition, the State-funded metropolitan area networks, MANs, are available in approximately 94 centres, including a number of small rural towns and they help facilitate the roll-out of higher speed broadband in these centres. The challenge now is to accelerate the roll-out of high speed services to all areas.

The national broadband plan, which I launched in August last, aims to change radically the broadband landscape in Ireland by ensuring that high speed services of at least 30 Mbps are available to all of our citizens and businesses, well in advance of the EU's target date of 2020, and that significantly higher speeds are available to as many homes and businesses as possible. These ambitious targets apply to the entire country, including hard-to-reach rural areas. It is intended that the private sector will be the key driver of investment with potential State intervention confined to areas where the market is unlikely to invest.

The national broadband plan contains actions for investment, demand stimulation, infrastructure barrier removal, spectrum policy, potential contribution of State entities, and policy and regulation. This approach seeks to achieve a step-change in the level of services available throughout the country by accelerating private sector investment through a range of actions by public stakeholders, and particularly with regard to rural areas where the State expects to co-invest with the private sector in areas where the commercial case for infrastructure investment does not exist.

One of the first steps in delivering on the 30 Mbps and 40 Mbps commitments will be the completion of a formal national mapping exercise to determine the exact position in relation to commercial service providers' existing and planned broadband services throughout the country. Preparatory work has commenced within my Department to expedite this mapping exercise.

*Additional information not given on the floor of the House.*

The mapping exercise will identify the areas of the country where there is market failure in the provision of high speed broadband services. It will also identify where the market is expected to succeed and fail in the delivery of high speed broadband over the coming years. This process is expected to take at least a number of months to complete. It will identify the

precise areas of the country which will require State intervention to ensure the Government's commitment that a minimum of 30 Mbps be available throughout the country is realised. It is also expected that the spectrum rights in the 800 MHz, 900 MHz and 1800 MHz released following ComReg's recent auction will play an important role in helping achieve these goals. The leveraging of this spectrum will be particularly important in radically improving mobile broadband speeds. In summary I can assure the Deputy that through implementation of the national broadband plan I am committed to tackling the digital divide decisively and to ensuring that much higher speed broadband is available in rural areas.

**Deputy Michael Moynihan:** My question relates to the schools broadband initiative. We have schools that do not have any broadband connection. As the Minister outlined in his reply, broadband connectivity is of importance. A school in Milford in north Cork has no access to broadband which puts the pupils at significant disadvantage as they progress to second level and beyond. It is vitally important that we examine the issue.

Nothing is as divisive at the moment as broadband connectivity. One sees in the property pages of newspapers that houses in rural areas use broadband connectivity as a selling point. It is a great advantage to have it. Heretofore, it was important for working from home but as technology has moved on it has become essential.

ComReg regulation 11/72 is complete gobbledygook. It has allowed telecommunications companies to sell bundles at a higher price to rural dwellers compared to urban dwellers. The matter must be examined.

**Deputy Pat Rabbitte:** I agree with the Deputy that availability of high-speed broadband in the schools system is transformative.

*5 o'clock*

I have seen the impact not only on the pupils but also on teachers. It really transforms the learning environment. For that reason, I am very proud that last year I was able to persuade the Department of Education and Skills - even if my Department has to pay for it - that every second level school in Ireland should be connected to industrial-strength broadband. So far we have completed this work in 297 schools. I realise selecting sites is a delicate business in politics, but I selected 13 western counties that are not in my constituency. Deputy Boyd Barrett should not look at me like that.

**Deputy Richard Boyd Barrett:** I did not say anything.

**Deputy Pat Rabbitte:** The 13 western counties were chosen because the reception they have is poor, as is the case in many areas. That job is now finished, and the second tranche is being prepared and will be completed by the beginning of the academic year in 2014. It really makes a difference. For example, there is a school in Warrenmount in Dublin, with which Deputy Joan Collins will be familiar, which is in a working-class urban area and never offered honours mathematics. Now there are five young women taking the subject in a virtual arrangement with another school. It is exceptional.

Notwithstanding the difficulties with investment at present, my Department pays for installation and running costs for a year, after which the Department of Education and Skills takes on the project.

**Deputy Michael Moynihan:** Judging by the body language of the Minister, I wonder whether we should be fearful about the future of this programme. It is vital that broadband is at the top of the Government's agenda. This is as important to the present generation as rural electrification was in another time. Will the Minister look also at the sale of bundling in other spheres as they relate to rural communities?

**Deputy Pat Rabbitte:** Again, I agree with the Deputy. As described, this is the equivalent of the rural electrification scheme of the 1950s and is hugely significant. As the Deputy noted, if we are not careful there is a danger of creating a digital divide. I hope the national plan for broadband, which I published immediately after the summer recess, will remain an objective within the lifetime of this Government and that by 2016 nowhere in the country will have less than 30 Mbps. It is an ambitious target but one we intend to meet. As I stated in my formal answer, it is ahead of the digital agenda for Europe and ten times better than what certain rural areas have to put up with at present.

I will be glad to draw Deputy Moynihan's second point to the attention of ComReg, which, as he will understand, is an independent statutory body.

### **Petroleum and Gas Exploration**

5. **Deputy Joan Collins** asked the Minister for Communications, Energy and Natural Resources his views on whether the current process of granting exploration licences complies with the EU Directive 2003/4/EC on access to information on the Environment and EU Directive 2003/35/EC on public participation in environmental decision making and access to justice; and his views in relation to the granting of the licence to a company (details supplied) to drill in Dublin Bay. [53546/12]

**(Deputy Fergus O'Dowd):** I confirm to the Deputy my satisfaction that the current exploration licensing process is fully compliant with the requirements of both European and domestic law with respect to public participation in environmental assessment, including the requirements of EU Directives 2003/4/EC and 2003/35/EC.

The environmental assessment process implemented in Ireland is as follows. In advance of licensing rounds for the granting of exploration licensing options, a strategic environmental assessment, SEA, which is subject to public consultation, is undertaken at regional level. An SEA of the Celtic and Irish Seas was undertaken during 2010, the final results of which were published at the end of 2011. Once a drilling location has been identified and on receipt of a specific drilling proposal, an environmental area assessment is undertaken to identify all relevant potential environmental impacts and to decide whether the proposed mitigations are sufficient to ensure the application will not have an unacceptable environmental impact.

An environmental impact assessment, EIA, must be undertaken for all activities that may have a significant adverse effect on the environment, including major infrastructure projects such as crude oil refineries, railways, motorways and wastewater treatment plants. It should be noted that exploration drilling for oil and gas is not amongst the activities listed in the annexes to the directive. Proposals for a petroleum development to progress to the production stage must be supported by an environmental impact statement, which is assessed in accordance with the requirements of the EIA directive and includes full public consultation.

I confirm I am satisfied that the current licensing process is compliant with all relevant aspects of Directive 2003/4/EC, which deals with access to environmental information.

**Deputy Joan Collins:** I beg to differ with the Minister of State. The SEA made the point he quoted, but the public consultation in question amounted to four public meetings, one of which took place in a pub in the Dún Laoghaire area. The Minister of State describes that as full public consultation. The people who have come to the Visitors' Gallery today - fishermen and residents of Dún Laoghaire-Rathdown - would find that an insult, because they believe public consultation should mean that information concerning all meetings will be published in every newspaper. The foreshore advertisement appeared in one daily newspaper and at two Garda stations in the area. This certainly did not amount to proper public consultation in accordance with the Aarhus Convention and the directives mentioned by the Minister of State.

The fishermen in the area are deeply concerned that explorative drilling will have an enormous effect on their livelihoods because the drill used crushes down into the floor of the bay and would have an impact on fish. Will the Minister of State make a commitment that when Providence makes an application for a licence to conduct a site survey or takes out a drilling licence he will have a proper consultation process in accordance with the Aarhus Convention? Will he also order a full EIA on the area?

**Deputy Fergus O'Dowd:** I fundamentally disagree with the Deputy, who has the matter completely wrong. I have in my hand a list of 100 organisations, all of which were written to, in direct and personal letters, in connection with the EIS document, which is a report on the consultation process. Among those consulted directly were Dublin City Council, Dún Laoghaire Harbour Authority, Dún Laoghaire-Rathdown County Council, Friends of the Irish Environment, the Health and Safety Authority, the Irish Chamber of Shipping, the Irish Coastguard, the Irish Fish Producers' Association, the Irish Fishermen's Organisation, the Irish Maritime Development Office, the Irish Port Company Association, the Irish Seal Sanctuary, Irish South and East Fishermen's Organisation, Irish South and West Producers' Organisation, the Irish Whale and Dolphin Group, the Irish Wildlife Trust, the National Parks and Wildlife Service and South Dublin County Council. There is a complete and thorough list of organisations consulted on this issue. Therefore, I refute everything the Deputy said in regard to consultation. She did not get it right; her research was wrong, and she does not have the facts. The next time she comes into the House I ask her to ensure she researches the subject properly in order to tell the truth to the people in the Visitors' Gallery and in that constituency. The fact is everybody was consulted. In this democratic Chamber the Deputy is the elected representative of those people. I ask her to do her research properly in future.

**Deputy Joan Collins:** The fishermen were not informed and the people did not know. This is a very broad report on a huge area of Dublin Bay and it does not reflect the specific area we are discussing, the Kish Bank basin. It does not cover that area and is too broad. The people in Dún Laoghaire and Dalkey did not know that a foreshore licence would be given to Providence to explore a specific area 6 km away from the land. The Minister of State was not correct in what he stated. On the next occasion on which Providence makes an application to conduct a site survey or secure a drilling licence, there should be proper consultation. Advertisements should appear in all of the newspapers and leaflets should be distributed in order that people will be informed that such consultation is taking place. This would give them access to the process and justice.

**Deputy Fergus O'Dowd:** If the Deputy examines the report to which I refer, she will

see that the public consultation process was advertised in the *Irish Independent*, the *Wicklow People*, the *Wexford People*, the *Waterford News and Star* and the *Southern Star*. In the advertisement interested parties were invited to read the environmental report and provide feedback and notice was given of the location and dates of meetings. For the Deputy's information, some five consultation meetings were held during the week commencing 18 July. There was also a walk-in informal process, etc.

**Deputy Richard Boyd Barrett:** That was not specific to this drilling exercise.

**Deputy Fergus O'Dowd:** I did not interrupt the Deputy's colleague or anyone else.

**An Leas-Cheann Comhairle:** We are almost out of time.

**Deputy Fergus O'Dowd:** Let us get the facts right. I want people to know the full facts and be fully and properly consulted. We are referring to commercial exploration rather than commercial exploitation of the resource. I reassure everyone that if a hydrocarbon discovery were to be made, planning consent from An Bord Pleanála under the strategic infrastructure Acts would more than likely be required; a safety case would have to be approved by the CER; an integrated pollution prevention control licence would have to be granted by the EPA; a petroleum lease, a plan for development and consent for a gas pipeline would be required; and consent under the Gas Acts would be necessary. In addition, directives establishing a framework for community action would be required; registration, evaluation and authorisation of all the chemicals covered under the REACH directive would be also necessary. There is a complete, accountable and public process in this regard and the Deputies opposite should engage in it.

**Deputy Richard Boyd Barrett:** What about the fishermen and the seismic survey?

## Other Questions

### Telecommunications Services

6. **Deputy Dara Calleary** asked the Minister for Communications, Energy and Natural Resources if he is satisfied that service providers for the new 4G network will deliver sufficient coverage for rural Ireland; and if he will make a statement on the matter. [53247/12]

8. **Deputy Micheál Martin** asked the Minister for Communications, Energy and Natural Resources his views on whether adequate nationwide coverage will be delivered under the new 4G spectrum; and if he will make a statement on the matter. [53259/12]

19. **Deputy Brian Stanley** asked the Minister for Communications, Energy and Natural Resources if he will provide a percentage figure of 4G coverage the geographic area west of the Shannon will receive following the 4G auction; and if he will make a statement on the matter. [53340/12]

32. **Deputy Brian Stanley** asked the Minister for Communications, Energy and Natural Resources if he will provide a breakdown by county of the projected 4G coverage in each county in the State by the end of 2015; and if he will make a statement on the matter. [53341/12]

**(Deputy Pat Rabbitte):** I propose to take Questions Nos. 6, 8, 19 and 32 together.

In accordance with its statutory functions the Commission for Energy Regulation, ComReg, recently concluded an intensive process for the release, through an auction, of spectrum rights of use in the 800, 900 and 1800 Mhz frequency bands. The outcome of the auction for this spectrum was announced by ComReg on Thursday, 15 November. The auction raised some €855 million, of which at least €400 million is expected to accrue to the Exchequer in 2012. Apart from this outstanding financial outcome, the new spectrum will enable the widespread availability of much faster mobile broadband through 4G services. This is extremely important from a broadband policy viewpoint. In the national broadband plan which I published in August the Government committed to the provision of high-speed broadband, including a commitment of the availability of 30 Mbps to all premises in the State within the lifetime of the Government. Mobile broadband via 4G services is expected to play a key role in meeting this commitment, especially in rural areas. It is, therefore, of crucial importance that 4G services should have broad countrywide coverage.

It was a condition stipulated by ComReg that in respect of population coverage on services offered by the winning operators, all licence holders would have to attain and maintain a minimum coverage of 70% of the population and would have to do so within three years. In fact, ComReg considers that actual coverage levels are expected to exceed the obligation in this regard by a considerable margin, particularly in the light of the competitive nature of the market and the limited risk of roll-back of coverage from the existing levels. It should also be noted that coverage continues to be an important differentiator in the mobile telecommunications market such that any material deterioration in coverage by any one network would undermine its attractiveness to its existing and potential customers. Furthermore, the coverage proposals set were designed to ensure cherry-picking of high density urban areas would not occur.

In terms of the experience to date, it should be noted that the four existing mobile operators have achieved coverage levels exceeding those set out in their current respective licences. For example, for 3G services, Vodafone's coverage covers 90% of the population or 5% more than its obligation. Hutchison 3G, better known as 3, covers 96% of the population or 11% more than its obligation. O2 also covers over 90% of the population, which is more than its obligation. Comments by the service providers in the wake of the recent auction have confirmed their commitment to investment to leverage the spectrum allocation to maximum effect. This also indicates that the maximum coverage requirements will be exceeded.

The precise geographic breakdown of 4G services will, of course, be a matter for each service provider. I am, however, confident, based on the 70% requirement figure, previous experience and the statements already made by the winning bidders, that 4G services will be widely available throughout the country.

**Deputy Michael Moynihan:** More often than not, this Chamber hears about issues which have not been dealt with rather than those which have been resolved. The issue relating to the 4G network is again one which relates to the urban-rural divide. The obligation in this regard is that providers must reach 70% of the population with their services. One could argue that the most densely populated areas of the country are in the east and that it would be quite easy to meet the obligation in these areas. I understand the authorities in the United Kingdom, when carrying out their auction, stipulated that operators should seek to reach 98% of the public in towns and villages, not just in large urban areas. I am concerned that we will again end up with an urban-rural divide in this matter or that there will be no coverage at extremely remote locations. There have been massive improvements in technology in recent years, but there are still vast areas of this country in which operators have not been able to provide coverage. Will

the Minister comment on the fact that the service obligation figure in this country is only 70%, whereas in the United Kingdom it is 98%?

**Deputy Pat Rabbitte:** The United Kingdom made a great investment in this area. Unfortunately, we are not in a position to do likewise. I must admit that as a result of the discussions I have had with ComReg, both recently and when the prospectus for the bidders was being formulated prior to the commencement of the auction process, I am reassured in this matter. As the Deputy might expect, we dealt with it in some detail. I do not believe I am misrepresenting ComReg which made this decision when I say that ideally it would be of the view that in a competitive marketplace there would be no requirement to stipulate a figure. The 70% population obligation figure is a stratagem which was deliberately designed to avoid cherry-picking. It will prevent a new entrant from outside from cherry-picking the most populous parts of urban areas and providing services therein. The requirement to cover 70% of the population means such behaviour will be ruled out.

The Government is delighted not only by the fact that €855 million was raised from the auction - in current circumstances this money is obviously very welcome - but also that four major bidders are competing in the market. There were real concerns about the auction as to whether in a small country such as Ireland that level of competition would emerge. In my initial reply I drew the Deputy's attention to the experience with 3G services and the fact that all of the operators significantly exceeded the obligation placed on them in the provision of such services. In the context of what I have just said and in conjunction with the commitments contained in the national broadband plan, we are determined to ensure the Deputy's fears which I fully understand will not be realised.

**Deputy Michael Colreavy:** When will it be possible to obtain a county by county breakdown of the figures for 4G coverage? Will provision be made for counties where there are unacceptably large gaps in 4G coverage?

**Deputy Pat Rabbitte:** That will depend on the plans put in place by the four successful companies. They have made significant investment. Obviously it is their intention to be remunerated on that investment. I am aware that their planning is already far advanced. I should not promote one company over another but I am aware of one company that already has its plans on exhibition. It will take them some time to build out the system. There may be an additional 2,000 installations necessary. Deputy Colreavy can be assured that any group of companies putting €855 million into delivering these services will be intent on delivering them as quickly and as speedily as possible.

**Deputy Michael Moynihan:** The Exchequer will benefit to the tune of €450 million in 2012 and something over €370 million between now and 2030. Has the Minister any plans to ring-fence this money for use on broadband provision or for use in primary and post-primary schools?

**Deputy Pat Rabbitte:** That is a good question and one that has preoccupied me for some time. The national accounts had pencilled in a figure of €178 million which goes directly into the maw of the Exchequer. It is a very valuable national resource, after all. However, when I was progressing the national broadband plan I took care to get commitments that the €350 million investment envisaged will be available, with the Government providing one half and the other half from the private sector. The money goes directly to the Exchequer but we have to engage in this mapping exercise to which I referred earlier. The State is intervening where the

private telecommunications providers are unable or unwilling to provide a service. In order to pass muster with the state aids obligations at Brussels, we must undertake a detailed mapping of the country to highlight the areas where the private sector will not do the business. Unfortunately, this exercise takes time. The state aids procedure which we must undergo is painfully slow. I hope I have answered the Deputy's main question.

### **Alternative Energy Projects**

7. **Deputy Pearse Doherty** asked the Minister for Communications, Energy and Natural Resources if he will confirm that the significant inefficiencies induced on the existing fossil fuel power plants by the highly variable wind input has been assessed by public authorities when calculating the emission savings and financial savings attributed to this wind energy programme; and if he will make a statement on the matter. [53337/12]

**Deputy Pat Rabbitte:** A joint modelling study entitled, Impact of Wind Generation on Wholesale Electricity Costs in 2011, was undertaken by the Sustainable Energy Authority of Ireland and EirGrid. The study looked at the impact of wind on the electricity market, including the impact on the operational requirements of the thermal generation. It shows that wind did not add any additional cost to the price of electricity. While constraint costs increased slightly in the scenario with more wind power, this was more than offset by the reduction in overall production costs. Constraints were estimated to add about 1% to total costs in the wind scenario but the fossil fuel offset by wind generation reduced total costs by around 12% in the same scenario.

When the cost of the public service obligation supports for wind energy is accounted for, there was no material cost difference between the scenarios with and without wind. The analysis showed that wind generation lowers wholesale prices by €74 million which almost exactly offsets the costs of the PSO levy and other costs associated with the generation of wind energy. The study clearly demonstrates that wind energy did not contribute to higher wholesale electricity prices on the Irish electricity system in 2011.

In any given year, the relative effect of renewable electricity on final prices depends to a considerable degree on the cost of alternatives. This is particularly the case with gas prices because gas is the single biggest fuel used for electricity generation in Ireland. Wind power shows the greatest relative economic advantage when gas prices are high. When gas prices are in the medium to high range, wind power tends to lower electricity prices. Thus, wind can be seen as a hedge against high gas prices. Natural gas prices in Ireland have increased by over 60% since 2009. Projections for future gas prices by the International Energy Agency and the EU Commission show that further growth in gas prices of up to 30% is likely in the next decade.

*Additional information not given on the floor of the House.*

Wind energy lowers wholesale electricity prices because of its near zero short-term running costs, displacing the most expensive form of generation that would otherwise be used in the wholesale market. It adds to retail prices through market payments associated with wind power, principally the PSO levy that funds the REFIT, renewable energy feed in tariff, payments. The balance of these two determines the final impact of electricity prices.

The independent electricity transmission system operators, TSOs, in Ireland and Northern

Ireland, EirGrid and SONI, have carried out technical studies and analysis of the all-island system over the past number of years. The results of these studies can be found in the reports entitled respectively, Facilitation of Renewables and Ensuring a Secure, Reliable and Efficient Power System in a Changing Environment. These reports are published on the EirGrid website. However, the key messages from these studies are that the 40% 2020 renewable targets set by Governments in Ireland and Northern Ireland are achievable, notwithstanding that significant challenges to the operation of the system will have to be overcome.

To manage the achievement of these targets over the coming years, EirGrid and SONI have established a programme of work entitled Delivering a Secure Sustainable Electricity System, DS3. This work programme includes enhancing generation portfolio performance, developing new operational policies and system tools to use the generation portfolio efficiently to the best of its capabilities, and regularly reviewing the needs of the system as the portfolio capability evolves.

**Deputy Michael Colreavy:** I am aware of the Minister's very keen interest in renewable energy and he will have our full support in this regard, always provided that any developments are done with full public consultation. It is certainly the way to go and we will support the Minister.

Our concerns are related to security of supply as this is a requirement in any environment where electricity is produced. Also, certainty on future price is essential. Homes and businesses have been very badly hit by the increasing price of energy over several years, taking into account the value of the euro against the dollar. Can more certainty be provided to customers about future pricing if renewable energy were to be used? It would appear that this should be possible. The inputs are not as variable in terms of costs as the input costs in fossil fuels.

**Deputy Pat Rabbitte:** I welcome the content of the Deputy's remarks and his broad support for the build out of greater renewable capacity in this economy. He is correct that it is an issue of security of supply. It would be sensible to use a valuable indigenous resource capable of contributing to energy generation. We are moving towards our 2020 targets which is 40% electricity generated from renewables. It is an ambitious target but we think we can achieve it.

An ability to guarantee future pricing is more complex. No one knows where price volatility will take us in the future. This is one of the most volatile commodities in the world market. It is dependent on geopolitical events, on the climate in the Middle East and dependent, as the Deputy said, on the strength of the euro purchasing power against the dollar. If one had nothing else to say for renewables, one could say it is a prudent insurance policy that we should utilise our indigenous renewable resources to optimum effect.

*Question No. 8 answered with Question No. 6.*

### **Semi-State Companies**

9. **Deputy Brendan Smith** asked the Minister for Communications, Energy and Natural Resources the action he is taking to secure a viable future for Bórd na Mona and its workforce; and if he will make a statement on the matter. [53269/12]

**(Deputy Pat Rabbitte):** My Department and I have actively engaged with Bord na Móna

on the challenges the company faces and its future strategy. I am strongly supportive of the company, which provides valuable employment in the midlands and is an important producer of energy and other services. The challenges include environmental constraints on the use of peat in power generation and horticultural products and the expiry of the public service obligation for peat-fired power generation in the coming years. These will contribute to the already declining market for peat.

Against this background, Bord na Móna has recognised the need to diversify its activities to secure a sustainable future and transition from dependence on its traditional peat business. In order to meet this challenge, the company has scoped out a new vision for its future sustainable development. This is published in “A New Contract with Nature”. This strategy leverages Bord na Móna’s landbank and the strength of its workforce to develop new businesses that will secure long-term employment. I fully support this diversification strategy.

This year has been a particularly challenging one for the company. The unparalleled weather conditions during the summer of 2012 resulted in just under 40% of Bord na Móna’s expected peat harvest being secured. Bord na Móna management is taking decisive steps to manage these unprecedented circumstances to ensure the long-term viability of the company. It nevertheless highlights the importance of the company’s ongoing diversification and growth strategy.

Bord na Móna and its employees, through the diversification strategy, have positioned the company to become a leading provider of sustainable solutions with particular potential in renewable power generation. I am pleased to announce that, earlier this week, I approved Bord na Móna’s development of two very significant wind farms, in Mount Lucas and Bruckana. Once complete, these wind farms will contribute strongly to Bord na Móna’s revenue and meeting Ireland’s renewable energy targets. I am satisfied that Bord na Móna continues to focus on managing the current challenges and ensuring the long-term future of the company.

**Deputy Michael Moynihan:** The issues that arise for Bord na Móna concern the traditional industries. Some claim the company’s diversification, including into waste management and renewable energy generation, has put a considerable strain on its resources and profit-making ability, notwithstanding that this was a disastrous year. Internal issues arise also. Anecdotally, we hear problems arise over morale and confidence in the management style. Ultimately, the workforce, particularly that in the midlands where the company has had a considerable positive economic influence over the years, is asking whether Bord na Móna is one of the State assets to be sold by the Minister. Will the Minister comment on the company’s workforce?

**Deputy Pat Rabbitte:** I do not believe Bord na Móna is lined up in the State assets disposal programme, nor should it be. It is true, however, that the company is running out of turf and that diversification is, therefore, the way forward. In this regard, the company has been very successful in some of its operations. The Deputy put his finger on an aspect that was not successful thus far, namely, the waste management initiative. However, if he researches the matter, he will find particular reasons the waste sector in Ireland generally, and not just in Bord na Móna, has got itself into some difficulties. Without making a political point, I contend that if the Deputy has time to study the matter, he will find that the previous Government’s procrastination on the future strategy for waste management did not help the company. This needs to be said in defence of the company.

The Deputy asked me about anecdotal remarks on morale in the company and confidence in the management. I have heard these anecdotal remarks but I am bound to say that, as recently

as a couple or three weeks ago, I met the board, senior management and worker directors for more than two hours to discuss the future strategy for the company and interrogate proposals it has for the future. I support the diversification strategy and do not believe there is any other card that the company can play. It is true that morale has been affected by the fact that we had this year the worst summer, and consequently the worst peat harvest, since the company was founded. Morale is not helped by the resulting lay-offs and what are euphemistically called the mitigation measures that had to be put in place. It is most unfortunate that we had the kind of summer we had. As Deputy Moynihan knows, it also had an impact on the farming community. It was difficult generally.

### **Alternative Energy Projects**

10. **Deputy John McGuinness** asked the Minister for Communications, Energy and Natural Resources with regard to the introduction of Refit 3, and its importance to the biomass supply chain here, the reason there has been such a lack of interest in it being shown by relevant State companies; and if he will make a statement on the matter. [53264/12]

13. **Deputy Alan Farrell** asked the Minister for Communications, Energy and Natural Resources his proposals to accelerate an increase in renewable energy resources through wind, wave and sustainable biomass as an alternative to importing fuels; the groups that are responsible for reporting this matter; and if he will make a statement on the matter. [53156/12]

16. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources if he is satisfied with regard to the extent to which the development of alternative energy generated electricity has taken place to date; if he has identified any particular obstacles which might impede the achievement of national and European targets in this regard; if he will indicate the main sources of alternative energy currently used for this purpose; if other sources deemed to be commercially viable have been identified; and the extent to which each segment of the alternative energy sector is likely to meet its targets in electricity generation over the next four years; and if he will make a statement on the matter. [53274/12]

**Deputy Pat Rabbitte:** I propose to take Questions Nos. 10, 13 and 16 together.

In order to meet our 2020 binding targets, the Government is committed to increasing renewable energy to 40% in the electricity sector, 10% in the transport sector and 12% in the heating sector, which together amount to 16% overall, in line with our target under the EU renewable energy directive. A number of organisations are providing details on progress in this regard. This week, the Sustainable Energy Authority of Ireland, SEAI, published its 2012 report *Energy in Ireland*. The total use of renewables in Ireland almost trebled between 2003 and 2011. The report showed that, in 2011, Ireland had 17.6% renewable electricity, 2.6% renewable transport and 4.8% renewable heating, meaning that, in total, 6% of all energy consumed was from renewable sources. Other bodies, such as EirGrid and ESB Networks, report on matters such as daily wind energy penetration and grid connection issues.

To meet our current energy demands, we are importing around 90% of our required fuel. This is at a cost of approximately €6 billion per annum. Developing renewable sources of energy will help Ireland to meet our 2020 targets and to reduce our dependence on these fuel imports by replacing them with indigenous resources. Ireland has renewable energy infrastructure generating approximately 2000 MW connected to the electricity grid. To meet our renew-

able electricity targets for 2020, it is estimated that a further 2000 MW of renewables will be required.

In addition to achieving this ambitious target, a significant challenge will be to ensure we are able to build the necessary supporting grid infrastructure to accept new renewable generation, which is typically in more remote areas that have weak grid systems. Our ability to get this infrastructure built is critical to achieving our renewable energy ambitions. In this regard, EirGrid's GRID25 strategy and implementation plans are designed to deliver the necessary grid developments and reinforcements to underpin the new renewable generating capacity, in addition to regional economic development.

To incentivise the development of renewable electricity, a feed-in tariff scheme is in place. Renewable energy feed-in tariff, REFIT, which was introduced in 2006 for wind-sourced generation, small hydro, landfill gas and biomass-generated electricity, operates by guaranteeing a minimum floor price for renewable energy generation over a 15-year period. In order to accelerate the uptake of renewables, two new REFIT schemes were introduced in 2012. The first, REFIT 3, is to encourage biomass-sourced generation, and the second is to encourage further wind-sourced generation into addition to generation from small hydro and landfill gas. The REFIT schemes are funded through the PSO levy that is funded by all electricity consumers. REFIT 3 is designed to incentivise the addition of 310 MW of renewable electricity capacity to the Irish electricity grid. The technologies supported include anaerobic digestion and combined heat and power, which will also contribute to our renewable heat targets. It also contains incentives for cofiring of biomass in peat powered generation plants with a premium for the use of energy crops. REFIT 3 will, over time, create further demand for biomass, which will provide new opportunities in the biomass sector and encourage the establishment of new rural enterprises.

The electricity market is fully liberalised and decisions to participate in the scheme are commercial for the individual electricity generating companies involved. I am informed by my Department that there has been significant interest in the REFIT 3 scheme and letters of offer have been given for approximately 44 MW of generation with a similar amount under consideration. Other developers are at earlier stages of development with their projects.

**Deputy Michael Moynihan:** A number of people have invested in miscanthus or elephant grass, as it is most commonly known. When they invested, it was indicated that State companies would be purchasers down the line but some of them, in particular Bord na Mona, have made no attempt to do so under REFIT 3. There is an issue with the supply chain in the biomass industry for primary producers of elephant grass. The State must reach its target for renewables, as the Minister said, and many people are getting involved in the sector but notwithstanding the commercial issues, State companies should step up to the mark and embrace these alternative energy sources.

**Deputy Alan Farrell:** I thank the Minister for his response. I have a slight concern about our ability to reach the targets outlined by him. He said the target by 2020 is to provide 40% of our energy needs through renewables but, according to his figures, we are currently at 6% while 44 MW of generation have been approved under REFIT 3 with another 44 MW in the pipeline. This is less than 100 MW of energy and we have a much higher target to reach by 2020. I read an article recently, which stated Scotland is aiming to reduce its fossil fuel energy use by 12% by 2020. The resources available around our coastline, particularly off our west coast, include the potential for wave energy generation and further incentivisation of companies other than

EirGrid and smaller operators to enter the market through PPPs or licensing arrangements is necessary. The volume of non-fossil fuel energy generation could be increased.

Clearly, we have significant work to do in this area. What proposals has the Minister?

**Deputy Pat Rabbitte:** I hear what Deputy Moynihan says about the exhortation he would offer to State companies in terms of an expectation that they could play a more significant role than they are playing. I had representations earlier this week from my party colleague, Senator Heffernan, and Deputies Neville and O'Donovan about a company in west Limerick, which may well have prompted the Deputy's question. It is similar terrain in any event. I did not have an opportunity because of the week that was in it to meet them but I will meet them next week and examine the points Deputy Moynihan is making. It goes back to our earlier discussion about Bord na Mona in the sense that the company is not in a position to make a bigger contribution in present financial circumstances on the elephant grass issue.

Deputy Farrell misunderstands the figures I gave. The 40% renewable energy target relates to electricity generation while the 6% target relates to the electricity, heat and transport sectors combined. At the beginning of the year, 17.6% of our electricity was being generated from renewables and we are relatively sanguine that we will meet the 40% renewables target by 2020 in the electricity generation area.

I will not make pledges in respect of heat or transport because there are complex issues, one of which relates to agriculture and the fact that following the end of the milk quota regime, there may be greater capacity in that sector in the future. The 44 MW to which the Deputy referred relates to biomass; it is not the overall total. We have 2,000 MW of generation in place and the further 2,000 MW necessary to meet the 40% electricity generation target will be doable. The industry has raised issues about how we might make better use of biomass and so on to contribute in the heat sector and particular issues have to be dealt with in the transport sector.

The figure of 6% refers to all energy consumed from renewable sources in the three sectors but in terms of electricity generation, we maintain we have a good prospect of meeting our target.

*Written Answers follow Adjournment.*

The Dáil adjourned at 5.50 p.m. until 2 p.m. on Tuesday, 4 December 2012.