



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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## DÁIL ÉIREANN

*Déardaoin, 13 Nollaig 2012*

*Thursday, 13 December 2012*

Chuaigh an Leas-Cheann Comhairle i gceannas ar 10.30 a.m.

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*Paidir.*  
***Prayer.***

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### Leaders' Questions

**An Leas-Cheann Comhairle:** We are on Leaders' Questions. There are two minutes for the first question, three minutes for the reply and one minute for supplementaries. I call Deputy Martin.

**Deputy Micheál Martin:** As chairman Keaveney tweeted last night, the die has been cast. Labour and Fine Gael Deputies have voted, one and all, for some of the most regressive cuts to child benefit, respite grants and child clothing allowances, and an increase in tax for low paid workers. This is despite the fact the Labour Party made extraordinary commitments before the last general election. It has now broken every single promise it made. To quote the Tánaiste himself on 11 February 2011, before the election date: "The Labour Party will not agree to having child benefit cut anymore and Fine Gael need to drop their plans to cut child benefit". That is the solemn promise he made to the Irish people. Labour then put posters up all over the country, "Protect child benefit, vote Labour", "Families Need Labour in Government" and "A Cut Too Far – Fine Gael – Every Little Hurts".

**Deputy Bernard J. Durkan:** The Deputy should know all about it. He did enough of it.

**Deputy Micheál Martin:** They then go and take €10 per month in child benefit off the first and second child and €18 off the third and fourth child.

When pressed on breaking those promises, the Minister, Deputy Rabbitte, said the other night: "Isn't this the kind of thing you tend to do during an election campaign?" - in other words, you tend to make these kinds of promises. This basically means Labour never had any intention of keeping these promises in the first place. They knowingly deceived the people of this country. They knowingly betrayed the people of this country. Labour's way was the ultimate deception.

**Deputy Noel Coonan:** That is rich from him.

**A Deputy:** He has some neck.

**Deputy Bernard J. Durkan:** That really stretches the imagination.

**Deputy Micheál Martin:** The Tánaiste might not like those words coming from me. To be fair, Senator John Whelan has perhaps put it far more succinctly, when he said he was one of the Labour candidates who put up and delivered those leaflets. He said: “We have broken that promise on child benefit, we misled the public and I have been made a liar of by the Budget cuts to child benefit.”

**An Leas-Cheann Comhairle:** Thank you, Deputy.

**Deputy Micheál Martin:** That is what Senator John Whelan wrote in yesterday’s *The Star* newspaper. He continued: “The betrayal of the public’s trust just adds salt to wound.” He then said in a message to, I think, every Deputy in the House, particularly to his own Deputies: “We know in our hearts and souls it is wrong, morally wrong, inequitable and unfair as these budgetary measures penalise ... low-income families the worst.”

**An Leas-Cheann Comhairle:** Thank you, Deputy.

**Deputy Micheál Martin:** I want to ask the Tánaiste one very basic question. No one forced him to make those promises and no has forced him to break them. Why is the Fine Gael promise not to increase taxes on people earning over €100,000 more important than the Labour Party promise not to cut child benefit?

**The Tánaiste:** Fianna Fáil has a hard neck.

**Deputy Bernard J. Durkan:** He is right about that. It is getting harder.

**Deputy Timmy Dooley:** Labour has a soft neck and it is being tickled by Fine Gael.

**An Leas-Cheann Comhairle:** Order for the speaker.

**The Tánaiste:** Its legacy to this country-----

**Deputy John Perry:** Is appalling.

**The Tánaiste:** -----was to bring in the IMF. This Government’s legacy will be to get rid of the IMF.

**Deputy Timmy Dooley:** And everybody else as well, by the look of it.

**The Tánaiste:** Its legacy was to put this country into a bailout with the troika.

**Deputy Timmy Dooley:** Answer the question.

**The Tánaiste:** This Government will be sending the troika home. This budget is a tough and difficult budget. Nobody has said anything other than that for it but it is a budget that is necessary in order to bring about the recovery that my party promised we would do at the time of the general election and that the Government committed itself to doing when we signed the programme for Government and committed ourselves to-----

**Deputy Willie O’Dea:** What about the pledge in Trinity College?

**The Tánaiste:** -----bring about economic recovery to this country, and that is what we are doing. We undertook that we would deal with the problem in our banking system and we are doing so at less cost than Fianna Fáil said would be possible. We committed ourselves to renegotiating the deal with the troika-----

**Deputy Timmy Dooley:** What about child benefit?

**The Tánaiste:** -----which Fianna Fáil said was impossible, and we are succeeding in doing that. We committed ourselves to putting the public finances on a sound, solid footing again after Fianna Fáil brought the country to the brink of bankruptcy, and we are doing that. We promised that we would-----

**Deputy Willie O’Dea:** They promised they would protect child benefit.

**The Tánaiste:** -----provide for increased employment in this country and we are now seeing increased investment and jobs coming into this country, something that was flying out of the country when Fianna Fáil left it to us.

**Deputy Billy Kelleher:** He promised to protect the vulnerable. The Tánaiste made a lot of promises, all right.

**The Tánaiste:** We promised we would restore economic growth to this country, which is happening after four years of recession under Fianna Fáil.

**Deputy Billy Kelleher:** Come to the tea party.

**The Tánaiste:** This Government, and the Labour Party in this Government since the Deputy fingered us particularly, is going to bring about the recovery that the people of this country need. The people of this country are sick of recession. We need recovery in this country. This is a difficult budget but it is a budget that is necessary in order to bring about the recovery that this country needs and to secure the future.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Micheál Martin:** The Tánaiste did make commitments. We all remember, “It is Labour’s way or Frankfurt’s way”.

**Deputy Bernard J. Durkan:** We remember Fianna Fáil’s way as well.

**A Deputy:** Has the Deputy forgotten about himself?

**Deputy Micheál Martin:** We all remember that deception. The Tánaiste voted against every measure to correct the public finances in 2009 and 2010. He spoke on budgets from this side of the House-----

**Deputy James Bannon:** Sit down.

**Deputy Micheál Martin:** -----saying the Government was going to rob child benefit from people’s pockets.

**A Deputy:** Because he was crazy and he still is.

**Deputy Micheál Martin:** He was Mr. Angry. Does he not remember Mr. Angry over there? He has now done a U-turn on every single thing he protested about.

**Deputy Ciara Conway:** What about Mr. Forgetful?

**Deputy Timmy Dooley:** We might forget about you very quickly.

**Deputy Ciara Conway:** Who are “you”?

**Deputy Micheál Martin:** The point is he made promises he had no intention of keeping. That is why one of Labour’s former Ministers, Deputy Shortall, has described its performance in government as “embarrassing”.

**Deputy Bernard J. Durkan:** Not as embarrassing as the Deputy’s.

**Deputy Pat Rabbitte:** Deputy Martin cannot lecture us.

**Deputy Micheál Martin:** That is why Senator Whelan said what he said. He said the Tánaiste had made a liar out of him, and he wrote it in yesterday’s *The Star* newspaper. I asked the Tánaiste a very basic question which he skirted around. I repeat: why was the Fine Gael promise not to increase taxes on people earning more than €100,000 more important than the promises made by the Labour Party? The Tánaiste went out before the election, looked people in the eye and said that his party would not agree to cut child benefit. He then went into government and cynically stood over that cut.

**Deputy Aodhán Ó Ríordáin:** What about Fianna Fáil’s cut to the minimum wage?

**Deputy Micheál Martin:** With the greatest of respect, the Tánaiste has brought politics, in terms of cynicism and public deception, to a new low.

*(Interruptions).*

**Deputy Micheál Martin:** Labour Party Members can smile and heckle all they like, but that is the reality. The Tánaiste’s party put up those leaflets before the elections deliberately to mislead people, and we know why that was done. It was done because the party believed power was slipping from it and that Fine Gael would win the election. The Tánaiste made promises and commitments he simply could not keep.

**An Leas-Cheann Comhairle:** Deputy Martin must conclude.

**Deputy Micheál Martin:** Senator John Whelan has made the point that there is no shame in doing a U-turn in regard to these cuts, particularly in the case of child benefit and PRSI.

**Deputy Aodhán Ó Ríordáin:** Deputy Martin would know all about U-turns. His party has been practising them for years.

**Deputy Willie O’Dea:** This Government had to do a U-turn last year.

**Deputy Micheál Martin:** Senator Whelan warned that the ultimate shame will be on Labour Party and Fine Gael Deputies if they refuse to change tack and continue to impose unfair and regressive measures on the lowest-income people in this country. That is the reality of this budget; it is those on low and middle incomes who will suffer the most because of the choice the Government has made.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please. I have called the Tánaiste.

**Deputy Micheál Martin:** I admire the Tánaiste’s commitment to democracy.

**The Tánaiste:** Deputy Martin is suffering from withdrawal. Why would he not be, after 14 years in government during which his party squandered the boom and put the country into hock?

**Deputy Robert Troy:** I guarantee the Tánaiste's party will not be in government for 14 years.

**The Tánaiste:** Will Members opposite listen to my answer? If Deputy Martin asks a question, he will get an answer. This is a difficult budget and was always going to be a difficult budget. Nobody has claimed otherwise.

**Deputy Micheál Martin:** The Labour Party had choices. It could have chosen to increase the universal social charge for higher earners. It could have chosen not to increase PRSI for low-paid workers.

**The Tánaiste:** The choice we made was to protect those on low and middle incomes, even in difficult times.

*(Interruptions).*

**Deputy Phil Hogan:** Fianna Fáil in government reduced the minimum wage.

**An Leas-Cheann Comhairle:** Order, please.

**The Tánaiste:** Even in difficult times this Government has protected the basic rates of social welfare, something Deputy Martin did not do when he was in government.

**Deputy Micheál Martin:** This is more deception from the Tánaiste. He is deceiving people with meaningless soundbites.

**An Leas-Cheann Comhairle:** The Tánaiste must be allowed to conclude.

**The Tánaiste:** I am quite happy to answer Deputy Martin's questions, but he and his colleagues keep interrupting me. In this budget we protected the basic rate of social welfare. That rate has not been touched. We have protected education, including by preserving class sizes.

**Deputy Micheál Martin:** What about cuts to VEC funding?

**The Tánaiste:** We have restored €150 million to the education budget. We have introduced something that will be unfamiliar to Deputy Martin and Fianna Fáil, namely, the largest ever package of taxes on wealth in this country, which will raise more than €500 million. Deputy Martin cannot take the fact that even in difficult times, the Government has introduced a budget that is fair, balanced and reasonable and will be effective.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please. I have called Deputy Mary Lou McDonald.

**Deputy Mary Lou McDonald:** There are people watching proceedings in this Chamber this morning who do not know how they will manage their week-to-week domestic budgets because of the cuts the Government is introducing. The Tánaiste has accused others of having a hard neck. I suggest that his is a hard neck of the bright, brassy variety. It is clear that "fair" is a four-letter word in the minds of Fine Gael and the Labour Party. I do not know how he can

credibly say what he has said to the very people he promised to protect, including children and their parents, carers and people with long-term sickness and disability. I do not know how any Member opposite will look these people in the eye and utter the word “fair”. The Government is rushing through social welfare legislation today to introduce cuts which in real terms and in real time will cause real hardship to real families, real children and real women. Here is the real clanger - these are the very sections of society to which the Government promised protection. So much for that. I do not know whether the Tánaiste deliberately set out to make liars of his Ministers, TDs and Senators and to make a liar of himself, but he has done that comprehensively. So brass iron is his own neck that he will stand up in this Chamber and waffle on about fairness. I do not know how he does it.

I suggest to Government Members, especially those in the Labour Party, that perhaps the die is not yet cast. Amendments will be brought forward today to see off the worst excesses of these cuts, particularly in respect of the respite care grant and child benefit. The latter is the matter about which the Tánaiste was so passionate and so right not so long ago. The die may not already be cast. Despite Labour Deputies’ brass-necked leader, who has made liars of them, perhaps they will step up to the plate and actually defend those people to whom they made solemn promises.

**An Leas-Cheann Comhairle:** I advise the Deputy that the word “lie” is not appropriate in any circumstances.

**Deputies:** Withdraw it.

**Deputy Mary Lou McDonald:** The Leas-Cheann Comhairle should tell that to the Tánaiste.

**Deputy Emmet Stagg:** We do not need any advice from Sinn Féin.

**An Leas-Cheann Comhairle:** I ask Deputy McDonald to withdraw that word.

**Deputy Mary Lou McDonald:** I will not withdraw it.

*(Interruptions).*

**An Leas-Cheann Comhairle:** The word “lie” is not appropriate in any circumstances.

**Deputy Mary Lou McDonald:** I cannot hear what the Chair is saying.

**An Leas-Cheann Comhairle:** I am asking the Deputy to withdraw the word “liar”.

**Deputies:** Withdraw it.

**Deputy Dessie Ellis:** Members opposite are constantly diverting this conversation. I am sick of it.

**An Leas-Cheann Comhairle:** I ask the Deputy to withdraw the word “liar”.

**Deputy Mary Lou McDonald:** I will not withdraw that word or any other word I have used in this Chamber today. A lie is a lie and a liar is a liar. The people at home viewing these proceedings know that full well.

**An Leas-Cheann Comhairle:** There are other words that can be used.

**Deputy Mary Lou McDonald:** “Untruth”, perhaps.

**An Leas-Cheann Comhairle:** Yes.

**Deputy Mary Lou McDonald:** Then I shall withdraw the offensive term “lie” and instead use the word “untruth”, “porky pie” or “Pinocchio”. Are those words allowable?

**An Leas-Cheann Comhairle:** I call the Tánaiste.

**The Tánaiste:** It takes some brass neck for Sinn Féin to complain about basic rates of social welfare in this State. Can it be true that the basic rate of social welfare payment in the part of the island in which Sinn Féin is in government is €87 per week? Is that true? Sinn Féin Members are complaining because this Government has protected the basic rates of social welfare in this country.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please.

**The Tánaiste:** This Government does not accept that somebody should be asked to live on less than €188 per week. However, the Deputy’s party is content to have people living on €87 a week. That is to have brass neck. The budget is a difficult one because it aims to restore the country’s finances and get us out of the economic mess we inherited. It protects basic rates of social welfare and children in the classroom - there are no cuts to basic education services. It protects health services and introduces the biggest package of taxes on wealth ever been seen in a budget, certainly in my time in the House, which will raise more than €500 million. The approach the Government is taking to what is a difficult budget is to protect those on low and middle incomes and ask those with the broadest shoulders to bear the most.

**Deputy Micheál Martin:** That is not true. The Government is not doing that.

**Deputy Mary Lou McDonald:** Using that logic, on planet Gilmore, the Labour Party and Fine Gael, the ones with the broadest shoulders are children. Is that right? The ones with the broadest shoulders are carers who rely on a very meagre respite care grant? Is that the case?

**Deputy Emmet Stagg:** Listen to what was said.

**Deputy Mary Lou McDonald:** The Tánaiste referred to the North. I wish he would do his homework properly when he investigates matters north of the Border.

**Deputy Arthur Spring:** That would look bad for Sinn Féin.

**Deputy Mary Lou McDonald:** In comparing the system here and the one in place in the North he is comparing apples and oranges.

*(Interruptions).*

**Deputy Arthur Spring:** Oranges and rotten apples.

**Deputy Mary Lou McDonald:** There are many things people pay for here that we do not pay for in the North. That is a fact.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Can we have order for the person who is speaking, please?

**Deputy Mary Lou McDonald:** Today the social welfare measures the Tánaiste promised to avoid will be rushed through the Dáil. Yet again, the Labour Party and Fine Gael will be seen as brazenly targeting children, carers and mothers and making absolutely no apology for it. They had their chance to have a change of heart. Do they know something? They would have had the full backing of the general public if they had had the courage of their convictions. I have said this to the Tánaiste before. It is not merely the case that the people cannot trust the Labour Party in government. The Labour Party cannot trust itself. It jumps at the whim of Fine Gael. Let it address itself to carers, in particular, mothers and children and explain to them why its masterplan for economic recovery relies on causing them hardship.

**The Tánaiste:** The Government's economic plan is about restoring the country's economic sovereignty and getting us out of the economic mess in which we find ourselves. Everybody in the country understands this and that this is difficult and will not happen overnight. Sinn Féin has a fairy tale that we have to make a €3.5 billion budget adjustment, but it also claims that it can produce fairy tale solutions to the problem. The Deputy mentioned homework. She did not do much on her party's proposals. She did not even have them costed by the Department of Finance.

**Deputy Mary Lou McDonald:** That is a lie.

**The Tánaiste:** Of course, there is a reason for that. It is not just laziness; it is being clever. Sinn Féin knows very well that its proposals are an absolute fairy tale.

**Deputy Peadar Tóibín:** They have been published.

**The Tánaiste:** Then its Deputies comes into the Chamber and give the impression that carers and people on disability and invalidity pensions have had their money cut. That is not the case.

**Deputy Micheál Martin:** The respite care grant has been cut.

**The Tánaiste:** None of the basic rates of social welfare payments for carers, people on invalidity pension, pensioners, widows and widowers, those on jobseeker's benefit has been cut. All such payments have been protected by the Government, even in the most difficult of times.

**Deputy Micheál Martin:** That is sleight of hand. Pensioners' payments are down.

**The Tánaiste:** As for people on low incomes, this is the Government that has restored the minimum wage, introduced legislation to restore joint labour committees for those on low pay and removed more than 300,000 from the USC net. Most important, it is committed to ensuring we generate employment and economic recovery.

**Deputy Peadar Tóibín:** There are 20,000 fewer jobs.

*(Interruptions).*

**The Tánaiste:** The best way to tackle poverty and disadvantage is to maximise the number at work and have a successful economy.

**Deputy Sandra McLellan:** Why does the Government not do it then?

**The Tánaiste:** It is determined to do it. We will clear up the mess left by our predecessors who brought the IMF into the country.

**Deputy Sandra McLellan:** The Government is worse.

**The Tánaiste:** We are sending it home, with the troika, and restoring the country's economic sovereignty. We are getting people back to work and restoring the country's economic fortunes. Sinn Féin's only answer is the fairytale it calls its economic policy.

**Deputy Sandra McLellan:** The Government is doing a great job. Ask carers.

**Deputy Mary Lou McDonald:** Fabulous.

**Deputy Sandra McLellan:** That is some answer. Fair play to the Tánaiste. Who has the broadest shoulders?

**An Leas-Cheann Comhairle:** Can I have order for Deputy Shane Ross, please?

**Deputy Mary Lou McDonald:** Deputy Aodhan Ó Ríordáin should go down to Sherriff Street.

**Deputy Shane Ross:** I am interested in the Tánaiste's painting of the brave new dawn. It has been a bad week and a bad year for the finances of the country. In view of the fact that the Taoiseach stated yesterday there would be no wave of repossessions, which runs contrary to what was stated in the *Financial Times* and other global media and about which the Government is so sensitive, why has the decision been made to introduce legislation to allow the banks greater powers of repossession next year?

**Deputy Mattie McGrath:** Outrageous.

**Deputy Shane Ross:** It is because the troika has told the Government to do this. It will be open season on home owners in 2013 because that legislation will not plug a loophole, rather it will allow the banks to repossess at will.

**Deputy Mattie McGrath:** Yes.

**Deputy Shane Ross:** State-owned banks are going to be used as agents, with the connivance of the Government, to put people out of their own homes on a scale not seen so far.

**Deputy Mattie McGrath:** Bailiffs.

**Deputy Shane Ross:** That is what the Minister for Finance has stated. In addition - this is the reason I say it will be open season on home owners - the Government has extraordinarily decided on the issue of a property tax that it will bring in the heavies to collect the money from those who are unable to pay.

**Deputy Mattie McGrath:** Big Phil is back, too.

**Deputy Shane Ross:** For some reason the Revenue Commissioners have been selected as the collectors of this tax, not any other body. Why is this? The reason is that people will have the property tax which they are unable to pay deducted at source. I am not talking only about the middle classes and high and middle income earners but also about people on social welfare who will be confronted with a situation where the property tax will be taken from their social welfare payment before they can even put food on the table. Will the Tánaiste tell me why the Revenue Commissioners were selected to do this? Is it because the Government knew and did not care, that people would be unable to pay?

**Deputy Mattie McGrath:** The sheriff, too.

**The Tánaiste:** The Government has made it very clear that we want to keep people in their own homes and avoid having homes repossessed. That is why at a very early stage in the life of the Government we put in place the Keane group which came forward with a list of recommendations to address the problem of repossessions as a result of mortgage arrears. That is the reason we introduced, for the first time, legislation which I expect will be completed either this week or next, namely, the Personal Insolvency Bill which will introduce radical changes to our personal insolvency laws-----

**Deputy John Halligan:** The banks have a veto.

**The Tánaiste:** -----and strengthen the hand of home owners in their dealings with banks. This legislation is long overdue.

**Deputy Mattie McGrath:** Banks will have a veto.

*11 o'clock*

**Deputy John Halligan:** Some of us were not allowed to vote on it.

**The Tánaiste:** The Revenue Commissioners were chosen to collect the property tax because that is the agency in the State which collects taxes. If we were to do something different-----

**Deputy Mattie McGrath:** Will they be collecting the septic tank tax?

**The Tánaiste:** -----Deputy Ross would write a column for his newspaper or he would get up on stage with his colleagues to discuss the waste of State resources in having multiple agencies doing what one agency could do. Has not the Deputy argued-----

**Deputy Stephen S. Donnelly:** Who collects commercial rates?

**Deputy Mattie McGrath:** Look what happened when the Government put SUSI in charge of student grants.

**The Tánaiste:** -----that one agency should deal with matters of this nature?

**Deputy Stephen S. Donnelly:** Who collects commercial rates?

**The Tánaiste:** The Revenue Commissioners is the body which is tasked with collecting revenue in this country and it has been asked to lead the collection of the property tax. The House will debate the property tax legislation when it is introduced by the Minister for Finance, Deputy Noonan. I am sure Deputy Ross can make all of these points to the Minister.

**Deputy Richard Boyd Barrett:** A guillotine is also being applied in respect of that legislation.

**Deputy Pat Rabbitte:** The four angry booksellers.

**Deputy Shane Ross:** I asked the Tánaiste two questions, neither of which he answered.

**Deputy Paul Kehoe:** The Deputy is only allowed to ask one.

**Deputy Shane Ross:** Why is legislation going to be introduced in 2013 to give the banks

a free run at homeowners? Why can the Government not take the view that this legislation is unnecessary-----

**Deputy Pat Rabbitte:** If the Deputy keeps going this way Deputy Higgins will give him an application form to join his party.

**Deputy Mattie McGrath:** Well done, Deputy Rabbitte.

**Deputy Shane Ross:** -----and that it would more sympathetic to homeowners if it were not introduced?

Does the Tánaiste have sympathy with the view that the Revenue Commissioners have been chosen to collect the property tax because this is the only way the money involved can be extracted from people as a result of the fact that they simply cannot afford to pay? Imagine the scene that will obtain when many people on social welfare payments or modest incomes have money deducted from those payments or their salaries. They will be obliged to make sacrifices in respect of necessities such as putting bread on the table, paying fees and heating their homes. I ask the Tánaiste to reconsider what is being done here. There are other ways of collecting this tax. Did the Government collect the household charge through the Revenue Commissioners? The reason it is not collecting the property tax in the same way it collected the household charge is that people cannot pay. The Government's attitude is that it is going to bring in the heavy gang-----

**Deputy Bernard J. Durkan:** It is organising the-----

*(Interruptions).*

**Deputy Shane Ross:** -----to collect this money willy-nilly because the latter will ignore the needs of the people from whom it is going to be taken.

**Deputy Pat Rabbitte:** Deputy Ross will be out on the streets with Deputy Higgins next.

**The Tánaiste:** More than most Members, Deputy Ross knows very well that the tax base must be broadened.

**Deputy Shane Ross:** This is not broadening the tax base.

**Deputy Phil Hogan:** Then what is it doing?

**Deputy Shane Ross:** It is taking money from exactly the same people-----

**Deputy Frances Fitzgerald:** Deputy Ross should not be ridiculous.

*(Interruptions).*

**The Tánaiste:** Deputy Ross's theatrics have a place and people can pay €25 for the privilege of seeing those theatrics in that place.

**Deputy Mattie McGrath:** The Tánaiste would do well-----

*(Interruptions).*

**Deputy John Perry:** It is a pantomime over there.

*(Interruptions).*

**A Deputy:** Would people pay to watch what is happening here?

**The Tánaiste:** We did not have to pay at the box office this morning in order to listen to Deputy Ross.

**Deputy Mattie McGrath:** The Tánaiste will have to pay next time.

**The Tánaiste:** Deputy Ross knows well that the tax base must be broadened.

**Deputy Micheál Martin:** Is including social welfare recipients the way to broaden it? That is a new concept.

**Deputy Mattie McGrath:** That is Labour's way.

**The Tánaiste:** He is also well aware that householders are being given various options with regard to method of payment. As he is further aware, over 70% of householders have paid the household charge. I thank them for doing so. When this Parliament decides that a tax should be levied, there is an obligation on everyone to be compliant and pay it. The Revenue Commissioners have developed expertise in the collection of taxes.

**Deputy John Halligan:** They take a long time to get money from tax defaulters.

**The Tánaiste:** If we were to give responsibility for collecting the property tax to some other agency, Deputy Ross would be the first to make the argument about duplication of resources and the additional cost relating to tax collection.

**Deputy Pat Rabbitte:** Deputy Ross was speaking on behalf of the Socialist Party.

### **Order of Business**

**The Tánaiste:** It is proposed to take No. 16, Supplementary Estimate for Public Services, Votes 25 and 39 (back from committee); No. 5, Social Welfare Bill 2012 - Committee and Remaining Stages (resumed); No. *a1*, Credit Union Bill 2012 - Amendments from the Seanad; and No. 6, Equal Status (Amendment) Bill 2012 - Order for Second Stage and Second and Subsequent Stages.

It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 5.45 p.m. and shall adjourn on the conclusion of Oral Questions; No. 16 shall be decided without debate, Votes 25 and 39 shall be moved together and shall be decided by one question which shall be put from the Chair, and any division demanded thereon shall be taken forthwith; Committee and Remaining Stages of No. 5 shall, if not previously concluded, be brought to a conclusion at 2 p.m. by one question which shall be put from the Chair, and which shall, in relation to amendments, include only those set down or accepted by the Minister for Social Protection, and the sitting thereupon shall be suspended until 3 p.m.; the proceedings on No. *a1* shall, if not previously concluded, be brought to a conclusion at 6.30 p.m. and any amendments from the Seanad not disposed of shall be decided by one question which shall be put from the Chair, and which shall, in relation to amendments to the Seanad amendments, include only those set down or accepted by the Minister for Finance; Second and Subsequent Stages of No. 6 shall be taken

today and the following arrangements shall apply: the proceedings on the Second Stage shall, if not previously concluded, be brought to a conclusion after 60 minutes; the opening speeches of a Minister or Minister of State and of 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 10 minutes in each case; the speech of each other Member called upon shall not exceed ten minutes, and such Members may share their time; and a Minister or Minister of State shall be called upon to make a speech in reply which shall not exceed five minutes; the proceedings on Committee and Remaining Stages shall, if not previously concluded, be brought to a conclusion after 30 minutes by one question which shall be put from the Chair and which shall, in relation to amendments, include only those set down or accepted by the Minister for Justice and Equality; and the Dáil shall sit tomorrow at 10.30 a.m. and shall adjourn not later than 6 p.m., and at 10.30 a.m. on that day there shall be an Order of Business within the meaning of Standing Order 26, subject to the proceedings comprehended by paragraph 2 and 3 of that Standing Order, not exceeding 20 minutes.

**An Leas-Cheann Comhairle:** There are six proposals to be put to the House. Is the proposal that the Dáil shall sit later than 5.45 p.m. and shall adjourn on the conclusion of Oral Questions agreed to? Agreed. Is the proposal for dealing with No. 16, Supplementary Estimate for Public Services, Votes 25 and 39 (back from committee) without debate agreed to?

**Deputy Mary Lou McDonald:** Not agreed. I understand this proposal relates to the Supplementary Estimate for health. We were informed last week that the Government proposes to make, in a full year, over €1 billion in further cuts to the health service. None of what is involved in this regard has been set out in any detail. There is speculation in today's newspapers about cancellation of routine surgeries. We can only read about these matters in the media. It is most unacceptable that a Supplementary Estimate relating to health should be put through on the nod without scrutiny or debate, particularly in circumstances in which the Minister for Health, Deputy Reilly, and the Government have failed spectacularly to set out exactly how they intend to make the savings that are required.

**Deputy Micheál Martin:** I agree 100% with Deputy McDonald. We made the point last week that €1 billion worth of Supplementary Estimates have been put through the House with no discussion during plenary session. It is evident that last year's health Estimate was both fraudulent and flawed.

**Deputy Derek Nolan:** At least it was not corrupt.

**Deputy Mary Lou McDonald:** It was entirely corrupt.

**Deputy Arthur Spring:** It was not fraudulent.

**Deputy Micheál Martin:** Yes, it was fraudulent.

**Deputy Arthur Spring:** It is great to hear the brown envelope boys informing us about corruption.

**Deputy Micheál Martin:** Deputy Spring had better suck it up, because that is what happened.

*(Interruptions).*

**Deputy Micheál Martin:** The point is that last year's health Estimate contained figures

which no one had any intention of ever realising. Those figures related to drug pricing, the income from private health insurance - which has disappeared from this year's budget - and agency nursing, in respect of which a 50% cut was proposed. They were included in last year's health Estimate but nothing was done until August when cuts were made in respect of personal assistant services for people in independent living and savage cuts were introduced in the context of home help hours. Nothing was done until August when there were cuts to the provision for personal assistants, which enables people with disabilities to live independently, and savage cuts to home help hours. These cuts were made because of the fraudulent nature of the health Estimates. That is the reason the Supplementary Estimate is required and there is a need for a debate. I, therefore, ask the Tánaiste to provide the House with an opportunity to have a meaningful debate on the health Estimate, in particular.

**Deputy Richard Boyd Barrett:** I refer to the budget overruns and the extra cuts required as a result a few months ago. They included very significant cuts to home help hours and to the provision for personal assistants for those with disabilities. We do not know the details of further cuts amounting to €780 million due to be made as part of the budget. The Government has put a spin on the fact that extra money is being provided, while covering over the fact that more than €750 million will be taken from the health budget. At the very least, given the great anxiety caused as a result of making the extra cuts amounting to €130 million, we need to scrutinise the Supplementary Estimates in order that we understand the implications they will have in the delivery of health services.

**The Tánaiste:** I agree that the Estimates should be scrutinised. They were referred to a committee which considered them. There was ample opportunity at the committee for Members of the House to scrutinise them.

**Deputy Billy Kelleher:** I was at that committee and there was very little time. It was not the Chairman's fault, but there were no answers given.

**The Tánaiste:** I understand there was not even a vote on the Estimates at the committee. If Members do not do their work at the committee which is the place in which the Estimates are examined-----

**Deputy Billy Kelleher:** I was at that committee.

**The Tánaiste:** -----there is not much point in grandstanding here on them when the matter is brought before the House. The Estimates were agreed to at the committee without a vote.

**Deputy Billy Kelleher:** It is an absolute disgrace. The Tánaiste is misleading the Chamber about what happened when the Estimates were discussed in the committee room. I was there, as were other Members. The Tánaiste refuses to have a debate on the Estimates.

**An Leas-Cheann Comhairle:** Will the Deputy, please, resume his seat? I must put the question.

Question put: "That the proposal for dealing with No. 16 be agreed to."

The Dáil divided: Tá, 83; Níl, 44.	
Tá	Níl
Bannon, James.	Boyd Barrett, Richard.
Barry, Tom.	Broughan, Thomas P.

*Dáil Éireann*

Breen, Pat.	Browne, John.
Burton, Joan.	Calleary, Dara.
Butler, Ray.	Collins, Joan.
Buttimer, Jerry.	Collins, Niall.
Byrne, Catherine.	Colreavy, Michael.
Byrne, Eric.	Cowen, Barry.
Carey, Joe.	Daly, Clare.
Conaghan, Michael.	Doherty, Pearse.
Conlan, Seán.	Donnelly, Stephen S.
Connaughton, Paul J.	Dooley, Timmy.
Conway, Ciara.	Ellis, Dessie.
Coonan, Noel.	Fleming, Tom.
Corcoran Kennedy, Marcella.	Grealish, Noel.
Costello, Joe.	Halligan, John.
Coveney, Simon.	Healy, Seamus.
Creed, Michael.	Healy-Rae, Michael.
Daly, Jim.	Kelleher, Billy.
Deasy, John.	Kirk, Seamus.
Deering, Pat.	Lowry, Michael.
Doherty, Regina.	McConalogue, Charlie.
Donohoe, Paschal.	McDonald, Mary Lou.
Dowds, Robert.	McGrath, Mattie.
Durkan, Bernard J.	McLellan, Sandra.
English, Damien.	Martin, Micheál.
Feighan, Frank.	Murphy, Catherine.
Fitzgerald, Frances.	Naughten, Denis.
Flanagan, Charles.	Nulty, Patrick.
Gilmore, Eamon.	Ó Caoláin, Caoimhghín.
Hannigan, Dominic.	Ó Cuív, Éamon.
Harrington, Noel.	Ó Fearghaíl, Seán.
Harris, Simon.	Ó Snodaigh, Aengus.
Hayes, Brian.	O'Brien, Jonathan.
Hayes, Tom.	O'Dea, Willie.
Heydon, Martin.	O'Sullivan, Maureen.
Hogan, Phil.	Pringle, Thomas.
Humphreys, Heather.	Ross, Shane.
Humphreys, Kevin.	Shortall, Róisín.
Keaveney, Colm.	Smith, Brendan.
Kehoe, Paul.	Stanley, Brian.
Kelly, Alan.	Tóibín, Peadar.
Kenny, Seán.	Troy, Robert.
Kyne, Seán.	Wallace, Mick.

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Lawlor, Anthony.	
Lynch, Ciarán.	
Lyons, John.	
McCarthy, Michael.	
McEntee, Shane.	
McHugh, Joe.	
McLoughlin, Tony.	
McNamara, Michael.	
Maloney, Eamonn.	
Mathews, Peter.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Dara.	
Nash, Gerald.	
Neville, Dan.	
Nolan, Derek.	
Ó Ríordáin, Aodhán.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Mahony, John.	
O'Reilly, Joe.	
Perry, John.	
Phelan, Ann.	
Phelan, John Paul.	
Rabbitte, Pat.	
Reilly, James.	
Ring, Michael.	
Ryan, Brendan.	
Sherlock, Sean.	
Spring, Arthur.	
Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	
Tuffy, Joanna.	
Twomey, Liam.	
Varadkar, Leo.	
Wall, Jack.	
Walsh, Brian.	
White, Alex.	

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

Question declared carried.

**An Leas-Cheann Comhairle:** Is the proposal for dealing with No. 5, Committee and Remaining Stages of the Social Welfare Bill 2012, agreed to?

**Deputy Micheál Martin:** It is not agreed. We oppose the proposal as it makes a farce of the House. It is now almost 11.30 a.m., yet the proposal is to ram through and guillotine Committee and Remaining Stages of the Social Welfare Bill by 2.30 p.m. This allows but two and a half hours for meaningful discussion on the cut to the respite care grant, which is having a heavy impact, the cut to child benefit and the removal of the PRSI exemption. With regard to the removal of the PRSI exemption, a person earning €25,000 will be hit by a 36% increase while a person on €175,000 will be hit by a 3% increase. How can that be fair? We will have no chance to discuss that at all. There will be no chance to discuss the cuts to the jobseeker's benefit, lone parent allowance and farm assist payment. The cut to the latter benefit is very serious for many farmers on the farm assist scheme across the country.

My point is that all of these measures have not yet been discussed on Committee Stage.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Micheál Martin:** The proposal before the House is that every one of these items should be subject to meaningful discussion. These are the issues about which people outside the House are most concerned right now. They are the issues on which Labour Party and Fine Gael Deputies have been suggesting counter-proposals and alternatives in the media.

**Deputy Bernard J. Durkan:** They were caused by Fianna Fáil.

**Deputy Micheál Martin:** They were telling their Ministers they wanted the proposed measures changed in favour of alternatives. Nobody is getting an opportunity in this House to discuss the measures.

**An Leas-Cheann Comhairle:** I ask for brief contributions.

**Deputy Micheál Martin:** Let me make this point, because it goes to the heart of what this House is meant to be about.

**Deputy Bernard J. Durkan:** If the Deputy had a heart-----

**Deputy Timmy Dooley:** If Deputy Durkan had a head, he would be dangerous.

**Deputy Micheál Martin:** People came into government saying there would be a democratic revolution, no less. That is what the Tánaiste said.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Could we have order? Only brief contributions are allowed. We are not discussing the detail. I ask Deputy Martin to conclude.

**Deputy Micheál Martin:** The reason this is happening is that the Government does not want a discussion on these items.

**Deputy Bernard J. Durkan:** Nor does Deputy Martin.

**Deputy Micheál Martin:** It does not want the Dáil to have any meaningful discussion, cut by cut. It wants to suppress dissent in its own ranks and ram the legislation through as quickly as it possibly can without regard to the public, who would actually like to hear from Deputies on the cuts. The public will not get that chance.

**An Leas-Cheann Comhairle:** Let us have order, please. I call Deputy Mary Lou McDonald.

**Deputy Brian Hayes:** The stage is Deputy McDonald's.

**Deputy Mary Lou McDonald:** We, too, object to the guillotining of this very important debate. It is obviously the tactic of the Government to rush these matters through the Dáil to spare the blushes of the Labour Party, in particular, and those of Fine Gael members with a conscience who might feel some discomfort. It is unacceptable-----

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Mary Lou McDonald:** -----that cuts to carers, parents and children would be rushed through in such a glib and a cynical fashion. That is what the Members opposite all stand accused of now - complete and utter cynicism. I know the Tánaiste is not going to change his mind on the guillotining of the debate because God forbid some of his people, in particular, might think better of what they are about to do. He should allow a full and frank debate on this. These cuts will hurt people and damage their standard of living and their lives. It is only two weeks to Christmas and this is the Christmas gift from this awful Government-----

**Deputy Mattie McGrath:** You have cancelled Christmas.

**Deputy Mary Lou McDonald:** -----to carers, women and mothers.

**An Leas-Cheann Comhairle:** Thank you, Deputy. I call Deputy Boyd Barrett.

**Deputy Mary Lou McDonald:** We object to the guillotining of the debate and ask the Tánaiste to reconsider it.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Richard Boyd Barrett:** Earlier the Tánaiste rightly or wrongly ridiculed some of the Opposition for not fully scrutinising the supplementary health budget at the health committee, and I was not at the health committee, and now-----

**Deputy Robert Dowds:** You did not call for a vote.

**Deputy Billy Kelleher:** Does the Deputy have to call a vote to close hospitals or do you understand anything? You are a pity.

**Deputy James Bannon:** Billy was caught napping.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please. Deputies, could we have less cross-fire and allow Deputy Boyd Barrett to proceed?

**Deputy Richard Boyd Barrett:** I thank the Leas-Cheann Comhairle. In his comments criticising the Opposition for the points they made, the Tánaiste said Deputies should do their job in scrutinising legislation and yet he is denying Deputies in this House the opportunity to scrutinise fully this legislation. That is as clear as day.

**Deputy Mattie McGrath:** He has done a U-turn.

**Deputy Richard Boyd Barrett:** With the time the Tánaiste has allowed for the debate and the guillotine that will be imposed on it, we simply will not get to discuss some of the most substantive issues-----

**Deputy Mary Mitchell O'Connor:** The Deputy is wasting time.

**Deputy Richard Boyd Barrett:** -----in this Bill that will affect the lives of struggling families, families affected by disability, children and women. That is an affront to democracy. It is an affront to the Tánaiste's promises for a new type of politics. It gives an opportunity, as we saw last night, for the Minister to filibuster on less important issues, to talk down the clock in order that we do not get to the substantial issues. The Minister, Deputy Hayes, can smile-----

**Deputy Brian Hayes:** I am look at the clock. It is the Deputy's clock.

**Deputy Richard Boyd Barrett:** -----wryly all he likes, the truth is-----

**Deputy Brian Hayes:** The Deputy is talking down the clock.

**Deputy Richard Boyd Barrett:** -----from the moment the Government imposed the guillotine on the debate it became impossible to have a serious debate on the amendments that have been put forward-----

**Deputy Brian Hayes:** The Deputy does not want a serious debate.

**Deputy Richard Boyd Barrett:** -----which could obviate the need to impose these brutal cuts.

**An Leas-Cheann Comhairle:** Thank you, Deputy.

**Deputy Richard Boyd Barrett:** We have proposed alternative PRSI measures, fair measures, which would take the burden off people on low and middle incomes, off the unemployed and so on.

**Deputy Brian Hayes:** Keep filibustering.

**An Leas-Cheann Comhairle:** Deputy Boyd Barrett, we are not debating the Bill now.

**Deputy Richard Boyd Barrett:** I ask the Tánaiste to lift the guillotine on the debate and allow it to take place.

**An Leas-Cheann Comhairle:** I call the Tánaiste to reply.

**The Tánaiste:** We provided additional time yesterday but the Opposition used it up in political gamesmanship. We provided an additional sitting on Friday last and there were not

enough Opposition speakers to keep it going.

**Deputies:** Hear, hear.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please. Allow the Tánaiste to conclude.

**The Tánaiste:** We provided for an additional day's sitting this week on Monday and it had to be cancelled because the Opposition could not fulfil it.

**Deputy Micheál Martin:** That is irrelevant. That is a red herring.

**Deputy Timmy Dooley:** That is outrageous.

**The Tánaiste:** There was a period of time yesterday evening in the course of the debate when there was no Fianna Fáil Member in the House.

**Deputy Billy Kelleher:** We took up our allocation.

**Deputy Timmy Dooley:** We took up our entire allocation.

*(Interruptions).*

**The Tánaiste:** The Members opposite should not be looking for looking for additional time-----

**Deputy Mattie McGrath:** That is ráiméis.

**The Tánaiste:** -----when they cannot fulfil the obligation. This is great for a grandstand on the Order of Business.

**Deputy Timmy Dooley:** There is no grandstanding-----

**The Tánaiste:** The Opposition keeps look for extra time and it does not fulfil it.

**Deputy Stephen S. Donnelly:** That is outrageous. The Tánaiste should be ashamed of himself. He calls himself a democrat.

**A Deputy:** You were not here.

**The Tánaiste:** Where was the Deputy on Friday? Where was he on Monday?

**Deputy Stephen S. Donnelly:** The Tánaiste should be ashamed of himself.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please. The Tánaiste to conclude.

**The Tánaiste:** I am responding to the issues that were raised.

**Deputy Richard Boyd Barrett:** Ask the troika can we have time for the debate.

**The Tánaiste:** The Opposition keeps asking for additional time in the House and when we provide additional time the Opposition does not come in and use it.

*(Interruptions).*

**The Tánaiste:** You just made a big fuss about the health Estimate and you did not even vote on it at committee.

**Deputy Micheál Martin:** On a point of Order-----

**An Leas-Cheann Comhairle:** I am about to put the question.

**Deputy Micheál Martin:** On a point of order-----

**An Leas-Cheann Comhairle:** I did not see the Deputy.

**Deputy Micheál Martin:** The Tánaiste has seriously misled the House in what will go down-----

**Deputy Brian Hayes:** That is not a point of order.

**Deputy Micheál Martin:** -----as one of the most cynical, dishonest remarks he has made. Our party participated fully in the debate last evening. What everybody in this House wants is more time to discuss the Social Welfare Bill. Do not throw in any more red herrings or comments about other debates last Friday or Monday. It is dishonest and cynical and the Tánaiste's credibility is in shreds given the contempt in which he is holding and treating this House. It is contemptuous.

**An Leas-Cheann Comhairle:** Thank you Deputy.

**Deputy Micheál Martin:** With all that has gone on here about democratic reform, the Tánaiste meant nothing of it.

**Deputy Brian Hayes:** What an actor.

**Deputy Micheál Martin:** It has been politically fraudulent behaviour by the Tánaiste for the last couple of years. He is a political fraud.

**Deputy Frank Feighan:** Why was the Deputy not like that with Bertie-----

**Deputy Timmy Dooley:** You closed Roscommon Hospital.

**Deputy Frank Feighan:** Everything was "Yes Bertie, No Bertie"-----

**Deputy Timmy Dooley:** The Deputy stayed on the train and it had stopped.

Question put: "That the proposal for dealing with No. 5, without debate, be agreed to."

The Dáil divided: Tá, 84; Níl, 46.	
Tá	Níl
Bannon, James.	Boyd Barrett, Richard.
Barry, Tom.	Broughan, Thomas P..
Breen, Pat.	Browne, John.
Burton, Joan.	Calleary, Dara.
Buttimer, Jerry.	Collins, Joan.

Byrne, Catherine.	Collins, Niall.
Byrne, Eric.	Colreavy, Michael.
Carey, Joe.	Cowen, Barry.
Coffey, Paudie.	Crowe, Seán.
Conaghan, Michael.	Daly, Clare.
Conlan, Seán.	Doherty, Pearse.
Connaughton, Paul J..	Donnelly, Stephen S..
Conway, Ciara.	Dooley, Timmy.
Coonan, Noel.	Ellis, Dessie.
Corcoran Kennedy, Marcella.	Flanagan, Luke 'Ming'.
Costello, Joe.	Fleming, Tom.
Coveney, Simon.	Grealish, Noel.
Creed, Michael.	Halligan, John.
Daly, Jim.	Healy, Seamus.
Deasy, John.	Healy-Rae, Michael.
Deenihan, Jimmy.	Kelleher, Billy.
Deering, Pat.	Kirk, Seamus.
Doherty, Regina.	Lowry, Michael.
Donohoe, Paschal.	Martin, Micheál.
Dowds, Robert.	McConalogue, Charlie.
Durkan, Bernard J..	McDonald, Mary Lou.
English, Damien.	McGrath, Mattie.
Farrell, Alan.	McLellan, Sandra.
Feighan, Frank.	Murphy, Catherine.
Fitzgerald, Frances.	Naughten, Denis.
Flanagan, Charles.	Nulty, Patrick.
Gilmore, Eamon.	Ó Caoláin, Caoimhghín.
Hannigan, Dominic.	Ó Cuív, Éamon.
Harrington, Noel.	Ó Fearghaíl, Seán.
Harris, Simon.	Ó Snodaigh, Aengus.
Hayes, Brian.	O'Brien, Jonathan.
Hayes, Tom.	O'Dea, Willie.
Heydon, Martin.	O'Sullivan, Maureen.
Hogan, Phil.	Pringle, Thomas.
Humphreys, Heather.	Ross, Shane.
Humphreys, Kevin.	Shortall, Róisín.
Keating, Derek.	Smith, Brendan.
Keaveney, Colm.	Stanley, Brian.
Kehoe, Paul.	Tóibín, Peadar.
Kelly, Alan.	Troy, Robert.
Kenny, Seán.	Wallace, Mick.
Kyne, Seán.	

*Dáil Éireann*

Lawlor, Anthony.	
Lynch, Ciarán.	
Lyons, John.	
Maloney, Eamonn.	
Mathews, Peter.	
McCarthy, Michael.	
McEntee, Shane.	
McHugh, Joe.	
McLoughlin, Tony.	
McNamara, Michael.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Dara.	
Nash, Gerald.	
Neville, Dan.	
Nolan, Derek.	
Ó Ríordáin, Aodhán.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Mahony, John.	
O'Reilly, Joe.	
Perry, John.	
Phelan, Ann.	
Phelan, John Paul.	
Rabbitte, Pat.	
Ring, Michael.	
Ryan, Brendan.	
Sherlock, Sean.	
Spring, Arthur.	
Stagg, Emmet.	
Stanton, David.	
Tuffy, Joanna.	
Twomey, Liam.	
Varadkar, Leo.	
Wall, Jack.	
Walsh, Brian.	
White, Alex.	

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

Question declared carried.

**An Leas-Cheann Comhairle:** Is the proposal for dealing with No. *a1* agreed to?

**Deputy Micheál Martin:** No. The House is being treated in an appalling manner. There is no doubt what the dominant question of the week is. It should be the Social Welfare Bill. In a constructive manner, I suggest the Credit Union Bill and the Equal Status (Amendment) Bill be put back to next week. Having Question Time this evening at 8.45 p.m. is farcical.

**Deputy Paul Kehoe:** In the Deputy's time we would have finished today and gone away on our holidays.

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Timmy Dooley:** Deputy Paul Kehoe would have been the first out the door back then.

**Deputy Billy Kelleher:** This shows the Government's arrogance.

**Deputy Paul Kehoe:** In Deputy Micheál Martin's time we would have finished today.

**Deputy Micheál Martin:** No. There was many a time when the Chief Whip was given extra hours for debates when he was in opposition.

**Deputy Paul Kehoe:** Check the record.

**Deputy Bernard J. Durkan:** Pity Deputy Micheál Martin did not spend as much time debating when he was in government.

*(Interruptions).*

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Micheál Martin:** We are fundamentally opposed to the entire schedule. Having Question Time at 8.45 p.m. is ridiculous. It is an appalling organisation of the business of the House. The only issue that matters for the people is the Social Welfare Bill. People would logically think the House would be given a reasonable timeframe to discuss the measures included in that Bill. That is all we are asking for on this side of the House. We are looking for a reasonable amount of time to discuss, amendment by amendment, the issues to do with child benefit.

**Deputy Emmet Stagg:** That matter was decided by the Whips.

**Deputy Micheál Martin:** Will the Deputy stop acting the bully, as he does all the time here? He is at it all the time. He does not run the House.

**Deputy Emmet Stagg:** I am terrified.

**Deputy Micheál Martin:** I make a plea to the Tánaiste to reorganise the schedule to have the Social Welfare Bill as the main item for debate for the remainder of the day.

**Deputy Timmy Dooley:** We want to help Government backbenchers.

**An Leas-Cheann Comhairle:** Deputy Mattie McGrath wants to raise a point of order.

**Deputies:** Hurray.

**Deputy Mattie McGrath:** On a point of order, I think the Tánaiste has misinformed the House. I was here last Friday when the Government Whip said there would be no sitting on the following Monday. He accused the Opposition, but it was he who cancelled the sitting. The Tánaiste should correct the record.

**Deputy Pat Rabbitte:** It is like an audition for a pantomime.

**Deputy Timmy Dooley:** The Minister would have the lead role in it.

**Deputy Richard Boyd Barrett:** The points have largely been made. However, I make one last appeal to the Tánaiste not to play the political games that he accuses us of playing when, in fact, he is playing them.

**Deputy Martin Heydon:** The Deputy plays them all the time.

**Deputy Richard Boyd Barrett:** It was the Government's decision to allocate 20 hours to the Savita Halappanavar debate.

**Deputy Noel Harrington:** The Deputy is wrong.

**Deputy Patrick O'Donovan:** That side of the House needs a new Whip.

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Richard Boyd Barrett:** That was not asked for on this side of the House. It is now apparent that it was a cynical manoeuvre on the Government's part to truncate the time allowed to debate the budget and the Social Welfare Bill.

**Deputy Emmet Stagg:** It was agreed to by the Whips, including the Deputy's Whip.

**Deputy Richard Boyd Barrett:** All we are asking for is for the Government to adjust the Order of Business to allow sufficient time to discuss the specific provisions included in this Bill and the amendments submitted by the Opposition in order that we have an opportunity to scrutinise all aspects of the Bill as we are supposed and obliged to do in the House. The Government is preventing us from doing this.

**An Leas-Cheann Comhairle:** I remind the House that we are discussing the proposal for dealing with the Credit Union Bill 2012.

**The Tánaiste:** This is about the arrangements for dealing with the Credit Union Bill. It involves the amendments made to Bill in the Seanad in which seven amendments were made at the request of Fianna Fáil.

**Deputy Brian Hayes:** And Sinn Féin.

**The Tánaiste:** The amendments are being brought before the House as we are required to do.

**Deputy Timmy Dooley:** We can deal with them next week.

**Deputy Mattie McGrath:** We will sit next Monday.

**Deputy Sandra McLellan:** We are happy to deal with them next week.

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**Deputy Brian Hayes:** They were the Opposition's ideas.

**Deputy Timmy Dooley:** It is the ordering of business with which we have an issue.

**The Tánaiste:** The debate arranged for last Friday and Monday was on the issue of the ABC report. Several weeks ago Members, including some of those who have just spoken, told us how important it was to have a reasoned debate on the matter. We complied with that request.

**Deputy Richard Boyd Barrett:** We wanted the Government to pass legislation on the matter.

**The Tánaiste:** What we are getting is classic Fianna Fáil hypocrisy. This is the party that cut €936 from child benefit in its budgets, €850 from jobseeker's payments-----

**Deputy Timmy Dooley:** Why does the Tánaiste not extend the time allowed to discuss the budget?

**Deputy Billy Kelleher:** If the news is so good, why can we not debate the budget?

**Deputy Barry Cowen:** Ours was the party that increased benefits.

**Deputy Micheál Martin:** We are only debating this issue until 2 p.m.

**The Tánaiste:** Fianna Fáil took €850 from carer's allowance. It even cut the blind pension.

**Deputy Barry Cowen:** We want a debate. Go back to North Korea and to your roots.

**Deputy Caoimhghín Ó Caoláin:** Will the Tánaiste sit down?

**An Leas-Cheann Comhairle:** Order, please.

**The Tánaiste:** Fianna Fáil Members are now making complaints about a budget that is fair and reasonable. Can I make one request of Sinn Féin? Please, do not come here and talk about conscience. It is in no position to talk about it.

*(Interruptions).*

Question, "That the proposal for dealing with No. 1 be agreed to," put and declared carried.

**Deputy Billy Kelleher:** We have learned one thing anyway - big majorities make one arrogant.

**An Leas-Cheann Comhairle:** Is the proposal for dealing with No. 6 agreed to?

**Deputy Micheál Martin:** No. We are not agreeing to anything today. The Tánaiste can play politics and all the games he wants, but the bottom line is that we have until 2 p.m. to debate the Social Welfare Bill. There is no urgency attaching to dealing with the Bill. We can deal with it next week. Instead of dealing with the Equal Status (Amendment) Bill, we could use the time allowed to discuss the Social Welfare Bill. It is that simple. The Tánaiste did not respond to that request in his last contribution. There is an opportunity for the Tánaiste to respond in a meaningful and constructive way. Let us move the Equal Status (Amendment) Bill back until next week and deal with the Social Welfare Bill in its place.

**The Tánaiste:** There is an urgency with this Bill. There is a decision of the Court of Justice

of the EU which means that this matter has to be put right by 21 December.

**Deputy Jonathan O'Brien:** By next week.

**Deputy Micheál Martin:** What about next week?

**The Tánaiste:** The Bill is in the House today and will be in the Seanad next week.

Question put: "That the proposal for dealing with No. 6 be agreed to."

The Dáil divided: Tá, 84; Níl, 43.	
Tá	Níl
Bannon, James.	Boyd Barrett, Richard.
Barry, Tom.	Broughan, Thomas P.
Breen, Pat.	Browne, John.
Burton, Joan.	Calleary, Dara.
Butler, Ray.	Collins, Joan.
Buttimer, Jerry.	Collins, Niall.
Byrne, Catherine.	Colreavy, Michael.
Byrne, Eric.	Cowen, Barry.
Carey, Joe.	Crowe, Seán.
Coffey, Paudie.	Daly, Clare.
Conaghan, Michael.	Doherty, Pearse.
Conlan, Seán.	Donnelly, Stephen S.
Connaughton, Paul J.	Dooley, Timmy.
Conway, Ciara.	Ellis, Dessie.
Coonan, Noel.	Flanagan, Luke 'Ming'.
Corcoran Kennedy, Marcella.	Fleming, Tom.
Costello, Joe.	Grealish, Noel.
Coveney, Simon.	Halligan, John.
Creed, Michael.	Healy, Seamus.
Daly, Jim.	Healy-Rae, Michael.
Deasy, John.	Kelleher, Billy.
Deenihan, Jimmy.	Kirk, Seamus.
Deering, Pat.	Lowry, Michael.
Doherty, Regina.	McConalogue, Charlie.
Donohoe, Paschal.	McDonald, Mary Lou.
Dowds, Robert.	McGrath, Finian.
Doyle, Andrew.	McGrath, Mattie.
Durkan, Bernard J.	McLellan, Sandra.
English, Damien.	Martin, Micheál.
Feighan, Frank.	Murphy, Catherine.
Fitzgerald, Frances.	Ó Caoláin, Caoimhghín.
Fitzpatrick, Peter.	Ó Cuív, Éamon.
Flanagan, Charles.	Ó Fearghaíl, Seán.

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Gilmore, Eamon.	Ó Snodaigh, Aengus.
Hannigan, Dominic.	O'Brien, Jonathan.
Harrington, Noel.	O'Dea, Willie.
Harris, Simon.	O'Sullivan, Maureen.
Hayes, Brian.	Pringle, Thomas.
Hayes, Tom.	Ross, Shane.
Heydon, Martin.	Smith, Brendan.
Hogan, Phil.	Tóibín, Peadar.
Humphreys, Heather.	Troy, Robert.
Humphreys, Kevin.	Wallace, Mick.
Keating, Derek.	
Kehoe, Paul.	
Kelly, Alan.	
Kenny, Seán.	
Kyne, Seán.	
Lawlor, Anthony.	
Lyons, John.	
McCarthy, Michael.	
McEntee, Shane.	
McHugh, Joe.	
McLoughlin, Tony.	
McNamara, Michael.	
Maloney, Eamonn.	
Mathews, Peter.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Dara.	
Nash, Gerald.	
Neville, Dan.	
Nolan, Derek.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Mahony, John.	
O'Reilly, Joe.	
Perry, John.	
Phelan, Ann.	
Phelan, John Paul.	
Rabbitte, Pat.	
Ring, Michael.	
Ryan, Brendan.	
Sherlock, Sean.	
Spring, Arthur.	

Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	
Tuffy, Joanna.	
Twomey, Liam.	
Varadkar, Leo.	
Wall, Jack.	
Walsh, Brian.	
White, Alex.	

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

Question declared carried.

**An Leas-Cheann Comhairle:** Is the proposal for the sitting and business of the Dáil tomorrow agreed to?

**Deputy Mary Lou McDonald:** It is not agreed. However, I am not going to call a vote on it so Deputies can relax. I want to make the point-----

*(Interruptions).*

**An Leas-Cheann Comhairle:** Can we have order, please?

*(Interruptions).*

**Deputy Mary Lou McDonald:** I believe it would be better to order tomorrow's business tomorrow. We will have legislation coming forward in respect of the property tax, a tax on the family home, and as with the social welfare legislation we should not rush that through the House.

**An Leas-Cheann Comhairle:** We will have an Order of Business tomorrow.

**Deputy Mary Lou McDonald:** Can we order the business then?

**An Leas-Cheann Comhairle:** We have to order the business today.

**Deputy Mary Lou McDonald:** Why?

**An Leas-Cheann Comhairle:** In order to sit tomorrow. That is my understanding.

**Deputy Micheál Martin:** It will allow us to sit tomorrow. It is in accordance with Standing Orders.

**An Leas-Cheann Comhairle:** It will allow us to sit tomorrow. Is the proposal for the sitting and business of the Dáil tomorrow agreed to? Agreed.

13 December 2012

**The Tánaiste:** I move the following Supplementary Estimates:

Estimates for Public Services [2012]:

*Vote 25 — Environment, Community and Local Government (Supplementary Estimate).*

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 the Environment, Community and Local Government, including grants to Local Authorities, grants and other expenses in connection with housing, water services, miscellaneous schemes, subsidies and grants.

*Vote 39 — Health Service Executive (Supplementary Estimate).*

That a supplementary sum not exceeding €360,000,000 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 the salaries and expenses of the Health Service Executive and certain other services administered by the Executive, including miscellaneous grants.

Votes put and agreed to.

*12 o'clock*

### **Social Welfare Bill 2012: Committee Stage (Resumed) and Remaining Stages**

Debate resumed on amendment No. 3:

In page 3, subsection (4), line 17, to delete “*Section 13*” and substitute “*Sections 13, 15, 16 and 17*”.

(Minister for Social Protection, Deputy Joan Burton).

**Deputy Catherine Murphy:** The point I was making last night is that while this provision may appear to be technical, it provides the Minister with permission to commence changes to the lone parents regime, including the withdrawal of the lone parent payment when the youngest child reaches a particular age. We were given an assurance last year that this provision would not come into effect until such time as child care arrangements had been put in place.

Where a lone parent payment is withdrawn, a parent will have to sign on and make a declaration that he or she is available for full-time employment. The parent will then be asked to take up a place on a Tús or back to education scheme and so on. The difficulty that arises, not for parents but for children, is that in the absence of adequate child care places children will be left to care for themselves. One would expect that where a parent leaves a child on his or her own all day social services would, possibly, take that child into care. Yet, an arm of this State will later this year commence an order which encourages this.

I do not disagree with the policy change in terms of providing people with a way back to work. However, I do not believe it is possible to do this without first ensuring there are guaranteed child care places for the children of parents forced to return to work, where those children

are below an age at which they can reasonably care for themselves. If the Minister can give that commitment, then it is appropriate to enforce this arrangement. If not, she will be putting parents in impossible situations. Not alone will they lose their lone parent payment but they may lose entitlement to rent assistance. This could become a major issue during the next year.

The Minister referred to the ten new offices throughout the country. While I understand these are part of a pilot scheme, ten new offices will not cut it in terms of the number of child care places required. There are almost 450,000 people unemployed. There are not jobs and places on schemes for all of the people at whom this change is aimed. I urge the Minister to postpone this commencement order until after the pilot scheme is up and running, following which a more comprehensive scheme in respect of the provision of child care places for the children of lone parents who are going to be asked to seek full time employment can be put in place.

**Minister for Social Protection (Deputy Joan Burton):** I would like to put on the record of the House that much of the discussion by the Opposition around the lone parent and carers issues is confusing people. I will explain to Members what a single parent with a special needs child receives from the Department by way of income support, which with a special needs child such parent would, of course, need. A single parent of a special needs child is entitled to €188 per week plus €30 for the child. In addition, he or she receives a half rate carer's allowance. As such, a parent with one child, who is a special needs child, would receive a weekly social welfare payment of €319.80. This is important in the context of the policy debate we are having. The €319.80 payment is made up of a one-parent family payment of €188, a child payment of €29.80 per week and a half rate carer's allowance of €102 per week or €309.50 per month.

As I have stated previously, I have protected primary weekly payments. When in government, Fianna Fáil cut the lone parent payment by more than €16 per week. I want to put what is being discussed here in context. A single parent with one child, who is a special needs child, receives-----

**Deputy Catherine Murphy:** On a point of order-----

**Deputy Joan Burton:** -----€319.80 per week. In addition, from next year the parent will also receive €130 per month in child benefit.

**Deputy Catherine Murphy:** On a point of order-----

**Acting Chairman (Deputy Bernard J. Durkan):** The Minister without interruption please.

**Deputy Joan Burton:** Deputy Murphy raised the issue of concern for lone parents. A lone parent who is a carer - I know the Deputy is aware of this - is not, as suggested by Deputy Murphy, required to seek employment because he or she is, by virtue of being a carer, deemed to be working. In addition to the €319.80 per week payment plus €130 per month by way of child benefit, a lone parent is entitled to the household benefits package and a travel pass. The household benefits package includes a €3 per week television allowance, an estimated €2 per week free travel allowance; a €10 electricity allowance and a telephone allowance of between €5 and €6 per week. In addition, a lone parent who is a carer is entitled to a respite care grant of €1,375 per annum. In international terms - I know the Deputy is aware of this - our lone parent and carer payments are among the highest in Europe.

The lone parents with whom I have spoken say that what they would like is more certainty

around the availability of respite places and other services for the child for whom they are caring. I want to make it clear that what many of the carers with whom I have spoken want, in terms of reform of the system, is more certainty in relation to respite care places. The package of payments for a carer in receipt exclusively of the carer's allowance is worth €13,350 per annum. If the person being cared for lives with the carer and is an adult, he or she is entitled to disability payments amounting to approximately €11,000 per year. The total package, therefore, for a disabled adult being cared for by a spouse is worth €24,370 per year. Deputy Murphy and I would both like to make that payment higher, but the worst reduction in payments to such people was made by Fianna Fáil when it cut the allowance for a disabled adult being cared for by a spouse by €16 per week over the course of a number of budgets. It also took over €16 per week from carers over the course of a number of budgets. That is the cut that cut the deepest for those families comprising a lone parent caring for a child or an adult caring for a disabled person.

**Deputy Joan Collins:** This is outrageous.

**Deputy Joan Burton:** Let me say, with regard to-----

**Deputy Willie O'Dea:** Chairman, on a point of order-----

**Acting Chairman (Deputy Bernard J. Durkan):** Deputy O'Dea, on a point of order.

**Deputy Willie O'Dea:** We have yet to discuss issues such as the respite care grant and various cuts that will affect people, particularly those currently outside the gate. I ask that the Minister stop filibustering and let us get on with a proper discussion-----

**Acting Chairman (Deputy Bernard J. Durkan):** Sorry, Deputy-----

**Deputy Joan Burton:** These are the facts, Deputy-----

**Acting Chairman (Deputy Bernard J. Durkan):** That is not a point of order.

**Deputy Willie O'Dea:** The Minister is talking down the clock.

**Acting Chairman (Deputy Bernard J. Durkan):** That is not a point of order, as the Deputy well knows.

**Deputy Catherine Murphy:** The Minister is not addressing the issue raised.

**Acting Chairman (Deputy Bernard J. Durkan):** Please allow the Minister to speak without interruption.

**Deputy Joan Burton:** The facts are very important-----

**Deputy Catherine Murphy:** On a point of order, please.

**Acting Chairman (Deputy Bernard J. Durkan):** There is no point of order.

**Deputy Joan Burton:** -----for the people who are outside the House.

**Deputy Catherine Murphy:** On a point of order, please.

**Deputy Aengus Ó Snodaigh:** Deputy Murphy wishes to make a point of order.

**Acting Chairman (Deputy Bernard J. Durkan):** I am sorry, Deputy Murphy, but you had your opportunity to-----

**Deputy Catherine Murphy:** The Minister is not answering the point I raised.

**Acting Chairman (Deputy Bernard J. Durkan):** I am sorry, but that is not a point of order.

**Deputy Catherine Murphy:** It is a point of order. She is not speaking about the issue raised.

**Deputy Aengus Ó Snodaigh:** Deputy Murphy made a valid point and the Minister is not addressing it.

**Deputy Willie O'Dea:** She is filibustering.

**Acting Chairman (Deputy Bernard J. Durkan):** It is not a point of order, and the Deputy is interrupting.

**Deputy Catherine Murphy:** The Minister is not speaking on the amendment. She is not dealing with the issue that was raised.

**Acting Chairman (Deputy Bernard J. Durkan):** I ask Deputy Murphy to resume her seat. That is not a point of order. The Deputy had an opportunity to speak on the amendment and has spoken. I ask her to allow the Minister to conclude.

**Deputy Catherine Murphy:** The Minister is not addressing the amendment.

**Deputy Aengus Ó Snodaigh:** She is not speaking on the amendment. Does the Chairman even know which amendment we are dealing with?

**Acting Chairman (Deputy Bernard J. Durkan):** Excuse me, Deputies, please. We are dealing with the Minister's amendment.

**Deputy Aengus Ó Snodaigh:** That is what we are supposed to be dealing with, but the Minister is not addressing the issue.

**Deputy Catherine Murphy:** She is not dealing with the issue.

**Acting Chairman (Deputy Bernard J. Durkan):** I ask Deputy Murphy to resume her seat and allow the Minister to conclude.

**Deputy Catherine Murphy:** There should be no favouritism in this House.

**Deputy Joan Burton:** On the amendment, we are talking about lone parents and the fact that we are reforming the one-parent family system to bring it into line with the best such systems that operate in other European countries. I took a particular category of lone parent - namely, a lone parent looking after a child with a disability - and pointed out, reasonably, that such a person is not, as the Deputy was suggesting, required to go out and find work. The fact that the person is a carer is fully recognised by the staff in every social welfare office of the Department of Social Protection.

**Deputy Catherine Murphy:** That is not the point I made and the Minister knows it.

**Deputy Joan Burton:** Regarding lone parents whose children are growing up and are in

school, reforms are being introduced, and I am glad - if I understood her correctly - that Deputy Murphy is supportive of this. We are providing lone parents with the options of returning to education or training, gaining work experience and getting back to work.

**Deputy Catherine Murphy:** What about child care?

**Deputy Joan Burton:** I am aware that Deputy Murphy knows of and cares about many parents who are parenting on their own. The best outlook for such parents and for their children, whom they love and care for so much, will come from our assistance in getting them back into the labour force or into training and education, which will open up a life of opportunity for themselves and their children.

We have one of the highest rates of direct payments for parents and children in Europe. These figures are verifiable. Our risk of poverty is reduced by almost 50% more than even the richest of European countries because our level of transfers and payments is so high. I know that Deputy Murphy and many other Deputies would like to increase them.

**Deputy Joan Collins:** We just do not want them to be cut.

**Deputy Joan Burton:** We should think about putting more of the resources into services. That is why, for instance, in this budget I am increasing funding for the provision of hot school meals and for the special initiatives for children in disadvantaged areas. Deputy Murphy, to some extent, is not looking at the question of how to ensure we have a strong social welfare system that is not simply strong in terms of income transfers. All of the European statistics show that it is exceptionally strong in that regard and even rich European countries do not, in many cases, have the level of transfers that we have. Instead, what they have is a much more active social welfare system that encourages people back to work.

I said already that we have ten offices now operating the new system of social welfare. These are not pilots but are the first wave of the transformation of the Department of Social Protection from being a passive Department that simply pays money to people who unfortunately have lost their jobs or who, for other reasons, are getting a social welfare income, to an active Department that not only pays people an income but also enters into a contract with them - a contract between the individual and the Department on behalf of our citizens and taxpayers - that the Department will give the individual and his or her family their entitlements in the form of income supports but will also oblige the person, particularly as his or her children grow up and attend school, to get back into education and training and back to work. That combination is a win for the family and a win for Irish society and taxpayers.

There are approximately 96,000 lone-parent families in Ireland. Think of all of the talent and energy that could be harnessed by my Department by helping those families get back into education and work and back to financial independence. Deputies know that the families and individuals who get back into employment and regain their financial independence are the winners. If one talks to women in their fifties or sixties who have been parenting on their own they will say that getting a good job was the best step they took. If, however, a woman in her twenties or early thirties who is looking after a baby on her own delays taking that step for a long time and delays updating her education, training and qualifications for ten or 20 years, it is quite hard for her to make up the gap in terms of getting a reasonable job and becoming financially independent. I make no apologies for saying that this is a reform-----

**Deputy Catherine Murphy:** What about child care?

**Deputy Joan Burton:** This is a reform of the social welfare system about which I feel passionate because I went to school with people who, for various reasons, had to rely on social welfare for their income. The best help for somebody in his or her early twenties or thirties who is dependent on a State payment is for the State to assist him or her to become financially independent. I know from private conversations I have had with Deputy Murphy that she shares that vision. That is what we want-----

**Deputy Catherine Murphy:** A guarantee of affordable child care - that is all I want.

**Deputy Joan Burton:** We want people of working age to be able-----

**Deputy Catherine Murphy:** The problem is child care.

**Acting Chairman (Deputy Bernard J. Durkan):** Allow the Minister to conclude, please.

**Deputy Joan Burton:** In the-----

**Deputy Willie O’Dea:** Allow the Minister to conclude - to conclude, Chairman. That is the important bit.

**Acting Chairman (Deputy Bernard J. Durkan):** I will deal with that, Deputy O’Dea.

**Deputy Willie O’Dea:** The Minister must conclude.

**Acting Chairman (Deputy Bernard J. Durkan):** Sorry, Deputy; I will deal with that.

**Deputy Joan Burton:** That is why I have made provision in the budget for 10,000 extra activation places, consisting of 3,000 on JobBridge, 2,500 on Tús, 3,000 in the local authorities and 2,000 in CE schemes. When we discussed CE schemes this time last year the Deputies opposite all claimed they would close down and the supervisors would lose their jobs. We are in fact increasing the number of places. I accept these changes have to be worked through and I respect the right of Deputies to examine them minutely but they will open up opportunities for people, particularly lone parents, to become financially independent.

Amendment put and declared carried.

**Acting Chairman (Deputy Bernard J. Durkan):** Amendments Nos. 4 and 5 are out of order as they involve a potential charge on the Exchequer.

Amendments Nos. 4 and 5 not moved.

Section 1, as amended, agreed to.

## SECTION 2

**Acting Chairman (Deputy Bernard J. Durkan):** Amendments Nos. 6 and 11 are related and will be discussed together.

**Deputy Joan Burton:** I move amendment No. 6:

In page 3, between lines 26 and 27, to insert the following:

“ “Act of 2012” means the Social Welfare and Pensions Act 2012;”.

**Deputy Aengus Ó Snodaigh:** Agreed.

**Deputy Willie O’Dea:** We agree to it.

**Deputy Joan Burton:** These amendments are consequential on the insertion of a new section 14 providing for the deferral of the dates on which the age reductions for one-parent family payments will take effect. Under the provisions of the Social Welfare and Pensions Act 2012-

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**Deputy Joan Collins:** On a point of order, we already discussed this.

**Acting Chairman (Deputy Bernard J. Durkan):** The amendment is in the name of the Minister, who has the right to move it and speak to it.

**Deputy Joan Collins:** She moved the amendment yesterday. That is what we were discussing.

**Acting Chairman (Deputy Bernard J. Durkan):** Please refrain.

**Deputy Willie O’Dea:** This is shameful.

**Acting Chairman (Deputy Bernard J. Durkan):** The Deputies’ turn will come when we get to their amendments.

**Deputy Willie O’Dea:** We will not get our turn because the Minister is filibustering.

**Acting Chairman (Deputy Bernard J. Durkan):** The purpose of tabling an amendment is to have an opportunity to speak. Almost two hours were wasted this morning in chicanery ----

**Deputy Joan Burton:** I know.

**Acting Chairman (Deputy Bernard J. Durkan):** ---- that could have been used to debate this Bill.

**Deputy Aengus Ó Snodaigh:** On a point of order ----

**Acting Chairman (Deputy Bernard J. Durkan):** It is not a point of order. The Minister is in possession.

**Deputy Aengus Ó Snodaigh:** On a point of order, the Acting Chair made a comment regarding the use of time in this House. That is not his role. If he was sitting in the benches opposite it would be appropriate but as Chair he is supposed to chair the proceedings not comment on the use of time and legitimate calls for votes.

**Acting Chairman (Deputy Bernard J. Durkan):** The Deputy’s role as he now sees it is not what he thinks it is either. The Minister is in possession and having moved her amendment she is entitled to speak to it. If the Deputy wishes to put down more amendments ----

**Deputy Joan Collins:** She spoke on the amendment last night.

**Acting Chairman (Deputy Bernard J. Durkan):** Sorry, I am dealing with the situation as it was presented to me.

**Deputy Joan Burton:** I am doing what the Cathaoirleach has asked me to do. I hope Depu-

ties appreciate that. Under the provisions of the Social Welfare and Pensions Act 2012, the qualifying age of the youngest child for the purpose of entitlement to one-parent family payments is due to decrease from 12 to ten years with effect from the beginning of January 2013 and from ten to seven years with effect from January 2014. The new section 14 provides for a deferral of these dates to the beginning of July 2013 and July 2014, respectively. Amendments Nos. 6 and 11 provide for a common reference in the new section 14 to the Social Welfare and Pensions Act 2012, which is referred as the Act of 2012 for the purpose of this Bill.

**Deputy Catherine Murphy:** I do not even want an answer from the Minister.

**Deputy Aengus Ó Snodaigh:** Do not give her the opportunity.

**Acting Chairman (Deputy Bernard J. Durkan):** The Deputy has a right to speak to the amendment. There are no preconditions, however.

**Deputy Catherine Murphy:** Why is the Chair stopping me?

**Acting Chairman (Deputy Bernard J. Durkan):** I have encouraged her to respond to the Minister.

**Deputy Catherine Murphy:** I spoke on this subject last night. The Minister opened the debate this morning by claiming that we are confusing matters. She is confusing matters. This is precisely the issue I addressed last night. Will child care places be made available for all those who are forced onto jobseeker's benefit when their youngest children turn 12 after 3 May 2012? I do not want a response. I merely want to make the point that we discussed this issue last night and this morning. I am not going to continue speaking because I do not want to wind down the clock but if the Minister is serious about this she will not commence it until there is a space for every child who requires one. There is no point in making a space for a parent on a job activation scheme unless there is also a child care place for the child.

**Deputy Joan Burton:** I have engaged in intensive work with the Minister for Children and Youth Affairs over the past year so that the State could provide additional child care places. This is why I was happy to announce an additional 6,000 after-school places. Ireland is starting from a low base in regard to child care. All of us recognise that our child benefits and lone parent payments are among the highest in Europe. However, in most other countries in Europe, including 90 miles to the north, lone parents do not retain that status exclusively once their children attend school. This is to give the parents the opportunity to get involved in education, training and community work, which will assist them and their families to become financially independent. The best social welfare systems provide income support, particularly when the children have not yet started school full-time, while also giving tremendous support to help people return to education, training and, ultimately, employment and financial independence. That is the purpose of the changes to the lone parent payments.

These changes have been welcomed. Last night Deputy Ó Snodaigh, like most of the other Deputies who spoke in the debate, welcomed the extension of time and the additional child care places. I think this is an important initiative and I hope the House will support it as a progressive development which will open new horizons for people who are parenting alone. Even though we have been discussing painful reductions in this budget, our lone parent and childhood supports are among the highest in Europe. Successive Governments have devoted 37% of their budgets to social welfare. That has resulted in a reduction of the at risk of poverty rate of 60%, which is twice the average of almost every other European country, including some

particularly wealthy ones. I commend the amendment to the House.

Amendment put and declared carried.

**Acting Chairman (Deputy Bernard J. Durkan):** Amendment No. 7, in the name of Deputy Ó Snodaigh, is out of order as it involves a potential charge on the Exchequer. Amendment No. 8, also in his name, is out of order because it is declaratory in nature.

Amendments Nos. 7 and 8 not moved.

Question proposed: "That section 2, as amended, stand part of the Bill."

**Deputy Aengus Ó Snodaigh:** I can discuss those amendments when discussing the section, but I will be brief. It is a pity, as Deputy O'Dea mentioned last night, that the rules of the House do not allow us to put practical proposals forward because they would involve a potential charge on the Exchequer. This makes our job, as Opposition Members, difficult. The Government continuously harangues us and asks us to come up with solutions or alternatives, but the rules of the House make that very difficult for us. I urge the Minister, through her Whip - I myself will raise the issue in the context of Dáil reform - to try to change the Standing Order that prevents us from being progressive and positive in our duties as legislators. This sums up what was included in my amendments.

**Acting Chairman (Deputy Bernard J. Durkan):** I can help the Deputy out. It is traditional in Parliament that when Members put forward an amendment that imposes a charge on the Exchequer, that must come from somewhere within the existing Estimate, and that must be qualified. That is the long-standing tradition in this House, as I know from my years on the benches. As the other spokesman will readily acknowledge, there is no provision for making an amendment to a Bill that involves an extra raising of tax and an extension of a charge that goes outside the particular Estimate.

**Deputy Richard Boyd Barrett:** On a point of order-----

**Acting Chairman (Deputy Bernard J. Durkan):** There is no point of order in regard to this.

**Deputy Richard Boyd Barrett:** There is a point of order.

**Acting Chairman (Deputy Bernard J. Durkan):** I am sorry, there is no point of order. The issue is not for debate at all. I gave latitude to the Deputy in whose name the amendment was put forward.

**Deputy Aengus Ó Snodaigh:** This concerns the definition section. The ruling makes it difficult for us to do our job. While part of our proposals might involve a charge, there is a benefit and saving included. I will not labour the point but just want to say that it is difficult for those of us in opposition to contribute, because we are not given the option, even where we are progressive, if there is a charge involved. Despite the fact there may be a benefit further down the track, we are prevented from contributing, unless the Government takes our suggestion on board.

**Deputy Richard Boyd Barrett:** That was my point of order.

**Acting Chairman (Deputy Bernard J. Durkan):** The point is noted, but it is not a point of order.

Question put and agreed to.

### SECTION 3

**Acting Chairman (Deputy Bernard J. Durkan):** Amendments Nos. 9 and 10 are out of order as they involve a potential charge on the Exchequer.

Amendments Nos. 9 and 10 not moved.

**Deputy Joan Burton:** I move amendment No. 11:

In page 5, subsection (5), lines 1 and 2, to delete “Social Welfare and Pensions Act 2012” and substitute “Act of 2012”.

Amendment agreed to.

Section 3, as amended, agreed to.

### SECTION 4

**Acting Chairman (Deputy Bernard J. Durkan):** Amendment No. 12, in the name of Deputy Catherine Murphy, is out of order as it involves a potential charge on the Exchequer.

Amendment No. 12 not moved.

Question proposed: “That section 4 stand part of the Bill.”

**Deputy Aengus Ó Snodaigh:** This arises from legislation passed in 1997, which provided that the number of contributions required to qualify for pension was to double from 260 to 520. Budget 2012 gave effect to that and the legislation was passed in its wake and it has been sought to apply this to everyone from April of this year. We objected to this move at the time. We were lobbied by a number of individuals who were fast approaching retirement age, only to discover that their pension entitlement would be only a fraction of what they had expected.

This measure seems to affect women in particular. It seems the legislation overlooked some small categories of contributions and since April, some 540 people managed to qualify for the pension with only 260 contributions. What the measure does is ensure the exclusion of those categories from qualifying, unless they are able to reach the higher number of contributions. We favour a move towards a more universal basic pension. Therefore, measures that would further restrict eligibility move in the wrong direction. This measure only affects a small number of people. Given our opposition to it and given the effect it has had on people fast approaching retirement, we feel we should oppose this measure at this stage, although it will not matter so much in a number of years.

**Deputy Catherine Murphy:** The number of people now discovering that what they had hoped would be a guaranteed pension at 65 is not what they hoped for has become more obvious during this year. This measure tends to affect disproportionately people who have had to take time out of the workforce and that is the reason I oppose this section.

**Deputy Joan Burton:** As in the case of section 3, the changes I propose in this section also follow on from the pension reform measures I announced in the budget in December 2011, which were implemented from September of this year. Two changes in the State pension contributory scheme are contained in this section, one of which aligns the contribution conditions

applying to the pension across all categories of claimant. The other abolishes a provision which is no longer required.

Under legislation which was enacted in 1997, the number of PRSI contributions a claimant for the contributory State pension is required to have paid in order to be eligible for that pension increased from 156 to 260, with effect from April of 2002. This further increased to 520, with effect from April of this year. That plan was set out in 1997 and was implemented in 2002, with the final part being implemented in April 2012. The 1997 legislation provided for a number of consequential amendments and for “savers” to protect existing pensioners. However, the 1997 legislation inadvertently omitted to provide for the increase from 260 to 520 in the case of a particular category of claimant for the contributory State pension.

The 260 contribution requirement still applies in the case of claimants for contributory State pension who have a reduced yearly average of between ten and 20 contributions. This means that this particular category of claimant is treated differently from all other claimants for contributory State pension, including claimants for other reduced rate pensions who are required to have paid a minimum of 520 PRSI contributions. Section 4 aligns this requirement in the case of all claimants for contributory State pension who reach pension age from 1 January 2013 onwards. Existing recipients of the contributory State pension will not be affected by this measure.

Section 4 makes a further amendment to abolish a provision which is no longer required. Special pension arrangements were introduced in 1988 to cater for people who had been affected by the operation of the earning limit for insurability purposes that applied in the case of non-manual workers before 1974. In those days, a distinction was made between manual workers and people who worked in offices. Manual workers paid a stamp, but middle management and other office workers who had access to company pension schemes did not. Before the pre-1974 arrangement was changed, certain people who had gaps in their social insurance records relating to periods when they were not covered by social insurance found it difficult to meet the existing reduced yearly average requirements for the purposes of the contributory State pension. In those circumstances, special lower rate pensions were introduced to cater for these groups. The range of reduced rate pensions generally available to claimants of the contributory State pension has been improved since 1988. As a result, there is no longer any difference between the reduced rate payable under these special arrangements and the reduced rate of the contributory State pension generally. As a consequence, section 4 of the Bill proposes to abolish these provisions in the case of those who reach pension age on or after 1 January 2013. Existing beneficiaries of these special pension arrangements will not be affected by this measure.

**Acting Chairman (Deputy Bernard J. Durkan):** I must put the question.

**Deputy Richard Boyd Barrett:** Say nothing.

Question put and agreed to.

## SECTION 5

Question proposed: “That section 5 stand part of the Bill.”

**Acting Chairman (Deputy Bernard J. Durkan):** This section is opposed by Deputies Joan Collins, Patrick Nulty, Willie O’Dea, Aengus Ó Snodaigh and Catherine Murphy. Is it agreed to?

**Deputy Aengus Ó Snodaigh:** No.

**Deputy Willie O’Dea:** It is not agreed.

**Acting Chairman (Deputy Bernard J. Durkan):** I thought the Deputies were not going to speak at all.

**Deputy Aengus Ó Snodaigh:** We were waiting for the Chair to give us an opportunity to do so.

**Acting Chairman (Deputy Bernard J. Durkan):** I was waiting for somebody to stand.

**Deputy Aengus Ó Snodaigh:** This is the most odious section of this short Bill which will have far-reaching consequences. It proposes a reduction from €1,700 to €1,375 in the annual respite care grant. I had intended to make a longer contribution on this matter, but I am aware that many Deputies want to speak on it. I have received many e-mails on this issue. I hope that by reading from an e-mail I have received from a carer which has been signed “a very tired woman”, I can capture everything I had intended to say:

I am the mother of 3 children, 2 of whom have special needs. My children need 24/7 care, 365 days, that is every single day since they were born, there are no holidays away with them or from them, I am all they have as their father died last year. This cut in the respite grant plus the children’s allowance having a 10 euro cut per child plus the cut in the household [benefits] package plus the increase of medical prescriptions has left me in tears, literally tears. As a one income family, I can’t work as my daughter has so many therapies and hospital appointments, there is no job in the land who would employ me if I was to go to Galway Monday for hospital appointments and Dublin for treatments Thursday and the other side of Mayo for dental treatments another day, let alone the rare but needed speech therapy that was hard fought for. I barely am able to pay for the car that takes us to all these places by the Domiciliary Care Allowance and the tax/insurance is paid by the Respite Grant, the petrol is almost covered by the children’s allowance but not now. It’s a struggle to shop every week, to keep oil in the tank, coal on the fire, and God forbid, a letter comes home from the school looking for money for something or one of them need new shoes or rips a trousers or the car breaks down, my nightmares revolve around that, when I can sleep of course [and] as I said, my special needs child is 24/7 and sleep is a luxury at times. The money I get weekly/monthly/annually is earned, every single cent. 325 euro is small change to most in this government, it’s a meal for the buddies and the 20 euro a month I am losing on children’s allowance is the equivalent of ONE bottle of wine with that meal. Small change to those who can change our lives while they have never known financial insecurity or what it is to ceiling stare in fright and fear thinking and worrying about how am I going to last another 3 days with no money in my purse or bank. This government has us hard against a wall though, they know we can’t protest in the thousands that we are because we can’t bring the people we care for out of their homes into the streets in a lot of cases. They know we will never abandon our people like the government has.

That is part of a longer e-mail.

I urge the Minister to examine her conscience and the Government to examine its collective conscience. They need to reverse this cut. They should delete this section of the Bill. The e-mail from which I have read captures all of the despair and distress it is causing. The consequences of this cut will be felt on the collective conscience of the Government. I have

mentioned that I have received e-mails from many distressed parents and carers who have contemplated the worst. I urge the Government to give them some hope by deleting this section. We have set out some of the alternative ways of gathering the small few million euro involved. If the Government does not act, it will have electoral consequences for the Deputies on the other side of the House and the poor carers in our society who are struggling day in, day out. The Minister referred to them as unsung heroes, but I suggest that was an insult to them. One looks up to one's heroes. One praises and supports them in their times of need. By introducing this measure, the Minister is not supporting them.

**Deputy Joan Collins:** This is one of the main areas people believe should be protected. The Minister has made the point that this grant was approximately €700 or €900 in 2004 and suggested she is not really eating into it. This measure will have huge repercussions for every single person who is caring for someone and also for the person who needs such care. The Government should reverse this cut because it did not form part of the remit it was given when it was elected to office. It is not good enough. The amount involved is just €26.15 million. Our next amendment outlines how this and all other cuts can be reversed by taxing wealth and incomes of more than €100,000. Deputies have an opportunity to act in line with the words they spoke when they made their promises a number of months ago.

Those who look after people who need to be supported every day, week and month of the year are the unsung heroes of our society. There is a great deal of anger and the protest was smaller today. People are saying if the Government implements this cut, they will bring those for whom they are caring into accident and emergency departments and leave them there in order that the State will have to look after them. They do not believe they are being given enough support to care for those who need care. They have also said word is getting out, in the context of The Gathering next year, that one should not come to Ireland if one needs care, etc. I ask the Minister to delete this section of the Bill and support the people in question. She should not claim that the sum of €325 is insignificant in the context of all other benefits and supports they receive. They need this money. The cost of living has gone up, in particular for electricity, gas and bus fares. Many would have travel passes but the fact is people are finding it more difficult to live and they need that protection and support. We are not asking for increases at the moment. We are asking the Minister please to not cut the respite care grant.

**Deputy Willie O'Dea:** I listened with interest to the e-mail read out by Deputy Ó Snodaigh. I have also received numerous messages and it is distressing just to read them, let alone try to imagine the distress those unfortunate people and those they are caring for are enduring.

I appeal to the Minister. People outside the House who watch the exchanges, clashes, debates and interaction here would be surprised at how many things we privately agree on. If all of the 166 Deputies were asked privately, off the record, what their opinion of this change was, I suggest they would all be of the one view, whether they were Government or Opposition Deputies. They would simply be of the view that it is a mistake, it is unfortunate, it looks very bad for the Government and it is a pity it happened.

I am not attributing any superhuman qualities to the Minister for Social Protection. We are all human and we all make mistakes. I am nobody to lecture anybody on mistakes as I have made more than my fair share. However, I have learned in life that the best thing to do when one makes a mistake is to acknowledge it, correct it if possible and move on. It was George Bernard Shaw who said there was no shame in admitting one has made a mistake; it only means one is wiser today than one was yesterday.

To anticipate some of what the Minister might come back with, one of her central defences of the social welfare provisions in the budget is that she has not cut the basic rates. The fact is that everybody in receipt of carer's allowance is entitled to the respite care grant, so their income is not just the €204 per week, it is €204 plus the total of the respite grant which, divided by 52, comes to €32.50. Therefore, it is €204 plus €32.50, which makes €236.50, in effect. As a result of this change, they will come out with €6.50 a week less.

There are a minority of people who, for one reason or another, do not qualify for the carer's allowance, perhaps because their spouse's income is too high or over the limit. Nevertheless, they are doing a tremendous job of caring on a full-time basis for somebody who is disabled or ill. In return for that work, they get a measly €32.50 per week from the State, and that is now being cut to €26.50, a 19% cut for that particular category. Incidentally, we should bear in mind that carer's allowance is a means-tested payment so people who qualify for the carer's allowance are certainly not the rich. They must pass a means test, and while this is more generous than the ordinary social welfare means test, it is restrictive enough nonetheless.

The Taoiseach told us on the Order of Business in recent days that the Government is spending over €780 million on carers this year. I accept that and I acknowledge it is a fair chunk of money. However, the contribution which carers are making to this State, if the State had to pick up the tab for the work they are doing, is estimated by independent economists at approximately €5 billion per year. This is the only category of social welfare where we are getting back a multiple of what we are giving out. As somebody said recently, carers are the only recipients of social welfare who are actually working for the money they are getting. God knows, even as it stands, it is paltry enough for the amount of work.

There is nobody in this House, or nobody I know outside it, who works harder than a full-time carer - that is a fact. My mother died earlier this year. She was in a nursing home and two of my sisters took turns to visit her and stay with her. Even that - taking turns and visiting somebody who was being cared for by somebody else - really exhausted them. I cannot even begin to imagine what it is like caring for somebody on a full-time basis.

As I said, the State gets back six or seven times what it puts into carers. The amount of money involved here is €26 million, which is a drop in the ocean in a budget adjustment of €3.5 billion. We are told it cannot be changed but nobody has explained why. Last year, there was a bigger adjustment in regard to disability and it had to be changed and was changed. Ministers came out and said they had got it wrong, and they were respected and admired for that. There were a few journalists who wrote headlines about U-turns and so on, but people appreciated the fact Ministers saw they had made a mistake and were good enough to stand up and change their minds in regard to a much bigger amount.

We are also told that if the €26 million has to be found, it has to be found elsewhere in the social welfare budget. Why? What particular rule of accountancy or arithmetic dictates this? In any case, while I am sure the Minister could find it elsewhere within the social welfare budget, she does not have to. Some €26 million is less than €2 million across each of 14 Government Departments. If the 14 Departments are so strapped they cannot find a sum of less than €2 million each to make this up, then the slightest adjustment to the taxation system would provide €26 million without affecting the budgetary arithmetic at all.

The commitment to the troika, as I understand it, was to come in this year at a deficit of not more than 8.3% of gross domestic product. The Government has pointed out, as it is entitled to

do, that it is coming in at 8.2%, which is under what is required. The sum of €26 million will not change that arithmetic one iota.

Like other Deputies, I met carers outside Leinster House last week and many of them have been in contact with me in recent days. The one issue that was really distressing them was the chasm between what they were experiencing and suffering and the stated views of certain Members in here. One Minister of State said they could stay in a top hotel for €700 a week and told them to get on with it. It is very easy for a junior Minister to express sentiments like that because a junior Minister is being paid 13 times per week the basic rate of carer's allowance. A junior Minister could earn the €325 which is being cut from the respite care grant in less than a day - their basic earnings are approximately €380 per day, before expenses and other ancillaries such as drivers, free telephones and so on. What a crass, unfeeling, unsympathetic approach to take from someone who is doing so well.

The Minister, Deputy Rabbitte, when on this side of the House used to throw moral imperatives like lollipops, with several per day and three or four at lunchtime. He said this was a "modest" reduction. It might be a modest reduction for the Minister, Deputy Rabbitte, because he is earning €169,000 a year or 17 times the basic rate of carer's allowance. He earns €470 per day, seven days a week. By 3 p.m. today, Deputy Rabbitte will have earned the equivalent of the cut in the respite care grant. In general, I find that if one believes one is going to subtract from rather than add to the sum of human knowledge when one speaks, it is better not to speak at all.

**Deputy Stephen S. Donnelly:** Will Deputy O'Dea please watch the time?

**Deputy Willie O'Dea:** I will conclude on this point.

*1 o'clock*

When one considers what Ireland's position might be like a year from now, the focus must be on the factors, including external factors, on which that position is dependent. These include the extent to which we can activate the domestic economy, the situation in the eurozone, whether a debt resolution agreement is reached with our European partners and so on. Whether or not this particular cut is imposed today will not make the slightest difference to where Ireland stands economically in 12 months. This decision is very bad politically for the Minister's party. I accept that she does not need political advice from me, but the reality is that it will leave an indelible stain on the record of this Government and particularly on that of the Labour Party. There is no need for that to happen. Financially, it will make not an ounce of difference but will impose disproportionate hardship on the people who least deserve it. I urge the Minister - I am doing so in a non-partisan way - to reconsider this decision. From her own point of view, it is not worth the candle.

**Deputy Patrick Nulty:** I am disappointed that the Minister, Deputy Joan Burton, is not accompanied by the Minister for Finance, Deputy Michael Noonan, today. After all, this is a Fine Gael budget. I have no doubt that if the Labour Party had framed it, the measures that we are discussing would not have been included. It is the Fine Gael Party that is driving economic policy and putting us in a situation where these measures have to be brought forward. I have no interest in what Fianna Fáil has to say. I am not a part of that political tradition, nor am I part of the political tradition of Sinn Féin. I am part of the tradition of the labour movement. I joined a trade union when I was old enough to work and the Labour Party when I was old enough to

vote. In fact, I voted for the Minister, Deputy Burton. I was a socialist as soon as I was old enough to reflect on the inequalities that exist in our society.

We have been told that there are no alternatives to the measures set out in this Bill. If I could accept that as truth, I would vote for the legislation. The reality, however, is that there are plenty of alternatives. As Susan George, the great American writer, observed, the world is full of alternatives. Proposals in this regard have been made by the Irish Congress of Trade Unions, Claiming Our Future and TASC. My colleagues, Deputy Thomas Broughan and Ms Nessa Childers, MEP, and I have presented options. Alternatives have been offered by virtually every progressive voice in Irish society, pleading with the Government to reverse the cut in the respite care grant and child benefit and instead to impose higher taxes on people earning more than €100,000 per year. In response to a recent parliamentary question by Deputy Michael Conaghan, it was revealed that a tax rate of 48% on incomes above that threshold would bring in €365 million per annum. That cannot be done, however, because Fine Gael will not allow it. The Labour Party has a choice, therefore, either to agree to a compromise which is not sufficient or to stand up to its partner in government.

Last year the Minister, Deputy Burton, and others disagreed with my decision to vote against an austerity budget. I respect their position. However, I do not accept that a single voter sent me into this House to cut the respite grant for carers and take €10 from the allowance paid to every mother in this country. These decisions are shameful. It is even more shameful that outstanding members of my party will be forced to vote for this measure out of some blind faith and loyalty to an archaic 19th century Whip system which demands adherence to the party line irrespective of personal convictions. It is my conviction that these cuts are wrong and alternatives could have been chosen. For God's sake, let us stand together to effect their reversal, no matter what the consequences. I urge the Minister to accept the amendments to this end.

**Deputy Catherine Murphy:** Even people who are not affected by the reduction in the respite care grant are deeply concerned by it. In fact, it has become a lightning rod for public dissatisfaction with Government policy. If the Minister listens to the people in her own party and in Fine Gael, she will discover that they all have their antennae up and have realised that this measure is unacceptable. It is purely a case of stubbornness and the desire to save face that is behind the claim of there being no alternatives. As others have stated, there certainly are alternatives to what is proposed in this measure.

The Minister argued that the respite care grant has increased substantially in recent years. The reality, however, is that the demands on that payment have also increased. For example, the cost of home heating fuels has increased significantly. People engaged in caring work face a disproportionate cost in this area because they are predominantly doing so in their own home. The cost of health care has increased. Moreover, the reduction in front-line services means that the respite care grant is very often used to plug gaps such as the lack of speech and language or occupational therapy. The notion that it is used in some type of frivolous way, that it is there for the little treats or extras, is completely to misunderstand the purposes for which it is used by the vast majority of recipients. In most cases it is not about paying for a week's holiday. Even if it were used for that purpose, to afford some rest and respite for carers, it would probably make a great deal of sense from a health care perspective. One third of all carers become ill themselves as a result of the stresses and strains of looking after another person 24 hours a day, seven days a week.

I will conclude shortly because I know that colleagues are anxious to speak. I referred in

this Chamber earlier in the week to a woman - a constituent of the Tánaiste - to whom I had spoken outside Leinster House. She told me that her house is locked down at all times because she is caring for her young adult child who has autism and cannot access adult services. The young person is essentially a flight risk. This woman and others like her have taken grave offence to this cut because they feel they have been singled out. Everybody in society is offended that this vulnerable group is being targeted once again. I appeal to the Minister to show a little bit of sense and reason on this particular measure. Even if it is the only change she agrees to, it would at least demonstrate a degree of humanity. If she does not want to hear what we on the Opposition benches are saying, I urge her to heed what Government backbenchers have said. This decision is simply wrong.

**Deputy Brendan Ryan:** Section 5 is the first of a number of sections which give effect to income reductions for certain categories of people who are in receipt of social welfare. The Minister for Finance, Deputy Michael Noonan, announced on budget day that subsidies for pension funds which deliver an income of more than €60,000 per year will be capped. This cap, which is projected to bring in €250 million in a year, is not due to come into effect until 1 January 2014. If this measure were brought in sooner, on 1 July, for example - which independent experts have indicated is entirely possible if the political will is there - it would bring in €125 million next year. I realise there would be an off-set for the levy that is currently there, but that could be adhered to for the remaining months of the year. Even if the introduction of the cap were delayed to 1 September 2013, it would potentially bring in €80 million.

In the context of the number of cuts that are being proposed in the legislation today, has the possibility of bringing forward the pension subsidy cap been considered seriously at Cabinet and, if not, why not? It is a budget adjustment that has been agreed with our partners in government, so it simply seems to be a question of timing. Given that the respite care grant is not payable until June, there is time to consider whether an earlier implementation of the subsidy cap might obviate the need for a reduction in it and other income supports. In the area of child benefit, for example, €125 million would go a long way towards obviating the need for that cut as well.

**Deputy Richard Boyd Barrett:** I will be brief. The people the Minister is hitting with this measure will also be affected by cuts to the clothing and footwear allowances, child benefit and the property tax. We are talking about many hundreds of euro being taken from the income of people who are doing a service to the State by looking after their loved ones. To take this action is obnoxious and nauseating. One cannot describe it as fair; it is obscene and indecent. The Minister has claimed consistently she had no alternatives in this regard and had to make hard choices. I find the use of the word "hard" extraordinary. What carers do is hard, in fact "hard" does not even come close to describing what they have to do. They must engage intensely at an emotional, physical, economic and every imaginable level in order to care for their loved ones, thereby providing a service at a massive saving to the State. To do this to them is unconscionable.

The Minister stated there were no alternatives but when alternatives are put to her and to the Government she merely reiterates that headline allowances are being maintained and sings her own praises. Will she answer us directly and simply? Why did she make the choice to do this rather than to increase, even marginally, the tax on those with incomes of more than €100,000 a year? Will she answer that simple question? This point was made by her Labour Party colleagues, and all the groups in civil society mentioned by Deputy Nulty have asked her to do this, but we still have not had a straight answer. Instead of doing this, why would the Minister

not increase the PRSI levels for those earning in excess of €100,000 a year? It is a simple choice and is contained in an amendment we tabled. The Minister could do it, and save all this hardship and suffering for people who do not deserve it, those who are the most decent people and the real heroes of our society. Will the Minister not pull back from this and show them the respect they deserve?

**Deputy John Halligan:** My sister is a carer. She cared for my mother for seven years and has been taking care of my father for eight years. Unfortunately - or fortunately for us - most of my family work and are unable to help her out, but we know she works 24 hours a day because my father needs that level of care. In light of the work she does and the hours she puts in, I have often thought that if she worked anywhere else in the world her work would be classified as slave labour. There would be uproar and understandable outrage that people should work so hard for so little. That is the salient point in this debate. Whatever small amount of money we are taking away, to do so is unforgivable.

I have spoken to many carers in both Waterford and Dublin. Next week there will be a Private Members' Bill on carers, which we hope the Minister will support. What is deeply upsetting for many carers is not that the Minister has taken the money away but that her Department would sit down and contemplate attacking the most vulnerable and hard-working people in Ireland today. If she speaks to carers, as she must do because all of us have done so, she will see they are deeply upset. I say that rather than "annoyed" because we are all annoyed at things now and again. Carers are deeply upset that members of the Minister's Department would sit down with her and even think about making this cut. As one who sees what a carer does, I make an appeal. I am sure other people present also have carers in their families, but I see what my sister does. She is very small, weighs only about seven stone but I know what she has to do 24 hours a day with my father, and what she had to do for my mother before she died. What upset her was not that the Minister took the money away but that she sat down and thought about doing so.

I will leave it at that because other people wish to speak. I appeal to the Minister on this, above all the cuts she has made, because it concerns the people who work hardest in society, some of them 24 hours a day. My sister has to get up five or six times every night. I did the work one weekend to give her a break and did not bother going to bed the second night because I had to turn my father in the bed so often, a consequence of the illness he has. Carers do not deserve to have any kind of cut to their grant. In fact they could do with an increase because of the work they do.

**Deputy Stephen S. Donnelly:** I will be brief. To be honest, I cannot understand how we are having this debate, over €26 million. The Minister is an accountant and I imagine she shares my reaction, to a degree. I can give her 100 better ways to raise €26 million. Next year €170 million will be paid in increments; €700 million has been paid in increments during the past four years. I cannot say better than Deputy Nulty's contribution. To have this type of grief and anguish over €26 million - within the scale of this budget - is beyond me.

**Deputy Luke 'Ming' Flanagan:** In this country we hear a great deal about respect for institutions and various different things but from what I have seen during the past week this is the big one as far as people are concerned. It is one of many big ones but it seems to be coming to the top of the pile. On numerous occasions we have heard carers ask what we would do if they were not taking care of their people. One lady pointed out that if she had a breakdown, as she suspects she will if the Minister takes this money away from her, it would cost €300,000 a year

to take care of her two beautiful sons.

Alternatives have been proposed in the Chamber, even by Government Deputies. Carers have described what would happen if they were not taking care of their charges any more. They have asked what would happen if they left their charges at accident and emergency departments. As Deputy Collins mentioned, some of us have just returned from meeting the carers who were demonstrating outside the House. Four of them made it clear, in consultation with the people they care for, that today they will be leaving four people - human beings - at accident and emergency departments. We talk about respect. What about respecting these people? There does not seem to be any respect from journalists; none of them is present. Neither does there appear to be any respect from Government Deputies - there are only five present. If they had respect for these people they would do something about this. Unfortunately, in this country we have respect for the wrong things. There is a Deputy present in the Chamber who has done a great deal of mouthing off about this topic during the past week but he has not shown much respect today because he has not said anything about the matter. Will he vote against the measure?

**Deputy Noel Grealish:** He does not say it in the House.

**Deputy Luke 'Ming' Flanagan:** When it comes to leaving the Chamber, however, he bows because he has respect for the Chair. I suggest his party changes its values concerning what it respects.

**Deputy Jonathan O'Brien:** I do not know whether the Minister has ever been a carer. I can only presume she has not, given the cuts she proposes to implement. My mother was a carer. I say "was", because she used to care for my father who passed away last August. She never went on a holiday while she was caring for him but used the respite care grant to subsidise my father's medical care so that we could keep him at home and grant him his final wish to die in peace with his family. If we had not used the grant to do that it is possible we would have had no choice other than to put him into a home. We would then have been unable to grant his dying wish.

The Minister stated, as did many other speakers in the Chamber, even today, there are alternatives to implementing this measure. A sum of €26 million is in question; every Deputy has provided the Minister with alternatives for sourcing it. For people like my mother and other carers, there is no alternative. These people have no alternative. They either care for their loved ones or they do not do so. That is not a choice they can make. Those to whom I refer do not have the luxury of alternatives or of choosing not to care for their loved ones.

The Minister has the opportunity to make a different decision in respect of how to obtain the €26 million at issue here. I appeal to whatever sense of decency and humanity she may possess and I plead with her not to proceed with this proposal. The saving involved is €26 million out of total savings of €3.5 billion. These are just figures. My mother and the other 77,000 carers throughout the country are not interested in figures, they just want to be given the resources and to have the capability to do what is right by their loved ones. If the Minister proceeds with this cut, she may be denying some mother, father, son or daughter the ability to care for a loved one in their own home. In my book, that is just immoral. I appeal to the Minister not to proceed with what is proposed.

**Deputy Denis Naughten:** I welcome the opportunity to speak briefly on this proposal. When one considers the latter in conjunction with what is happening in the Department of

Health, one can see that a combination of things are affecting carers. Sadly, the Minister is caught in the middle of the storm. That statutory two weeks respite to which elderly people are entitled has been removed. Even though there is statutory provision, people cannot avail of this. The cuts to home help hours represent a clawing back of the supports available to people in their own homes. There are those who increasingly rely on the respite care grant to subvent those cuts that are being made by the Department of Health. This highlights the fact that it is not possible to deal in isolation with an issue which has implications across the entire budget.

It is extremely frustrating that for one third of those who are in receipt of it, the respite care grant is the only State recognition they get. These people do not receive medical cards or many of the other allowances and entitlements that are available. Those to whom I refer feel really hurt in the context of the proposed cut to the grant. If one considers this cut in tandem with the delay which exists in respect of carer's allowance applications - this currently stands at approximately 11 months - and the impact this has in the context of delays with regard to the processing of the respite care grant, it is obvious that what is happening is placing an additional administrative burden on the Minister's Department and leading to overpayments of supplementary welfare allowance. Efficiencies could be achieved by streamlining the process to which I refer and these, in turn, could give rise to savings.

The Bill also contains a proposal in respect of farm assist and I am of the view that this will actually cost money rather than give rise to the saving of €5 million that is envisaged. I have put forward proposals to the Minister regarding how we might save €50 million in respect of the child benefit budget by addressing the issue of fraud and non-resident children. A number of suggestions have also been put forward by other Deputies in respect of the changes to pension relief. If these were brought forward, the savings to which the Minister refers could be made.

I accept that the Minister is in an extremely difficult position in the context of the proposed cut to the respite care grant. The saving involved - €26 million - is relatively small in the context of her Department's overall budget. In light of the fact that this proposal will not be implemented until next June - when the respite care grant is due to be paid - I suggest that there is a window of opportunity available to the Minister during which she might reconsider the position. A second social welfare Bill is normally introduced in the spring. In that context, will the Minister postpone what is proposed here and, during the window of opportunity to which I refer, ask the Joint Committee on Education and Social Protection to consider the views of and suggestions put forward by those in opposition and come up with an alternative - within the Department's budget - to the €26 million cut to the respite care grant? I am of the view that it would be possible to make savings within the Department of Social Protection's budget by improving efficiencies.

The Minister should provide the window of opportunity to which I refer in order that we might take the time to deal with this matter. The provision in this regard will not kick in until the middle or the end of June. Rather than dividing the House on this issue, all the Members should work together to arrive at a workable solution in respect of this matter.

**Deputy Noel Grealish:** I will not rehearse what previous speakers stated. Everyone is aware of the tremendous work done by carers and of the money they save the State by keeping people in their own homes. Like Deputy Nulty and others, I would like to know why the Labour Party dropped a proposal it put forward in the context of the budget to the effect that there be a 3% increase in the universal social charge. Such a move would have brought in €365 million. I gave an interview on my local radio station-----

**Deputy Sean Sherlock:** It would have brought in €71 million.

**Deputy Noel Grealish:** Well €371 million, there is not much difference.

**Deputy Sean Sherlock:** No, the figure was €71 million.

**Deputy Willie O’Dea:** It would have brought in €200 million if the self-employed were taken into account.

**Deputy Noel Grealish:** I stand corrected. My figures are wrong in this regard. I gave an interview on my local radio station this morning in which I stated that I would have supported such a proposal if it had come before the House, particularly as it would have removed a number of difficulties for the Minister’s Department. I am of the view that the Minister does not believe in what is being done here and that she is going against everything for which she stands by introducing these cuts. Perhaps she will indicate why the proposal to which I refer was dropped and why it was voted down by Fine Gael.

**Deputy Róisín Shortall:** I add my voice to those of others who have objected to this proposal to cut the respite care grant, which is probably one of the most mean-spirited aspects of the budget. We are all fed up listening to representatives of the Government speak about the budget. Those to whom I refer stated - prior to its introduction - that the budget would be tough but fair and they continue to say this. As the Minister is well aware, the budget is nothing like fair. As previous speakers stated, if it had been the case that the Government had no choice but to make these draconian cuts, people would have faced up to the reality involved. The truth is, however, that the Government had several options open to it. For example, it could have increased the universal social charge or introduced a solidarity levy. God knows we need solidarity now more than ever before and if we had introduced a 5% solidarity levy in respect of people with incomes in excess of €100,000 - in the context of the element of those incomes that is above that amount - we could have raised €320 million.

I put it to the Minister that a majority of the Members of this House would favour a solidarity levy. Such a levy was first mooted by a number of Fine Gael backbenchers last year - I believe they still support it - and I am of the view there is widespread support within the Labour Party and across the Opposition benches for such a measure. A levy of this nature is necessary because we need those who are wealthy and who have been fairly well protected from the cold winds of the recession to show solidarity with people who are desperately badly off and really struggling. If a solidarity levy had been introduced, it would have negated the need to bring forward any welfare cuts in the budget. Unfortunately, the Government has chosen to hammer people on low and middle incomes. That was a very definite choice that was made within Government. As already stated, it had options.

The Government could also have tackled the inequalities relating to the pensions regime. Last year it stated that it would do so this year and now this year it is saying that it will perhaps take action next year. That is just not good enough. There is an obvious target in this regard, namely, making the pensions regime much fairer and thereby saving a considerable amount of money. If the Government had done that this year - as should have been the case - it could have raised €250 million and there would not have been a need for any of these awful cuts which are going to place enormous pressure on the poorest people in our country.

The Government had options. In such circumstances, its members should stop saying that the budget is fair. Will the Minister, the Tánaiste and their ministerial colleagues please stop

saying that they have protected the vulnerable? They have not done so. They had the option to do it. They could have given effect to that aspiration but they did not do so. They chose instead to leave those in the protected sectors - namely, those who are much better off - alone. Again, these people will not be expected to contribute anything this year. I am already on record as stating that this has something to do with the fact that the 12 or 15 people who drew up the budget behind closed doors are all in receipt of a minimum of €160,000 per year. They are very much removed from the reality of life for so many families who are struggling. Too often, the respite care grant is regarded as an optional extra for families. For those caring for elderly people or people with disabilities, it enables them to meet the additional costs of providing care such as higher heating bills and the cost of special foods needed. In many cases, it enables them to access the critical therapies required such as speech and language therapy, physiotherapy and occupational therapy, all of which have been run down by the Government.

This is a hard-hearted cut and reprehensible. I do not see how anybody who promised the public that there would be fairness and owes his or her position here to the making of that promise can support a measure such as this. I urge Members who have any sense of decency to reject this proposal.

**Deputy Joan Burton:** A number of Deputies, including Deputies Denis Naughten and Brendan Ryan, have raised the issue of the quality of the available services. I know that this aspect is of most concern to carers. They have told me that when caring for an elderly person or a cancer sufferer, they do not necessarily need respite for themselves - although it is welcome - but for the person for whom they care.

**Deputy Richard Boyd Barrett:** They have been cut also.

**Deputy Joan Burton:** I did not interrupt the Deputy.

**Deputy Richard Boyd Barrett:** My apologies, but they have been cut also.

**Deputy Joan Burton:** I am talking about a vision for how we can provide for solidarity in society. If the Deputy has ever cared for someone who is very ill, elderly or in need of care, he will know, as Deputy Denis Naughten rightly described it, it is critical in his or her daily round of work for a carer to know with certainty that a respite place will be available for a definite period of time. This is probably the single most important reform needed in the system.

**Deputy Róisín Shortall:** That service is not available either.

**An Ceann Comhairle:** Please allow the Minister to respond to the debate.

**Deputy Joan Burton:** When Deputy Róisín Shortall was in the Department of Health, she was extremely aware of this point which was discussed by the Select sub-Committee on Social Protection. Every Deputy who has spoken regards it as a very serious issue. Some Deputies or their close family members have personal experience of this work and have described what I know to be the reality. The committee could examine the range of supports supplied. Some Deputies may not wish to hear what I am saying or take it into account, but the level of departmental expenditure this year to pay the weekly carer's payment, the weekly half-rate carer's payment and the respite care grant has increased by €20 million because we are paying more carers. I have provided for an increase in total expenditure next year on carers. In the clamour Members may not have appreciated how much was spent on carers. I concur with Deputy Catherine Murphy that no matter how much money is spent on direct income supports - I refer to the

earlier discussion on child care - the services provided are a critical factor.

I refer to Deputy Denis Naughten's comment about the job to be undertaken by the committees of this House. Various committees should consider the supports available for children such as those provided in schools and the therapies to which Deputy Catherine Murphy referred. They should also consider the important issue of respite care for the person receiving care. Some carers care for more than one adult or one child and they receive a double payment, which is a very important support for them. We should look at all of these factors. However, it must be borne in mind that citizens and taxpayers will be spending more than €20 billion on social welfare payments. Some have suggested there is a lack of solidarity in society, but they are mistaken. I suggest they compare social welfare payments here with those made in very wealthy countries. Our weekly social welfare payments are very high relative to those made in more well-off countries. What distinguishes Ireland from some of these wealthy countries is that our service provision is not as good.

My ministerial colleague, Deputy Brendan Howlin, will address the issue raised by Deputy Stephen S. Donnelly of the salaries paid and payments made to workers in the public service as part of a structured discussion. I know many of those who work to provide the services on a professional basis, as opposed to carers who work at home, all my life. They work around the clock and are always available. Deputy Willie O'Dea will remember that the respite care grant was originally introduced to help carers to take a break on the premise that respite care was available for the person being cared for. I accept that the grant is used and spent in a variety of ways, usually for the benefit of the person being cared for. It is to be hoped carers will use it to take a break which would be very good for them. Deputy John Halligan spoke about his sister whose situation is typical and familiar to us all. She is helping to care for her parents at home and her dad is bedridden.

Deputy Stephen S. Donnelly and others referred to other ways to make savings in the social welfare budget.

**Deputy Richard Boyd Barrett:** They are included in the amendments.

**Deputy Joan Burton:** However, there are requests for more money in every part of the social welfare budget. While the balance and proportions of expenditure and taxes can be varied, the troika has set expenditure ceilings. Deputy Stephen S. Donnelly has professional experience, having worked with the World Bank and the IMF, and will know that in countries in which expenditure ceilings are part of the package, they are not as flexible as implied. Some variations are permitted, but total flexibility is not. In fairness to my ministerial colleague, Deputy Brendan Howlin, he has worked with the troika such that the budget reflects the proposed reduction in the pension ceiling - a change I have advocated for a long time.

I refer to Deputy Brendan Ryan's detailed proposal, about which I will speak to the Minister for Finance. It may be a matter for the finance committee and there is a job of work to be done. Given the collapse of the country, the position is difficult. We have to recover to enable us to have the social welfare system we all want. If we do not see the other side of this programme and recover our financial sustainability, the people who will suffer most will be those dependent on the social welfare system.

Deputy Aengus Ó Snodaigh has given as an example a widow with three children, one of whom has special needs. She sent the Deputy an e-mail. A widow who is a carer would receive

a weekly widow's pension and half-rate carer's allowance. These benefits, with some others, amount to over €18,000 per year. If the individual has two children in addition to the child who requires care, as the Deputy suggested, this will result in payment of a further €60 per week. Of course, a monthly child benefit payment will also be received. If the Deputy gives me the details of the case in question, we can check the position for him. With regard to respite care, the recipient will be receiving €1,375 next year for the child who requires care.

The Irish carer's package is unique by comparison with packages in the rest of Europe. Very few other European countries have a carer's package like ours, but there is a weakness in the provision of services. Deputy Johnathan O'Brien will know this, given the position of his father. If we are to have a discussion on this issue, which I welcome, we should examine holistically how we can have good value services available to those who provide care. This is one of the most important points for a carer. As Deputy Catherine Murphy said, various therapies for children with special needs, particularly therapies associated with speech, language and movement, probably represent the most important services a child can access, in addition to mainstream education.

**Deputy Róisín Shortall:** On a point of order, there are 12 amendments remaining. Members are very keen to talk about other aspects of this legislation.

**An Ceann Comhairle:** There is no restriction on anybody.

**Deputy Róisín Shortall:** In fairness, there are 18 minutes remaining and others would like to have an input.

**An Ceann Comhairle:** I ask the Minister to reply.

**Deputy Joan Burton:** I listened to the Deputy and every other Member who spoke and took notes on the individual cases and issues raised.

**Deputy Róisín Shortall:** There are many issues to be dealt with.

**Deputy Joan Burton:** That is because I take very seriously the points made by the Deputies, including Deputy Róisín Shortall.

**Deputy Richard Boyd Barrett:** Lift the guillotine.

**An Ceann Comhairle:** I ask the Minister to proceed.

**Deputy Joan Burton:** I lost an hour and a half yesterday morning that could have been used to discuss the Bill because of the carry-on that had nothing to do with social welfare. This morning I lost another hour and a half. Deputies have raised very important points. It is part of parliamentary practice that there not be a one-sided discussion and that if a Deputy raises a point, the Minister is obliged to consider and reply to it. If the Deputy would prefer me to sit down and say nothing, he should realise it is not the way I operate.

I want to see a significant improvement to the package of services the country provides for carers-----

**Deputy Richard Boyd Barrett:** Why does the Minister not answer the question we asked about alternatives?

**Deputy Joan Burton:** I did not interrupt the Deputy.

With regard to Deputy Willie O'Dea's comments, I realise and as he knows there are higher levels of disability in parts of his constituency, Limerick city, than in any other area of the country. The option Fianna Fáil chose on two occasions was to cut weekly payments for the carer and the adult who is cared for, both by €8.

**Deputy Willie O'Dea:** Will the Minister reverse the cut?

**Deputy Joan Burton:** In a carer's household-----

**Deputy Richard Boyd Barrett:** Reverse it.

**Deputy Joan Burton:** The reduction in respect of an adult caring for another adult was over €32.50 per week.

**Deputy Willie O'Dea:** We are asking questions on behalf of the people at the gate.

**Deputy Joan Burton:** We have a very tight, difficult budgetary position which requires us to effect change in regard to carers that preserves the weekly payment. Fianna Fáil disagreed because, on several occasions, it cut core weekly payments across the board.

**Deputy Willie O'Dea:** We increased tax on the rich also, unlike the current Government.

**Deputy Joan Burton:** In respect of the kinds of cases about which we are talking, there was a cumulative reduction of €32 per week. Carers still feel very strongly about this, just as pensioners feel strongly about Fianna Fáil's cancellation of the Christmas bonus.

**Deputy Willie O'Dea:** Is that the Minister's answer? Is she reversing the cut? She is filibustering.

**Deputy Joan Burton:** Another important point on carers was raised, including by Deputy Denis Naughten. The income disregard and means test for carer's allowance to which the Deputy referred-----

**Deputy Richard Boyd Barrett:** Tick, tock.

**Deputy Joan Burton:** -----are actually the most generous in the social welfare system. A couple under 66 years with two children and earning a joint annual income of up to €35,400 can qualify for the maximum rate of carer's allowance. Such a couple earning up to €60,000 per year can still qualify for the minimum rate of carer's allowance. The Deputy did not mention that carers who work fewer than 15 hours a week have no means test in regard to the respite care grant. That is why the grant is the only payment made to some people. It is because their income is above the level required for the general means test. I refer to the disregards for carers. For the most part, the individuals in question have a significant income. Nonetheless, the State, in recognition of the care work they do, pays a respite care grant to over 6,000 people in respect of whom there is no means test. That, again, is a very positive feature of the system. The payment next year, at €1,375, will still be significantly higher than that in 2006, at the height of the boom.

Bearing in mind total social welfare expenditure, several Members mentioned fraud. We have launched very significant anti-fraud campaigns in the Department. Some Deputies had a problem with this last night. Through the budget, I am making arrangements to recover over-payments-----

**Deputy Richard Boyd Barrett:** Respite care.

**Deputy Catherine Murphy:** The Minister is filibustering.

**Deputy Richard Boyd Barrett:** Tick, tock.

**Deputy Joan Burton:** -----and payments as a result of fraud and abuse. They were recoverable, as the Deputy knows, at a rate of only €2 a week.

**Deputy Willie O’Dea:** That has nothing to do with the section.

**Deputy Joan Burton:** Up to €350 million in overpayments are due to my Department. Deputy Patrick Nulty should note this is relevant because, if we can recover the bulk of those payments, it will take the pressure-----

**Deputy Patrick Nulty:** Is it relevant to cut respite care payments?

**Deputy Joan Burton:** Some Members were unhappy last night with the idea that we would recover, at a rate of more than €2 a week, payments obtained in a fraudulent way.

**Deputy Aengus Ó Snodaigh:** Will the Minister reinstate the respite care grant?

**Deputy Joan Burton:** If the Deputy has a problem with this, he should note it is one of the reforms introduced in the Bill that is extremely important. It will actually provide us with more resources. I know Deputy Richard Boyd Barrett has a particular problem with recovering payments made as a consequence of fraud.

**Deputy Róisín Shortall:** Why is the Minister continuing to talk on this section? This is her-----

**An Ceann Comhairle:** Please allow the Minister to continue, without interruption.

**Deputy Aengus Ó Snodaigh:** She should speak to the topic we are discussing.

**Deputy Joan Burton:** We are going to recover the money and in recovering it we will make more funds available for those who rely for their income on the Department of Social Protection. The sum of €20.2 billion provided by taxpayers and those who lend us the funds represents 37% of all Government spending. For those who are concerned about social solidarity in Ireland, €20.2 billion is a very large sum. However, for some Deputies it is not enough. I appreciate this and personally would like if it was more, but in order to protect social welfare payments, we have to return the country to economic sustainability.

On the suggestions made by Members, including Deputy Ryan, I will raise them with the Minister for Finance specifically because they have a good deal of merit and merit detailed examination.

**Deputy Joan Collins:** On a point of order, as one of the proposers of this measure, I seek the permission of the other proposers to have the section put to a vote now.

**An Ceann Comhairle:** Deputy Michael Lowry has indicated that he wishes to speak.

**Deputy Joan Collins:** I do not think he is going to speak.

**An Ceann Comhairle:** He has indicated to me that he wishes to do so.

**Deputy Michael Lowry:** Before the question is put on the section, I add my voice in opposition to the cut to carer's allowance - the carer's grant. It is not all that long ago when the Minister was waxing eloquently and strongly in favour of the poor and the underprivileged. Looking at the budget, there is only one description for it. It is unfair and lacks compassion, particularly in the case of the Minister's Department. It punishes the poor, carers in particular, through the reduction of the carer's grant. Carers believe they are a burden on the State because of the reduction in the fund. They should be looked upon as a very special resource - people who have the skills and the time and who make sacrifices on an individual basis to give love and provide care and attention for their families and others within their communities. Instead of reducing the carer's grant, we should be acknowledging the contribution they make. We should also acknowledge that they are not a burden on the State, but rather that they make a generous contribution to the health and welfare of others. I support the proposal which should be put to the House.

**Deputy Joan Burton:** May I reply briefly to Deputy Michael Lowry?

**Deputy Joan Collins:** We want to have the section put to a vote.

**Deputy Joan Burton:** This year the Government increased spending on carers by €20 million.

**Deputy John Halligan:** Will the Ceann Comhairle put the section to a vote? We want to vote on it now.

**Deputy Joan Burton:** In the Estimates for next year I have provided for an increase in spending.

**Deputy Joan Collins:** A Cheann Comhairle, I would like my proposal to be put to a vote.

**Deputy Joan Burton:** Last week, on the morning of the budget, Fianna Fáil and Sinn Féin Deputies-----

**Deputy Róisín Shortall:** This is an abuse of the House.

**An Ceann Comhairle:** This is Committee Stage and the Minister is entitled as the Deputy is to speak.

**Deputy Joan Burton:** I do not think members of the Technical Group were there, but Fianna Fáil and Sinn Féin Deputies supported an increase of €680 million in a Supplementary Estimate to increase the overall social welfare spend in 2012 to fund payments made to persons such as carers. I thanked Fianna Fáil and Sinn Féin for supporting the Estimate. The Estimate for next year means that the spend will increase. I want Deputy Michael Lowry, when he makes comments about the economy in general, to take into account the fact that a sum of €20.2 billion will be spent. We support programmes in all Departments. It will be one of the highest amounts spent in Europe.

**Deputy John Halligan:** We have heard all of this already. Show us some decency and let us vote on the section. The Minister said all of this last night and is saying it all again now.

**Deputy Joan Burton:** I am entitled to respond to Deputy Michael Lowry.

**Deputy John Halligan:** The Minister is using up the time allocated for this debate.

**An Ceann Comhairle:** Please, Deputy. This is Committee Stage and Members are entitled to come in and out. That is the rule of the House and it applies to the Minister as well as to every other Member. If the Minister wishes to reply, I am obliged to allow her to do so. Has she finished?

**Deputy Joan Burton:** Yes.

*2 o'clock*

Question put.

The Committee divided by electronic means.

**Deputy Seán Ó Fearghail:** As a Teller, I wish to call for a vote by other than electronic means.

**An Ceann Comhairle:** As the Deputy is a Whip, he is entitled to call a vote through the lobby.

Question again put:

The Committee divided: Tá, 89; Níl, 55.	
Tá	Níl
Bannon, James.	Adams, Gerry.
Barry, Tom.	Boyd Barrett, Richard.
Breen, Pat.	Broughan, Thomas P.
Burton, Joan.	Browne, John.
Butler, Ray.	Calleary, Dara.
Buttimer, Jerry.	Collins, Niall.
Byrne, Eric.	Collins, Joan.
Byrne, Catherine.	Colreavy, Michael.
Carey, Joe.	Cowen, Barry.
Coffey, Paudie.	Crowe, Seán.
Conaghan, Michael.	Daly, Clare.
Conlan, Seán.	Doherty, Pearse.
Connaughton, Paul J.	Donnelly, Stephen S.
Conway, Ciara.	Dooley, Timmy.
Coonan, Noel.	Ellis, Dessie.
Corcoran Kennedy, Marcella.	Flanagan, Luke 'Ming'.
Costello, Joe.	Fleming, Tom.
Coveney, Simon.	Fleming, Sean.
Creed, Michael.	Grealish, Noel.
Daly, Jim.	Halligan, John.
Deasy, John.	Healy, Seamus.
Deenihan, Jimmy.	Healy-Rae, Michael.
Deering, Pat.	Higgins, Joe.
Doherty, Regina.	Keaveney, Colm.

Donohoe, Paschal.	Kelleher, Billy.
Dowds, Robert.	Kirk, Seamus.
Doyle, Andrew.	Kitt, Michael P.
Durkan, Bernard J.	Lowry, Michael.
English, Damien.	Mac Lochlainn, Pádraig.
Farrell, Alan.	Martin, Micheál.
Feighan, Frank.	McConalogue, Charlie.
Fitzpatrick, Peter.	McDonald, Mary Lou.
Flanagan, Charles.	McGrath, Michael.
Gilmore, Eamon.	McGrath, Mattie.
Hannigan, Dominic.	McGrath, Finian.
Harrington, Noel.	McGuinness, John.
Harris, Simon.	McLellan, Sandra.
Hayes, Tom.	Murphy, Catherine.
Heydon, Martin.	Naughten, Denis.
Hogan, Phil.	Nulty, Patrick.
Humphreys, Kevin.	O'Brien, Jonathan.
Humphreys, Heather.	Ó Caoláin, Caoimhghín.
Keating, Derek.	Ó Cuív, Éamon.
Kehoe, Paul.	O'Dea, Willie.
Kelly, Alan.	Ó Fearghaíl, Seán.
Kenny, Seán.	Ó Snodaigh, Aengus.
Kyne, Seán.	O'Sullivan, Maureen.
Lawlor, Anthony.	Pringle, Thomas.
Lynch, Ciarán.	Ross, Shane.
Lynch, Kathleen.	Shortall, Róisín.
Lyons, John.	Smith, Brendan.
Maloney, Eamonn.	Stanley, Brian.
Mathews, Peter.	Tóibín, Peadar.
McCarthy, Michael.	Troy, Robert.
McEntee, Shane.	Wallace, Mick.
McGinley, Dinny.	
McHugh, Joe.	
McLoughlin, Tony.	
McNamara, Michael.	
Mitchell, Olivia.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Dara.	
Murphy, Eoghan.	
Nash, Gerald.	
Neville, Dan.	

Nolan, Derek.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Mahony, John.	
O'Reilly, Joe.	
Ó Ríordáin, Aodhán.	
Perry, John.	
Phelan, John Paul.	
Phelan, Ann.	
Quinn, Ruairí.	
Rabbitte, Pat.	
Reilly, James.	
Ring, Michael.	
Ryan, Brendan.	
Sherlock, Sean.	
Spring, Arthur.	
Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	
Tuffy, Joanna.	
Twomey, Liam.	
Wall, Jack.	
Walsh, Brian.	

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

Question again declared carried.

**An Ceann Comhairle:** I am now required to put the following question in accordance with an order of the Dáil of this day: “That the amendments set down by the Minister for Social Protection and not disposed of are hereby made to the Bill, that each of the sections, or as appropriate, sections, as amended, are hereby agreed to, that the Title is hereby agreed, Report Stage is hereby completed and the Bill is hereby passed.” Is that agreed?

**Deputies:** No.

Question put: “That the amendments set down by the Minister for Social Protection and not disposed of are hereby made to the Bill, that each of the sections, or as appropriate, sections, as amended, are hereby agreed to, that the Title is hereby agreed, Report Stage is hereby completed and the Bill is hereby passed.”

The Dáil divided by electronic means.

**Deputy Seán Ó Feargháil:** In light of the inadequate time made available to the House to discuss the many unfair provisions included in this legislation, which will impact very nega-

tively on women, children and on the vulnerable-----

**Deputy Jerry Buttimer:** Deputy Ó Feargháil's party took €16.50 per week off them.

*(Interruptions).*

**Deputy Seán Ó Feargháil:** -----and with a desire to be helpful to Government Deputies who might want one last opportunity to examine their conscience, I call for a vote to be taken by other than electronic means.

*(Interruptions).*

**An Ceann Comhairle:** Under Standing Order 69, Deputy Ó Feargháil is entitled to call a vote through the lobby.

Question again put:

The Dáil divided: Tá, 93; Níl, 53.	
Tá	Níl
Bannon, James.	Adams, Gerry.
Barry, Tom.	Boyd Barrett, Richard.
Breen, Pat.	Broughan, Thomas P.
Burton, Joan.	Browne, John.
Butler, Ray.	Calleary, Dara.
Buttimer, Jerry.	Collins, Niall.
Byrne, Eric.	Collins, Joan.
Byrne, Catherine.	Colreavy, Michael.
Carey, Joe.	Cowen, Barry.
Coffey, Paudie.	Crowe, Seán.
Conaghan, Michael.	Daly, Clare.
Conlan, Seán.	Doherty, Pearse.
Connaughton, Paul J.	Donnelly, Stephen S.
Conway, Ciara.	Dooley, Timmy.
Coonan, Noel.	Ellis, Dessie.
Corcoran Kennedy, Marcella.	Flanagan, Luke 'Ming'.
Costello, Joe.	Fleming, Tom.
Coveney, Simon.	Grealish, Noel.
Creed, Michael.	Halligan, John.
Daly, Jim.	Healy, Seamus.
Deasy, John.	Healy-Rae, Michael.
Deenihan, Jimmy.	Higgins, Joe.
Deering, Pat.	Keaveney, Colm.
Doherty, Regina.	Kelleher, Billy.
Donohoe, Paschal.	Kirk, Seamus.
Dowds, Robert.	Kitt, Michael P.
Doyle, Andrew.	Lowry, Michael.

*Dáil Éireann*

Durkan, Bernard J.	Martin, Micheál.
English, Damien.	McConalogue, Charlie.
Farrell, Alan.	McDonald, Mary Lou.
Feighan, Frank.	McGrath, Michael.
Fitzgerald, Frances.	McGrath, Mattie.
Fitzpatrick, Peter.	McGrath, Finian.
Flanagan, Charles.	McGuinness, John.
Gilmore, Eamon.	McLellan, Sandra.
Griffin, Brendan.	Murphy, Catherine.
Hannigan, Dominic.	Naughten, Denis.
Harrington, Noel.	Nulty, Patrick.
Harris, Simon.	O'Brien, Jonathan.
Hayes, Tom.	Ó Caoláin, Caoimhghín.
Hayes, Brian.	Ó Cuív, Éamon.
Heydon, Martin.	O'Dea, Willie.
Hogan, Phil.	Ó Fearghaíl, Seán.
Humphreys, Kevin.	Ó Snodaigh, Aengus.
Humphreys, Heather.	O'Sullivan, Maureen.
Keating, Derek.	Pringle, Thomas.
Kehoe, Paul.	Ross, Shane.
Kelly, Alan.	Shortall, Róisín.
Kenny, Seán.	Smith, Brendan.
Kyne, Seán.	Stanley, Brian.
Lawlor, Anthony.	Tóibín, Peadar.
Lynch, Ciarán.	Troy, Robert.
Lynch, Kathleen.	Wallace, Mick.
Lyons, John.	
Maloney, Eamonn.	
Mathews, Peter.	
McCarthy, Michael.	
McEntee, Shane.	
McGinley, Dinny.	
McHugh, Joe.	
McLoughlin, Tony.	
McNamara, Michael.	
Mitchell, Olivia.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Dara.	
Murphy, Eoghan.	
Nash, Gerald.	
Neville, Dan.	

Nolan, Derek.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Mahony, John.	
O'Reilly, Joe.	
Ó Ríordáin, Aodhán.	
Perry, John.	
Phelan, John Paul.	
Phelan, Ann.	
Quinn, Ruairí.	
Rabbitte, Pat.	
Reilly, James.	
Ring, Michael.	
Ryan, Brendan.	
Sherlock, Sean.	
Spring, Arthur.	
Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	
Tuffy, Joanna.	
Twomey, Liam.	
Wall, Jack.	
Walsh, Brian.	
White, Alex.	

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

Question again declared carried.

### **Business of Dáil**

**Deputy Gerry Adams:** As the Ceann Comhairle will be aware, he suspended Deputy Mac Lochlainn yesterday.

**An Ceann Comhairle:** The Dáil suspended him not me.

**Deputy Gerry Adams:** He was quite rightly allowed to vote earlier. I understand he was subsequently denied entry to the Chamber to vote. He has a constitutional entitlement to vote and a mandate to vote. I ask the Ceann Comhairle to look into this matter.

**An Ceann Comhairle:** The only thing I can say is that for as long as I have been here - and long before me - if a Member is suspended he or she is suspended from the House and he or she

is not entitled to be in the Chamber. Whether it is a constitutional right is not a matter that I can judge. It is a matter for the courts.

**Deputy Gerry Adams:** I understand that. I have only been here a short period and there are many traditions in this Chamber which I think are archaic, anti-democratic and stifle proper and full debate. I know the Ceann Comhairle is only here to interpret and implement the rules but we will take legal advice on this matter.

*Sitting suspended at 2.50 p.m. until 3 p.m.*

*3 o'clock*

### **Message from Select Committee**

**An Leas-Cheann Comhairle:** The Select Sub-Committee on Transport, Tourism and Sport has completed its consideration of the Transport (Córas Iompair Éireann and Subsidiary Companies Borrowings) Bill 2012 and has made no amendment thereto.

### **Credit Union Bill 2012: From the Seanad**

The Dáil went into committee to consider amendments from the Seanad.

**An Leas-Cheann Comhairle:** Seanad amendment No. 1 is grouped with Seanad amendments Nos. 163 to 165, inclusive, and with Seanad amendments Nos. 175 to 179, inclusive.

Seanad amendment No. 1:

Section 1: In page 5, subsection (1), line 28, after “Union” to insert “and Co-operation with Overseas Regulators”.

**Minister of State at the Department of Finance (Deputy Brian Hayes):** This grouping deals with a change to the Short Title of the Bill and with the inclusion of an area that we now intend to implement.

A number of amendments were made to section 1 on Committee Stage in the Seanad. These amendments and the related Schedules are designed to provide for measures which will allow the Central Bank of Ireland greater capacity to co-operate with its counterparts in other countries. Specifically, these amendments, where enacted, permit the Central Bank to sign the International Organization of Securities Commissions', IOSCO's, multilateral memorandum of understanding, MMOU, by the end of this year. In light of the pressing end of year timeline for signing the MMOU, it has been necessary to make these amendments as part of the Bill.

The purpose of the MMOU is to allow the Central Bank to co-operate and share information with other regulators, including other securities commissions around the world, in accordance with international best practice. The provisions being inserted into this Bill are currently part

of the Central Bank (Supervision and Enforcement) Bill 2011. Colleagues will be aware that Bill is slowly wending its way through the Houses of the Oireachtas. To cut to the chase, we are including the area contained in that Bill in this Bill because of the timeline by which we must sign the MMOU- by the end of the year. If we had to wait until the Central Bank (Supervision and Enforcement) Bill, which is due for Committee Stage in January 2013, we would miss the end of year deadline for signing the MMOU.

The IOSCO organisation is an international group of regulators, of which the Central Bank is a member on behalf of this country. One of its key functions is to control and provide information to different members on international fraud. The Central Bank of Ireland, as regulator and a member of IOSCO, requested the Government to allow it sign the memorandum and this is the reason we are bringing in section 4. Lest colleagues are concerned this might be some kind of movement two minutes from midnight, that is not the case. The case is we were asked to do this and are bringing it forward from the Bill that is currently only approaching Committee Stage.

These amendments were made in the Seanad and the changes envisaged include enacting section 53 of the Central Bank (Supervision and Enforcement) Bill so that the Central Bank may use its powers on behalf of overseas regulators; enhancing and consolidating authorised officer provisions; and provisions for guarding the Central Bank confidentiality regime. Given that these amendments are not related to credit unions, it was also necessary to amend the Short and Long Titles of the Bill to accommodate them. I would like to emphasise that the expeditious passage of the Credit Union Bill through the House is necessary to allow the €250 million to be contributed to the credit union fund by the end of this year, as there is no scope in the 2013 figures for this to be done after the end of this year. This money is essential for the restructuring process to get under way.

These amendments deal with a number of new sections we wish to include to deal with allowing Ireland to extend its membership of IOSCO. I believe the Central Bank would highlight some of the important benefits of membership if it had an opportunity to do so. In the circumstance where there is international fraud or an allegation of fraud through securities, for example, it should be open to member states of the organisation to pass information freely to other member states. Having this memorandum in place will have benefits for Ireland, as a signatory to the agreement, in terms of governance and international regulation. I commend this group of amendments to the House.

**Deputy Michael McGrath:** I thank the Minister of State for his comments on the amendments. I would like to ask an overarching question about the spirit of the Committee Stage debate on the Bill. We need to go through a lot of detail in interpreting the Bill, as amended by these 179 amendments. The fundamental question I would like to ask relates to whether the Bill, as amended, makes it clear that the current Central Bank legislation that relates explicitly to credit unions-----

*(Interruptions).*

**Deputy Brian Hayes:** I cannot hear the Deputy.

**Deputy Michael McGrath:** That is not my mobile phone.

**Deputy Pearse Doherty:** My mobile phone has been turned off.

**An Leas-Cheann Comhairle:** I think there are some technical problems.

**Deputy Michael McGrath:** My essential question relates to the application to credit unions of the existing body of Central Bank legislation. Is it made clear in the broad thrust of the amendments being introduced that only those elements of the Central Bank legislation that have related to credit unions up to now will apply as we move forward? Will the Minister of State assure the House that the Central Bank legislation will not apply to credit unions in a way that it has not applied to them before now, as an unintended consequence of the amendments?

**Deputy Pearse Doherty:** Deputy Michael McGrath's question relates to one of our key concerns about the Bill. We are at the final stage of the debate on it. I want to commend the Minister for Finance, Deputy Michael Noonan, for the way he has engaged with the Opposition on the legislation from the start. I also commend the Minister of State, Deputy Brian Hayes, who was involved in part of the discussion on Committee Stage. It is fair to say that at all stages of the legislative process the Minister listened to the concerns of the Opposition about the effect the legislation might have on the credit union movement and all parts of the sector, especially smaller credit unions. I am glad that he introduced amendments in the Seanad after listening to us. Almost 180 amendments are being presented in the House today. It is clear that Sinn Féin would have liked further changes to be made to the Bill and we continue to have concerns about some aspects of it. We will stay in touch with the credit union movement at national and local level and I hope we will not have to return to the issue, but we will do so, if necessary. I am satisfied with the engagement that has happened. It is an example of the true engagement we should have when we are dealing with legislation. I do not want to hark back to what happened earlier other than to say that was not the way to deal with legislation. In fairness to the Minister, he commended me and other Members of the House for introducing practical suggestions. It is clear from the many amendments before the House that our concerns were listened to and I hope we will continue to see that spirit in 2013. I welcome that engagement. I do not have a concern about the group of amendments before the House.

**Deputy Richard Boyd Barrett:** I want to say the same. This has been a model exercise in how the Oireachtas should work. Organisations representing the credit union movement made their views known about the Bill initially proposed by the Government. Representatives of various parties listened to those concerns and brought them to the attention of the Government which took action to change the Bill as a result. That is how democracy should work. I would be interested to hear detailed explanations of some of the formulations proposed by the Government, as there may be some issues that we would still like to raise. In general, the Government has engaged genuinely with the Opposition on this matter and listened to the concerns of the credit union movement. The Bill has been improved substantially as a result. Like Deputy Pearse Doherty, I cannot help wishing the Government had engaged with the public and the Opposition on other matters, some of which we discussed earlier today and in the last week, in the same way. If it had done so, it would have enhanced the credibility of the House and politics generally to a great degree. I hope the manner in which the Bill has been approached will be the manner in which the Government will approach other Bills in the future.

**Deputy Brian Hayes:** This group of amendments will give the Central Bank the authority to sign the memorandum of understanding. When this issue was brought to our attention during the Seanad debate which I attended, the fundamental question I asked was related to when this was brought to our attention. I appreciate the constructive remarks the Deputies have made. This is important because a watchlist of countries that have not signed the memorandum of understanding will be circulated by the International Organization of Securities Commissions

by the end of the year. We did not want this country to be highlighted for not having signed the memorandum of understanding when other countries had done so. This net issue was part of the original Central Bank Bill which would have been passed. That is why we have brought it forward. I should have sent a note to my colleagues on the other side of the House when this issue was brought to the attention of the Seanad. I should apologise to the House for this, as it was my responsibility. I note the Deputies' comments that they have no difficulty with the signing of the memorandum of understanding. It is important for this country not be on some kind of blacklist of non-signatory countries as we move into next year. I appreciate the Deputies' remarks in that regard.

The Minister for Finance, Deputy Michael Noonan, who ostensibly dealt with the Bill on Second and Committee Stages before I became involved gave a commitment in advance of Report Stage that he would respond in the Seanad to a range of amendments the Members opposite had introduced and teased out at the select committee. He was true to his word in considering these amendments which we have tried to reflect as far as we can in the body of amendments being introduced today. The reason it is imperative for this legislation to get over the line before the end of the year relates to the provision of half of the €250 million required for the restructuring of the credit union movement. The rest of the money will be put up through levies within the organisation. That is why it is important for this work to be done by the end of the year. We had a very fruitful discussion in the Seanad with the Members of that House about many of the ideas championed by my colleagues on the other side of this House. As we go through the amendments, I hope the Deputies in question will see how their ideas are being put into law as a result of the changes made in the Seanad.

Deputy Michael McGrath asked a specific question about the definition, with which amendment No. 5 deals. The Minister gave a commitment to amend this legislation to make it clear that only the legislation that already applied to credit unions would be covered by this definition. That will be highlighted when we reach the amendment in question. This will have an effect on what happens in the future. When we reach that amendment, the Deputies will see that the Minister's bona fides are well in tune.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** As Seanad amendments Nos. 2, 3 and 157 are related, they may be discussed together.

Seanad amendment No. 2:

Section 1: In page 5, subsection (2), line 30, to delete "*sections 37 and 48(2)*" and substitute the following:

*"sections 36, 37, 48(2) and 57(2), Part 5 and Schedules 2 to 5"*.

**Deputy Brian Hayes:** Given that these provisions amend the Central Bank Reform Act 2010, it was also necessary to update the citation of the Central Bank Acts. The amendments provide for such an update. This simple change needs to be made as a result of the change made in amendment No. 1. This grouping is consequential on the first grouping having been passed.

Seanad amendment agreed to.

Seanad amendment No. 3:

Section 1: In page 5, between lines 31 and 32, to insert the following subsection:

“(3) The Central Bank Acts 1942 to 2011, *sections 36, 37, 48(2) and 57(2), Part 5* (in so far as it amends any of those Acts), and *Schedules 2 and 3* (in so far as they amend any of those Acts) may be cited together as the *Central Bank Acts 1942 to 2012*.”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** As Seanad amendments Nos. 4 and 48 are related, they may be discussed together.

Seanad amendment No. 4:

Section 4: In page 6, between lines 10 and 11, to insert the following subsections:

“(2) Notwithstanding anything in the rules of a credit union, the board of directors may, by resolution passed during the transitional period, make such amendments of the rules of the credit union as may be consequential on the provisions of this Act.

(3) For the purposes of *subsection (2)*, the transitional period is the period of one year from the commencement of this section.

(4) Notwithstanding anything in section 14(4) of the Principal Act, after the expiry of one year from the commencement of this section, the Bank shall not be required to register any amendment of a credit union’s rules unless such consequential amendments of the registered rules as are mentioned in *subsection (2)* either—

(a) have been made before the Bank receives the amendment; or

(b) are to be effected by the amendment.”.

**Deputy Brian Hayes:** A number of amendments were made to section 4 on Committee Stage in the Seanad. These amendments mirror subsections (6) to (8) of section 14 of the Credit Union Act 1997 and provide for changes to the rules of credit unions consequential on the provisions of the Bill. Amendment No. 4 clarifies that during the first year following the commencement of this section, the rules of the credit union may be amended by a resolution of the board of directors rather than by the members of the credit union where such changes are necessary to comply with the provisions of the Bill. Amendment No. 48 provides for a reduction in the number of board members from 15 to 11 by amendment to the rules of the credit union.

Seanad amendment agreed to.

Seanad amendment No. 5:

Section 6: In page 7, line 31, after “legislation’ ” to insert the following:

“, where applicable to credit unions acting under any authorisation from the Bank provided for by law,”.

**Deputy Brian Hayes:** This arises from the proceedings on Committee Stage in the Seanad. I brought forward an amendment on Committee Stage to address concerns relating to the definition of financial services legislation. During Report Stage in Dáil Éireann and Second Stage in this House I indicated that I would bring forward an amendment to clarify that it is only legisla-

tion that already applies to credit unions that would be covered by this definition. The amendment made on Committee Stage in the Seanad provides the clarification sought. I know this was an issue raised by colleagues opposite at all stages when the Bill was being discussed here.

The amendment provides that the financial services legislation definition only relates to provisions applicable to credit unions acting under any authorisation from the Central Bank as provided for by law. Such authorisation may include acting as an investment intermediary under the Investment Intermediaries Act 1995. The amendment clarifies any misunderstanding that the definition somehow applies a corpus of “banking” legislation to credit unions inappropriately. I again clarify that this definition does not apply financial services provisions to credit unions anew, nor could it be used for that purpose. The perception, that this definition turns on to credit unions a range of new legislative provisions from the wider financial sector, is mistaken.

**Deputy Pearse Doherty:** As the Minister of State said, this is an issue that exercised me, my party and the credit union movement as well as many other Opposition Deputies on Committee Stage. I want to put on record that this is a sensible amendment which is appropriate and deals with the fear that the entire suite of financial services legislation, or a part of it that would not be appropriate, could be applied to the credit union movement. I welcome the Minister of State’s amendment.

**Deputy Richard Boyd Barrett:** I very much welcome this amendment, which is very much in the spirit of the suggestions made by all sides of the Opposition and which were fully acknowledged by the Government both on Committee Stage and Report Stage. This satisfies the concerns raised by the credit union movement. I welcome the amendment and commend the Government.

**Deputy Brian Hayes:** That is very generous. We should bottle that.

**Deputy Michael McGrath:** Take it while it lasts.

Seanad amendment agreed to.

Seanad amendment No. 6:

Section 6: In page 8, lines 23 and 24, to delete all words from and including “or” in line 23 down to and including “secretary,” in line 24 and substitute the following:

“, the secretary or any other member of the board of directors,”.

**Deputy Brian Hayes:** This is a technical amendment which clarifies that the secretary is a member of the board, unlike, for example, the position of a company secretary.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** We move to Seanad amendment No. 7. Seanad amendments Nos. 10, 15, 17, 20, 21, 24, 26, 27, 30 and 32 are related. The amendments will be discussed together.

Seanad amendment No. 7:

Section 7: In page 9, line 37, to delete “appropriate and”.

**Deputy Brian Hayes:** A number of amendments were made on Committee Stage in the Seanad in order to set out the principles of regulation making power in these sections by clarifying that the Central Bank may only make regulations in respect of these sections where they are necessary to protect members' savings. These sections provide for borrowings, savings, blending and investments.

Amendment No. 20 sets out the basis on which credit unions may borrow money and links it to the purposes of the credit union's objects as set out in section 8 of the Credit Union Act 1997. These include the creation of sources of credit for the mutual benefit of members, the use and control of members' savings for their mutual benefit and the improvement of the well-being and spirit of the members community.

Amendments Nos. 24 and 26 provide that the bank may only make regulations that are necessary in respect of credit union lending practices, reporting loans to the credit union and the holding of provisions for loans or categories of loans.

Amendment No. 30 inserts a test of necessity in respect of the power of the Central Bank to make regulations under this section. This provision states that the Central Bank may make regulations prescribing the investments that a credit union may invest in, including any other matter the bank considers necessary in the circumstances.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** We move to Seanad amendment No. 8. Seanad amendment Nos. 9 and 11 to 14, inclusive, are related. The amendments may be discussed together.

Seanad amendment No. 8:

Section 7: In page 9, between lines 40 and 41, to insert the following:

“(2) The conditions imposed by the Bank under subsection (1) may include requiring a credit union--

(a) to notify the Bank of any events of such significance that could materially affect the credit union including any change to the strategic plan of the credit union;

(b) to operate a more limited business model agreed with the Bank;

(c) to cause to be undertaken an independent review of the credit union's business within 12 months in order to ensure that the credit union is complying with all legal and regulatory requirements.”.

**Deputy Brian Hayes:** A number of amendments were also made on Committee Stage in the Seanad to provide for some of the types of conditions the bank may impose on the registration of credit unions under subsection (1). These include a condition that the credit union must notify the bank of significant events, a condition to operate a more limited business as agreed with the bank and a condition to undertake a review of the credit union's business within 12 months of registration to ensure it is compliant with all requirements. Conditions such as these must be necessary to protect the savings of credit union members. Conditions may need to be imposed in the formative years of a new credit union, as it may be required to build up the requirement risk management and compliance controls within the credit union.

This amendment also provides that only these conditions that are necessary may be imposed as a condition of registration. Any condition imposed may be capable of being appealed by the credit union to the Irish Financial Services Appeals Tribunal. These conditions may only be imposed on new registrations, and there have been very few of these in recent years. Further amendments are consequential on this amendment.

This applies into the future in respect of new credit unions. Clear powers are given to the Central Bank as a means of ensuring that people's savings, shares and deposits are well maintained.

**Deputy Michael McGrath:** With regard to the independent review which the Central Bank may require to be conducted in respect of a credit union, who is it envisaged would carry out such an independent review, what would be a competent body to do so and who would pay for it?

**Deputy Brian Hayes:** The credit unions themselves would be asked that. They could, in certain circumstances, ask an accountancy firm or some consultancy to produce a report outside of the credit union. However, the first request would come from the bank to the credit union and it would be a matter for the credit union to then furnish the bank with the requisite information.

Seanad amendment agreed to.

Seanad amendment No. 9:

Section 7: In page 9, line 41, to delete "(2) Any of the" and substitute "(3) Any of the".

Seanad amendment agreed to.

Seanad amendment No. 10:

Section 7: In page 9, line 43, to delete "appropriate and".

Seanad amendment agreed to.

Seanad amendment No. 11:

Section 7: In page 10, line 3, to delete "(3) Whenever the Bank" and substitute "(4) Whenever the Bank".

Seanad amendment agreed to.

Seanad amendment No. 12:

Section 7: In page 10, line 26, to delete "(4) Before deciding to" and substitute "(5) Before deciding to".

Seanad amendment agreed to.

Seanad amendment No. 13:

Section 7: In page 10, line 29, to delete "subsection (3)(b)" and substitute "subsection (4)(b)".

Seanad amendment agreed to.

Seanad amendment No. 14:

Section 7: In page 10, line 43, to delete “and (2)” and substitute “to (3)”.

Seanad amendment agreed to.

Seanad amendment No. 15:

Section 8: In page 11, line 9, to delete “The Bank may” and substitute the following:

“For the adequate protection of the savings of members of credit unions the Bank may”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 16, 22, 23 and 25 are related and will be discussed together.

Seanad amendment No. 16:

Section 8: In page 11, line 11, after “savings” to insert the following:

“(expressed as a monetary amount or as a percentage of some monetary amount or determinable monetary amount)”.

**Deputy Brian Hayes:** A number of minor technical amendments were made to section 8 which allow the regulations to set limits in the form of a monetary amount as well as a percentage. This section gives effect to recommendation 10.3.27 of the report of the Commission on Credit Unions. It repeals section 27 of the principal Act and replaces it with a provision allowing credit unions to raise funds by issuing shares to members or by accepting deposits. The Central Bank may make regulations in regard to setting limits on the amount of savings or category of savings a member can hold, the ratio of deposits to shares the credit union may hold and any other requirement or limit on the bank consistent with that.

Amendments Nos. 23 and 25 are minor technical amendments which allow the regulations to set limits in the form of a monetary amount as well as a percentage.

Seanad amendment agreed to.

Seanad amendment No. 17:

Section 8: In page 11, line 17, to delete “appropriate” and substitute “necessary”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 18, 19 and 118 to 120, inclusive, are related and will be taken together.

Seanad amendment No. 18:

Section 9: In page 11, line 26, to delete “”27A.—In addition to” and substitute “”27A. —(1) In addition to”.

**Deputy Brian Hayes:** Seanad amendments Nos. 18 and 19 involve a redraft of the Bill as published. Following further consideration of the Bill, it was felt that the provisions under sec-

tion 29, which propose to insert a new section 84A into the 1997 Act, would be more suitable under section 9. The latter deals with the policies, procedures and practices a credit union must have in place to ensure it is compliant with requirements imposed on it. For example, the Central Bank may make regulations imposing liquidity requirements on credit unions under section 30 of the Bill. At present, credit unions have a minimum liquidity requirement of 20%. The amendment allows the Central Bank to make regulations prescribing the operational practices, policies and procedures to be adopted by the credit unions more generally. These may include requiring credit unions to adopt monitoring procedures to ensure the 20% liquidity requirement is complied with. Regulations may also require credit unions to ensure people involved in monitoring liquidity have an understanding of the calculation of liquidity and maturity mismatches. These regulations may also deal with reporting requirements, including arrangements for reporting breaches to the board of directors of the Central Bank. A number of consequential amendments following on from amendment No. 18 were also made in the Seanad.

**Deputy Pearse Doherty:** Amendment No. 19 gives the Central Bank and the registrar of credit unions broad regulatory powers. I am not objecting to that, because it is the purpose of the Bill. However, I have made the argument consistently as the legislation progressed through this House that a memorandum of understanding between the credit union movement and the Central Bank would strengthen the Bill and would be helpful in terms of identifying what each should expect of the other. I have lost the debate on that point and do not intend to re-engage in it now. However, I will make a last-ditch appeal to the Minister, Deputy Michael Noonan, to consider, after the Bill has passed, the merit of having a memorandum of understanding between the credit union movement and the Central Bank. The Minister has made positive soundings in this regard.

**Deputy Richard Boyd Barrett:** To echo Deputy Pearse Doherty's point, the credit union representatives to whom I spoke said they would find it very helpful if the requirements and obligations they must meet were set down in a simple and readily understandable way. The Bill has been much improved since its introduction and we have already had this particular discussion. Nevertheless, I urge the Minister to consider what is a reasonable request by the credit union sector.

**Deputy Brian Hayes:** I understand the Minister, Deputy Noonan, has discussed this issue with the Deputies. A consultation protocol was established two weeks ago. The Minister's view is that were he to include provision in the Bill for what the Deputies are proposing, that might tie the hand of the regulator and be too prescriptive. The Oireachtas gives the regulator powers on the basis that he or she will operate them in accordance with the independence of the office. The Minister has made clear that he has an open mind on the issue. As I said, the consultation process is now established and we will glean something from that. However, the Minister is not proposing at this stage to formalise it in the way the Deputy has suggested. We do not wish to cut across the very important work of the regulator in this matter or to tie his or her hands. I hope common sense and judgment will prevail in dealings between the Central Bank, the regulator and the credit unions, which will ensure there is no need to impose prescriptions on the regulator. A memorandum of understanding is a more formal way of specifying what we all want to see, namely, a proper protocol for dealing with these matters. We will keep a watching brief on the situation.

Seanad amendment No. 18 agreed to.

Seanad amendment No. 19:

Section 9: In page 11, line 33, to delete “legislation.”” and substitute the following:

“legislation.

(2) Without prejudice to the generality of subsection (1), the Bank may make regulations prescribing—

(a) certain oversight, policies, procedures, processes, practices, systems, controls, skills, expertise and reporting arrangements which the credit union is required to maintain where the Bank considers this is appropriate in the interest of protecting members’ savings or otherwise appropriate to ensure compliance with the requirements imposed under financial services legislation;

(b) requirements in relation to the oversight, policies, procedures, processes, practices, systems, controls, skills, expertise and reporting arrangements required to be maintained under this section.””.

Seanad amendment agreed to.

Seanad amendment No. 20:

Section 10: In page 11, line 36, to delete “A credit union may” and substitute the following:

“For the purpose of its objects as referred to in section 6 a credit union may”.

Seanad amendment agreed to.

Seanad amendment No. 21:

Section 10: In page 11, line 38, to delete “The” and substitute the following:

“For the adequate protection of the savings of members of credit unions, the”.

Seanad amendment agreed to.

Seanad amendment No. 22:

Section 10: In page 11, line 45, after “money” to insert the following:

“(expressed as a monetary amount or as a percentage of some monetary amount or determinable monetary amount)”.

Seanad amendment agreed to.

Seanad amendment No. 23:

Section 11: In page 12, line 38, after “amount” to insert the following:

“(whether expressed as a monetary amount or as a percentage of some monetary amount or determinable monetary amount)”.

Seanad amendment agreed to.

Seanad amendment No. 24:

Section 11: In page 13, line 27, after “relates” to insert the following:

“and for the adequate protection of the savings of members of credit unions”.

Seanad amendment agreed to.

Seanad amendment No. 25:

Section 11: In page 13, line 32, after “the” where it secondly occurs to insert “total, including percentage,”.

Seanad amendment agreed to.

Seanad amendment No. 26:

Section 11: In page 13, line 43, to delete “The Bank may” and substitute the following:

“For the adequate protection of the savings of members of credit unions the Bank may”.

Seanad amendment agreed to.

Seanad amendment No. 27:

Section 11: In page 13, line 44, to delete “appropriate” and substitute “necessary”.

Seanad amendment agreed to.

Seanad amendment No. 28:

Section 11: In page 14, subsection (2), between lines 28 and 29, to insert the following:

“(a) there is a subsisting approval given by the Bank under subsection (2) of section 35 of the Principal Act in respect of the limits set out in that subsection,”.

**Deputy Brian Hayes:** An amendment was made to section 11 on Committee Stage in the Seanad to provide for a transitional arrangement whereby an approval by the Central Bank under the existing section 35(2) of the Credit Union Act 1997 in respect of longer-term lending by a credit union would continue to have effect upon commencement of this section. The amendment simply clarifies the existing position in order to put it beyond doubt.

Seanad amendment agreed to.

Seanad amendment No. 29:

Section 12: In page 15, line 13, to delete “subsection (5)” and substitute “subsection (6)”.

**Deputy Brian Hayes:** This amendment was made on Committee Stage in the Seanad. It is a minor amendment to rectify an incorrect cross-reference in the text.

Seanad amendment agreed to.

Seanad amendment No. 30:

Section 12: In page 15, line 22, after “subsection (2)” to insert the following:

“and having regard to the need to avoid undue risk to members’ savings”.

Seanad amendment agreed to.

Seanad amendment No. 31:

Section 12: In page 15, line 25, after “investments” to insert the following:

“, including, where appropriate, any investment project of a public nature”.

**Deputy Brian Hayes:** This is another of the Opposition amendments that was debated with the Minister, Deputy Noonan, at the select committee. Amendment No. 31, made in the Seanad, follows on from the discussion on Committee and Report Stages in this House where the Minister committed to examining this section in order to allow a credit union to invest in public projects. This amendment arose out of discussion with the Office of the Attorney General on the issue, and makes clear that the power of the Central Bank to make regulations relating to investments includes scope for making regulations in respect of investments in public projects. The Minister remains open to credit unions coming forward at an early stage to outline their proposals in respect of such investments. A further amendment to this section was made in the Seanad. What the Minister has done in the amendment we asked the Seanad to agree - as it did - is effectively to include public projects for the purposes of allowing the Central Bank to make regulations. I know that was a key concern of Members opposite.

**Deputy Richard Boyd Barrett:** Again, I commend the Government on this amendment. It is one of the most important moves to acknowledge explicitly in the Bill a very positive suggestion made by the credit unions. In these rather bleak times when we often argue with one another about what not to do, and desperately look around for positive suggestions about what we might do, this is a positive, forward-looking and imaginative proposal by the credit unions that can benefit everybody. Not only is it important to include it in the Bill but I urge the credit unions, as did the Minister of State, to come forward with their proposals so that we can look at them and thereby take this suggestion seriously. It seems as if some of the desperately needed investment funds we would all like to see made available to invest in employment-rich and socially valuable projects are being offered to us by an organisation whose members have the best interests of this country at heart. It is a very positive move and I hope we not only include it in the Bill but also that we take up this suggestion and seek to develop it.

**Deputy Pearse Doherty:** I thank the Minister of State for responding positively to the request to put this amendment in the Bill, as tabled by me on Committee and Report Stages. I would have preferred a more explicit statement on State-guaranteed public projects but I recognise the wording presented by the Minister of State does not prohibit this, so I find it acceptable.

As the Bill passes into law, I acknowledge the Minister of State’s comment that he is open to meeting the credit union movement. It is now up to the movement to step up to the mark. It has been seeking this amendment and therefore it should come forward with proposals. It is equally important that the Department of Finance should co-ordinate a position that can be proposed to the credit union movement. This would state the kind of investments envisaged, would point out that the credit unions had wanted the measure and note that it has been enshrined into law in terms as clear as day. It can ask them what their proposals are, ranging from small, medium and large packages. These may be the concern of the Department with responsibility for housing or the Department of Education and Skills, which can put them together with the co-ordination of the Department of Finance. It is a two-way street. I welcome this move.

**Deputy Michael McGrath:** I concur with the sentiments of previous speakers. This

amendment is to be welcomed. It is satisfactory and gives explicit recognition to the possibility of credit unions investing in projects of a public nature, which is something they will welcome. I share Deputy Doherty's view that this option should now be explored fully by credit unions.

**Deputy Brian Hayes:** I hear what all the Deputies are saying. There is an opportunity here to do something imaginative. Although this section is all about ensuring that credit unions use their investments with judgment and common sense, there must be a recognition that where public projects arise that could have a mutual benefit for credit union members in communities known to credit unions, it makes sense to invest in them, having regard to any potential risks. The way we approached this in the amendment was to give power to the Central Bank to bring forward the regulations. This seemed to get over the legal hurdle that had been present up to the point when we had our discussions with the Office of the Attorney General. There is nothing to stop the Department of Finance, with other Departments, as Deputy Doherty suggested, bringing forward ideas and proposals or a scheme of ideas, in tandem with the regulations the Central Bank will make. This is positive because it is about delivering for an entire community. Such a community also looks to the future as to where its investments can best lie and how community benefit can best be obtained. They are the people who know best, and that can be tempered by a standard form of regulation which the Central Bank can stand over. I believe we are all in agreement on that.

Seanad amendment agreed to.

Seanad amendment No. 32:

Section 12: In page 15, lines 38 and 39, to delete "appropriate" and substitute "necessary".

Seanad amendment agreed to.

Seanad amendment No. 33:

Section 15: In page 19, to delete lines 1 to 5 and substitute the following:

“(6) The board of directors of a credit union shall be elected—

(a) where the organisation meeting occurs after the commencement of this provision (as amended by *section 15* of the *Credit Union Act 2012*), by secret ballot at the organisation meeting and, subject to subsection (15) and section 57, subsequent vacancies on the board of directors shall be filled by secret ballot at an annual general meeting, and

(b) in any other case, by secret ballot at the annual general meeting first occurring after the commencement of this provision (as amended by *section 15* of the *Credit Union Act 2012*) or, if earlier than that annual general meeting, at a special general meeting called for the purpose of such ballot and, subject to subsection (15) and section 57, subsequent vacancies on the board of directors shall be filled by secret ballot at an annual general meeting.”.

**Deputy Brian Hayes:** Amendment No. 33, made in the Seanad, makes provision for the election of the board of directors at the first annual general meeting or special general meeting called after the organisation meeting of a new credit union. This amendment was necessary to ensure consistency between the ways the board oversight and the board of directors are elected. It provides a transitional arrangement for the election of the board of directors at the first agm or sgm, following the commencement of the section. This was necessary given the decrease in the

maximum number of directors that may be appointed to the board under this Bill - a reduction from a maximum of 15 to a maximum of 11, which was well debated on all sides.

On Committee Stage in the Seanad I noted there were incorrect cross references in these amendments and stated I would bring forward amendments on Report Stage to rectify these inconsistencies. They should refer to section 53(15), not to section 53(16). These amendments were made on Report Stage in the Seanad and the correct cross references have now been included in subsection (6).

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Amendments Nos. 34, 37, 38, 40, 42 to 46, inclusive, 51 to 54, inclusive, 65, 73, 91, 93, 115 to 117, inclusive, 168 and 169 are related and will be discussed together.

Seanad amendment No. 34:

Section 15: In page 19, lines 11 and 12, to delete “, (13) and (14)” and substitute “and (12)”.

**Deputy Brian Hayes:** I refer to amendment No. 34. An amendment was made on Committee Stage in the Seanad to remove subsections (12) and (13) of section 15 as these will be provided for in a new fitness and probity regime which will be rolled out for credit unions on a phased basis, as recommended by the Commission on Credit Unions. Further amendments were also made to amend the cross references caused by the deletion of subsections (12) and (13) by amendment No. 37.

Amendment No. 51 amended paragraph (*f*) in section 17(1). This section previously provided that a person performing management functions in a credit union must have particular knowledge, skills, experience, qualifications, competence and probity to carry out these duties effectively. This was deleted by an amendment in the Seanad as it would be covered separately under the fitness and probity regime which will be rolled out for credit unions over time. In effect, we are removing the fitness and probity references because they are surplus to requirements given that they will be rolled out over time. The application of fitness and probity requirements was agreed by the Commission on Credit Unions and will apply, depending on the nature of the scale and the complexity of the credit union concerned.

Amendment No. 52 deleted paragraph (*p*), as it referred to requirements set out in subsections (12) and (13) of section 53. As these subsections were being deleted, paragraph (*p*) is now invalid. Amendments Nos. 53 and 54 also make the consequential cross references arising from the deletion of paragraph (*p*).

Amendment No. 73 deleted paragraphs (*b*) and (*c*) of subsection (5) of subsection 63A, as inserted by section 21 of the Bill. When appointing a person as manager, it is necessary to ensure that the person appointed complies with all legal requirements. The list of requirements that a manager must fulfil has been deleted as these standards will also be set out under the fitness and probity requirements which will apply to credit unions in line with the recommendation of the Commission on Credit Unions. These measures will be rolled out to credit unions over time and they will take account of the size and scale of credit unions. This amendment ensures that the person appointed as manager will comply with all legal requirements, including those prescribed by the Central Bank. Further amendments were made on Committee Stage in

the Seanad in order to correct the cross-references arising from the deletion of section 53(12) and (13), as inserted by section 15 of the Bill.

**Deputy Pearse Doherty:** I am not at all happy with amendments Nos. 35 and 95 for two reasons. The first of these reasons relates to the general exclusion under which prevents voluntary assistants in credit unions from serving on the boards of those credit unions. We have been around the houses in respect of this matter on a number of occasions and I will not repeat the arguments put forward previously. This is the one major area within the legislation with which the Minister for Finance has not dealt generously.

**An Leas-Cheann Comhairle:** I apologise for interrupting but I believe the Deputy is referring to amendments in the next group.

**Deputy Pearse Doherty:** I am sorry for that.

**Deputy Brian Hayes:** This group of amendments relate to the fitness and probity requirements.

**Deputy Pearse Doherty:** That is fine.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendment No. 35 is grouped with Seanad amendments Nos. 36, 95 to 111, inclusive, 113 and 174.

Seanad amendment No. 35:

Section 15: In page 19, to delete lines 25 to 30 and substitute the following:

“(a) an employee or voluntary assistant of the credit union or an employee of any other credit union;

(b) a member of the board oversight committee of the credit union;”.

**Deputy Brian Hayes:** This group contains the amendments about which Deputy Doherty is concerned. A number of amendments were made on Committee Stage in the Seanad which relate to eligibility for membership of boards of directors and which arose as a result of constructive debates with Deputies and Senators in both Houses in recent weeks. The effect of these amendments will be to reduce the exclusions that would apply to members of boards. There was a great deal of discussion in respect of this matter on Committee Stage and Report Stage in the Dáil and the Minister, Deputy Noonan, gave a guarantee to the effect that he would introduce amendments. These are the amendments before the House. I accept that not everyone will be satisfied with them but we have gone as far as possible.

Amendment No. 35 allows volunteers from a credit union, as well as a member of the board oversight committee of such a credit union, to serve on the board of another credit union. That is the first substantial change and it means that if a person is a volunteer with one credit union, he or she can serve on the board of another. That was the first exclusion we overturned.

Amendment No. 36 removes the prohibition under which family members of volunteers on credit unions may not becoming directors. This was the second exclusion, under which, if a person was a volunteer in a credit union, he or she was excluded from serving on the board. The Minister stated that he would introduce an amendment in this regard and he has done so. This

amendment also removes the express exclusion of members who have been in arrears on their repayments for more than 90 days. Instead, it provides that credit union rules should deal with the eligibility of such members.

Amendment No. 174 follows on from amendment No. 36 and provides that the rules of a credit union must set out how it will deal with a member of the board of directors or board oversight committee who is in arrears of more than 90 days, up to and including suspension or removal of that member.

Amendments Nos. 95 to 111, inclusive, and 113 relate to exclusions from the board oversight committee. There was much constructive debate in the Dáil and Seanad in respect of the eligibility for membership of board oversight committees. A number of amendments were proposed in respect of section 53(10) in the context of changes to the exclusions from boards of directors. These amendments were proposed in order to ensure consistency between boards and board oversight committees. Their effect will be to reduce the number of exclusions that would have applied in respect of membership of board oversight committees.

Amendment No. 95 allows volunteers from other credit unions to be on the board oversight committee of a credit union. This matter arose on foot of Committee Stage proceedings in the Dáil. Amendment No. 106 removes the prohibition on family members of the credit union becoming members of the board oversight committee. Amendment No. 96 allows a director of another credit union to become a board oversight committee member. Amendment No. 108 clarifies that a member of the board oversight committee of the credit union cannot also sit on the board of directors of the same credit union. Amendment No. 104 makes a change to the exclusion of auditors from the board oversight committee. This exclusion will now include a person employed or engaged by that auditor and is designed to guard against any conflict of interest in the context of a person's having worked in other credit unions or possessing information about what is occurring in another credit union. Amendment No. 109 deletes section 76N(4)(g) in line with the changes for exclusion from board membership. Amendment No. 110 ensures that where a committee member falls under any exclusion provisions, he or she should resign from the committee.

**Deputy Pearse Doherty:** I take this opportunity to acknowledge the fact that this section has been changed to a substantial degree. There is no doubt about that. Consequently, many of the concerns that were voiced have been met. However, there is an issue outstanding in respect of the voluntary aspect. I will not rehash the debates in which we have engaged on this matter. We will monitor what occurs and if difficulties arise, we will return to this matter either in the form of a Topical Issue Debate or on Private Members' business. I encourage the Minister of State and the Department to monitor this provision in order to gauge its effect. I understand what the Minister and Minister of State have been saying during the debates on the Bill in the context of ensuring that we have the best governance. However, we must also ensure that the latter does not impact in a negative way on the sector and, in particular, on smaller credit unions.

The second matter about which I am concerned relates to the exclusion of a staff member of a credit union from serving on the board of another credit union. There was a way to do this in the context of the conflict of interest provisions. Again, I will not revisit the debate on this matter. What I will say is that those who are voluntary assistants within credit unions or who serve on boards of directors may obtain employment in other credit unions as a result of the experience they have gained. The Bill will have the unintended consequence of forcing such people into making a choice between their job and their position on the board of directors.

Such individuals or their parents may have been involved in the founding of the credit union in question and they will not be placed in a nice position. Cases of this nature may be few and far between but we should not put anyone in the position to which I refer. I accept, however, that it is too late to tweak the provision but perhaps we can revisit the matter in the future.

I strongly support the other amendments that have been put forward in this regard. I refer, in particular, to amendment No. 36, which relates to circumstances in which a person is in arrears and will be excluded from the board of directors as a result. As I pointed out on Committee Stage, such members should be forced to resign with immediate effect. It is very important that this will now be the case. I thank the Minister of State for bringing forward this amendment.

This is the only part of the Bill to which I am strongly opposed. Amendment No. 35 is actually better than the provision contained in the Bill, but it does not go far enough. That is why I wish to place on record the fact that I remain opposed to the relevant exclusions. I ask the Minister of State to monitor the position with regard to voluntary assistants and to give particular consideration to the provision under which a person will be asked to choose between his or her job and his or her membership of the board of directors.

My final point relates to amendment No. 124, which is in a later group. That amendment is relevant to the matter under discussion because it deals with the exemption clause I suggested on Committee Stage and in respect of which I tabled an amendment on Report Stage. The Minister for Finance signalled that he was open to such a clause.

*4 o'clock*

Amendment No. 124 deals with that issue to a certain degree.

**Deputy Brian Hayes:** The length of service.

**Deputy Pearse Doherty:** It allows for the Central Bank asking the credit union to appoint an additional person and the term limits are waived.

**Deputy Brian Hayes:** Yes, if they can find someone.

**Deputy Pearse Doherty:** It deals with the term limits issue in one way. I will discuss this matter further when we come to that group of amendments. However, it does not deal with the issue of a voluntary worker or a person working for another credit union. The issue of term limits could also apply in this instance. I suggest a waiver if the Minister of State is not willing to remove it altogether. Amendment No. 124 could have been expanded to include dealing with the prohibition on serving as a director in the case of voluntary assistants and staff of another credit union. It would be solely at the discretion of and with the permission of the Central Bank. This might be another way by which we could have addressed the issue. I suggest we return to it at a later stage.

**Deputy Michael McGrath:** I welcome the amendments which represent progress and improve the Bill. I welcome, in particular, the amendment dealing with directors who find themselves in arrears. An amendment was necessary in this case. The restrictions are unnecessarily onerous, particularly when it comes to volunteers. It is often the case that the members of a board of directors are mature in years with time on their hands. It could be argued that working voluntarily for the credit union every week enhances their role as board members and gives such individuals a greater understanding of the operation of the credit union. This restriction is

unnecessary, but it remains to be seen how it will work in practice.

**Deputy Richard Boyd Barrett:** I agree with others that the Bill has been improved substantially by meeting some of the concerns expressed. I echo the points made about the removal of the exclusion on persons in arrears. However, the democratic principle of credit unions may be somewhat undermined - the right of members to make these decisions and judgments about the people they wish to serve on the board. I welcome the improvements, but the Minister of State should keep an ear to concerns or problems that may arise as a result of the exclusions which continue to be provided for in the Bill.

**Deputy Brian Hayes:** I agree with colleagues that the amendments have improved the section substantially by doing away with the more ridiculous exclusions. However, there is a fundamental distinction between a volunteer and an employee or a director. The credit union is a unique organisation which has given so much to the country. We need to arrive at the correct balance. The next group of amendments deals with the term limit - 12 years out of 15. I made the point yesterday on Report Stage in the Seanad that it was only when the Bill was passed by both Houses and became law that all these sections would apply. For example, a person may have served for 30 years, but he or she will only be appointed as a director next year. The Bill will be another transition for the credit union movement and it is certain this issue will be considered again in the next few years. I understand the point made by Deputy Pearse Doherty. The next group of amendments provides that the Central Bank is empowered to put to one side the exclusion if a credit union cannot find people because of the term limit. The Deputy has argued that the same should apply to volunteer and employees. I understand the logic of his argument. When this new regime and the transition period begin, we may need to look at any problems with the exclusion of volunteers. Beginning with the report of the commission, there has been an argument that this distinction is needed to ensure potential conflicts of interest are minimised and that the best governance system will be in place for all credit unions.

Seanad amendment agreed to.

Seanad amendment No. 36:

Section 15: In page 20, to delete lines 16 to 28 and substitute the following:

“(m) a person who is a spouse or civil partner, parent, sibling or child of a director, board oversight committee member or employee of that credit union.”.

Seanad amendment agreed to.

Seanad amendment No. 37:

Section 15: In page 20, to delete lines 32 to 49 and in page 21, to delete line 1.

Seanad amendment agreed to.

Seanad amendment No. 38:

Section 15: In page 21, line 2, to delete “(14) A member of” and substitute “(12) A member of”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 39, 41, 64, 66, 112 and 124 are

related and may be discussed together.

Seanad amendment No. 39:

Section 15: In page 21, line 4, to delete “9 years” and substitute “12 years”.

**Deputy Brian Hayes:** I tabled a number of amendments on Committee Stage in the Seanad to increase the term limits of members of the board of directors. This arose from discussion with colleagues opposite on Committee and Report Stages in this House. On Report Stage the Minister for Finance had stated he intended to bring forward an amendment, following consultation with the Office of the Attorney General, to change the term limits to 12 years in aggregate in a 15 year period. This commitment is now reflected by the amendments made in the Seanad which strike an appropriate balance between promoting board rotation and protecting the volunteer ethos of credit unions. Seanad amendment No. 66 is consequential on this amendment to increase the term limits from nine to 12 years. Seanad amendment No. 64 increases the maximum consecutive term for the chairman from three years to four. The term of office of the chairman is for a period of one year. Currently, a chairman is not permitted to serve more than three consecutive terms in that post. The Minister agreed on Committee Stage to increase the maximum consecutive term for the chairman from three years to four. This will ensure continuity in the board. However, it will also be one of the responsibilities of the nomination committee to ensure board continuity. Seanad amendment No. 124 permits the Central Bank to appoint a director, even where that person may have exceeded the limit. This is the point made by Deputy Pearse Doherty when speaking on the previous group of amendments. The bank can give a credit union the power to appoint someone, even if that person is beyond the term limit.

In the course of the debate on Committee Stage and again in the Seanad a discussion ensued on a waiving of the term limits in exceptional circumstances. The Minister undertook to examine this proposal. The issue to be addressed is whether the term limits could result in a credit union being unable to attract enough suitable directors. The Bill already provides that the Central Bank can require a credit union to nominate additional directors where the board is lacking in skills or expertise. The director so nominated must be approved by the Central Bank. The Bill has been amended in order that the time served as an additional director in these circumstances is not reckoned for the purposes of the term limit. This means a director who has already served his or her 12 years in a 15 year period could still be appointed to the board, but only in these exceptional circumstances, if there is a deficiency in expertise and agreed to by the Central Bank. This addresses the concern raised without undermining the core principle of the Bill on term limits.

**Deputy Michael McGrath:** This is reasonable. The Minister for Finance, Deputy Michael Noonan, made the point a number of times that he wanted to retain the principle of rotation. He has given some ground on the issue of the term limit moving from nine years to 12.

Who knows where any of us will be in January 2025? There will be a number of Governments between now and then and this issue can be kept under review. I am satisfied with the amendments and thank the Government therefor.

**Deputy Richard Boyd Barrett:** That is a sobering thought. Where will we be in 2025?

**Deputy Brian Hayes:** On the board of a credit union.

**Deputy Richard Boyd Barrett:** This is a considerable improvement in recognition of the

concern raised by the credit unions.

Given the Minister of State has provided for exceptional circumstances, I hope that, if everybody is being reasonable, the concerns expressed by the credit unions will be addressed adequately. However, I never really received a satisfactory answer to one question, bearing in mind the importance ascribed to the principle of rotation and the imposition of term limits. If term limits are considered so important for credit unions, why are they not imposed on banks, for example? Why does the Government attach so much importance to term limits for credit union directors? Why do we not have a problem in this regard and with certain other conditions that applied to staff who served in our banks over the years? Will the Minister of State explain this?

**Deputy Pearse Doherty:** I do not support term limits. The credit union movement is a democratic movement. In the same way that this institution, a democratic one, does not have term limits, credit unions should not have any either. The issues is dealt with and we lost the debate but I welcome the fact that the Minister of State has extended the term limits. I welcome the exclusion, waiver or whatever the Minister of State wants to call it that I suggested on Committee Stage and furnished on Report Stage. It is basically encompassed in amendment No. 124, which deals with the term limits. The provision is not as strong as I would have liked. It refers to an additional director. I am not sure about this because I obviously have not been on the board of directors of a credit union.

Consider the circumstances if we add up the exclusions that exist in terms of voluntary assistance, employees of other credit unions and account for the real and necessary requirements we place on directors of credit unions to be fit for purpose and have knowledge and experience. In a small credit union, one could limit the pool; therefore, this is a question of additional directors and not about circumstances where a credit union cannot fill its complement. Scope is provided to allow that to happen. I hope the procedure will not be cumbersome. Under section 90, the review must be carried out by the Central Bank. One must go to the credit union nomination committee to suggest a director one feels would be fit for purpose. The bank must agree that and then the director is appointed for the period up to the next AGM. After an AGM, the procedure could take nine months, after which the director may only be in office for three months before leaving. The provision is really to ensure that the board does not lose experience and will have the necessary experience to carry out its functions properly. I am a little bit concerned but perhaps my concern is ill founded. The Central Bank will obviously have to work out the procedure. I want to ensure the process is not cumbersome.

The legislation does address my concerns in regard to the points on directors. We could have given full discretion to the Central Bank in respect of a voluntary member of staff or a member of staff from another credit union. I can understand the conflict that the Minister of State talked about in regard to a staff member of one credit union being a director of another, and the need for one to be fully aware of the books and all the various project. If the section encompassed this, it would be up to the Central Bank to determine whether the employee of a given credit union would have a conflict of interest if he or she were a director of another. The amendment would be very safe. We cannot do anything about this at this stage but we could and should have examined it. Perhaps we will do so.

**Deputy Brian Hayes:** We all share the common goal of ensuring that credit unions have the requisite number of staff with suitable qualifications and skills required to the job they are being asked to do. Deputy Doherty made a fair point in asking whether we are now accepting

a pretty cumbersome set of circumstances whereby, if a credit union found it did not have the correct range of skills required on its board, it would make an application to the Central Bank, which would decide on the position, after which a name would come forward that the bank would have to sanction. If this applies, it is because the credit union makes the application to the Central Bank on the basis that it feels it does not have the requisite number of people to serve the purpose in question because of a lack of skills or expertise. This gives the credit union the power to make the first move. However, Deputy Doherty's point is important in that it is a question of what happens next. This issue is one that the Central Bank needs to be mindful of in circumstances where it is trying to expedite an application on behalf of the credit union. Certainly, any help that the Department of Finance can bring to bear on the bank to speed up the process and putting in place a code of practice in this regard would make sense.

On the remarks made by Deputy Boyd Barrett, there have been many investigations into banking but we have not had a commission yet. What we have attempted to do is put the legislative requirements in place to deal with the issues concerning credit unions. Without wishing to reopen cans of worms, I am pretty happy that the Government has addressed virtually all the issues concerning the directors who were in place in the various credit institutions, whether we own them or not, and that the institutions have a new governance system in place with new staff who will, I hope, recover the banks on behalf of us all.

Seanad amendment agreed to.

Seanad amendment No. 40:

Section 15: In page 21, line 7, to delete "(15) For directors of" and substitute "(13) For directors of".

Seanad amendment agreed to.

Seanad amendment No. 41:

Section 15: In page 21, line 10, to delete "9 year" and substitute "12 year".

Seanad amendment agreed to.

Seanad amendment No. 42:

Section 15: In page 21, line 11, to delete "subsection (14)" and substitute "subsection (12)".

Seanad amendment agreed to.

Seanad amendment No. 43:

Section 15: In page 21, line 13, to delete "(16) Directors of a" and substitute "(14) Directors of a".

Seanad amendment agreed to.

Seanad amendment No. 44:

Section 15: In page 21, line 18, to delete "(17) Subject to the" and substitute "(15) Subject to the".

Seanad amendment agreed to.

Seanad amendment No. 45:

Section 15: In page 21, line 23, to delete “(18) A director appointed” and substitute “(16) A director appointed”.

Seanad amendment agreed to.

Seanad amendment No. 46:

Section 15: In page 21, line 23, to delete “subsection (17)” and substitute “subsection (15)”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 47 and 49 are related and are to be discussed together.

Seanad amendment No. 47:

Section 15: In page 21, to delete lines 28 to 31 and substitute the following:

“(17) Where all the directors of a credit union intend to resign on the same date, the secretary shall give written notice of the directors’ intention to the Bank and the board oversight committee.”.

**Deputy Brian Hayes:** A further minor technical amendment was made on Committee Stage in the Seanad to clarify that the secretary must inform the Central Bank where all directors intend to resign on the same day. Amendment No. 49 was made on Committee Stage in the Seanad to remove unnecessary wording in section 16. The secretary is a board member and, as such, is entitled to attend board meetings.

Seanad amendment agreed to.

Seanad amendment No. 48:

Section 15: In page 21, subsection (2), lines 33 and 34, to delete all words from and including “to” where it secondly occurs in line 33 down to and including “*subsection (1)*” in line 34 and substitute the following:

“to a reduction in the number of board of directors in compliance with that Act”.

Seanad amendment agreed to.

Seanad amendment No. 49:

Section 16: In page 22, lines 1 and 2, to delete “shall be entitled to attend and”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 50, 56 to 60, inclusive, 62, 63, 67 to 72, inclusive, 84, 86, 88 and 89 are related and are to be discussed together.

Seanad amendment No. 50:

Section 17: In page 23, line 26, after “manager” to insert “, risk management officer and compliance officer”.

**Deputy Brian Hayes:** Amendment No. 50 was made to include the appointment of the risk management officer and compliance officer as one of the functions of the board. The current wording provides for these appointments as functions of the manager. However, they are more appropriate to the board. The substantive change to the Bill before it was amended was that they related to the manager's functions, but we considered that they were more appropriate to the board. The deletion of subsections (4) and (5) is consequential on the acceptance of this amendment. These matters will be provided for in subsection (1)(e).

Amendment No. 51 was discussed with amendment No. 39 to section 15, while amendment No. 52 was discussed with amendment 34 to the same section. The amendment deletes the famous paragraph (*p*) as it refers to the requirements set out in subsections (12) and (13) of section 53. As these subsections are being deleted, the famous paragraph (*p*) is no longer required. A number of consequential amendments arising from the changes made to the functions of the board of directors in amendment No. 50 are also made.

Seanad amendment agreed to.

Seanad amendment No. 51:

Section 17: In page 23, to delete lines 29 to 36 and substitute the following:

“(f) ensuring that there is an effective management team in place;”.

Seanad amendment agreed to.

Seanad amendment No. 52:

Section 17: In page 25, to delete lines 16 to 18.

Seanad amendment agreed to.

Seanad amendment No. 53:

Section 17: In page 25, line 19, to delete “(q) the recommendation to” and substitute “(p) the recommendation to”.

Seanad amendment agreed to.

Seanad amendment No. 54:

Section 17: In page 25, line 21, to delete “(r) ensuring the accounts” and substitute “(q) ensuring the accounts”.

Seanad amendment agreed to.

Seanad amendment No. 55:

Section 17: In page 25, to delete lines 23 and 24 and substitute the following:

“(r) reporting to the members of the credit union at the annual general meeting, including nominating a member of the board to present the annual accounts at the annual general meeting;

(s) reviewing and considering any update of financial statements provided to the

board by the manager under section 63A(4)(c).”.

**Deputy Brian Hayes:** Amendment No. 55 allows the board to nominate a director to present the accounts to members at the AGM. This role was previously performed by the treasurer; however, as the position of treasurer is being removed, the amendment will merge the reporting roles, but it will do so in a different way. It also provides that it is the role of the board to consider any update on financial statements provided for it by the manager and mirrors the provisions in section 63A(4)(c). The other amendments are minor technical amendments required to correct cross-references consequential on the amendments proposed.

Seanad amendment agreed to.

Seanad amendment No. 56:

Section 17: In page 25, to delete lines 35 to 42.

Seanad amendment agreed to.

Seanad amendment No. 57:

Section 17: In page 26, line 1, to delete “(6) The board of” and substitute “(4) The board of”.

Seanad amendment agreed to.

Seanad amendment No. 58:

Section 17: In page 26, line 5, to delete “(7) The review carried” and substitute “(5) The review carried”.

Seanad amendment agreed to.

Seanad amendment No. 59:

Section 17: In page 26, line 6, to delete “subsection (6)” and substitute “subsection (4)”.

Seanad amendment agreed to.

Seanad amendment No. 60:

Section 17: In page 26, line 7, to delete “(8) In respect of” and substitute “(6) In respect of”.

Seanad amendment agreed to.

Seanad amendment No. 61:

Section 17: In page 26, line 10, to delete “either”.

**Deputy Brian Hayes:** The amendment deletes the word “either” from the sentence concerned as its inclusion is a typographical error.

Seanad amendment agreed to.

Seanad amendment No. 62:

Section 17: In page 26, line 14, to delete “(9) Where the board” and substitute “(7) Where the board”.

Seanad amendment agreed to.

Seanad amendment No. 63:

Section 17: In page 26, line 17, to delete “(10) The board shall” and substitute “(8) The board shall”.

Seanad amendment agreed to.

Seanad amendment No. 64:

Section 18: In page 27, line 26, to delete “3 consecutive terms” and substitute “4 consecutive terms”.

Seanad amendment agreed to.

Seanad amendment No. 65:

Section 20: In page 30, lines 24 and 25, to delete “in respect of section 53(17)” and substitute “for the purposes of section 53(15)”.

Seanad amendment agreed to.

Seanad amendment No. 66:

Section 20: In page 32, line 22, to delete “9 years” and substitute “12 years”.

Seanad amendment agreed to.

Seanad amendment No. 67:

Section 21: In page 33, to delete lines 26 to 28.

Seanad amendment agreed to.

Seanad amendment No. 68:

Section 21: In page 33, line 29, to delete “(e) appointing or causing” and substitute “(d) appointing or causing”.

Seanad amendment agreed to.

Seanad amendment No. 69:

Section 21: In page 33, line 34, to delete “(f) preparing or causing” and substitute “(e) preparing or causing”.

Seanad amendment agreed to.

Seanad amendment No. 70:

Section 21: In page 33, line 37, to delete “(g) implementing the proper” and substitute “(f) implementing the proper”.

Seanad amendment agreed to.

Seanad amendment No. 71:

Section 21: In page 33, line 39, to delete “(h) ensure that all” and substitute “(g) ensure that all”.

Seanad amendment agreed to.

Seanad amendment No. 72:

Section 21: In page 33, line 41, to delete “(i) such other matters” and substitute “(h) such other matters”.

Seanad amendment agreed to.

Seanad amendment No. 73:

Section 21: In page 33, to delete lines 43 to 48 and in page 34, to delete lines 1 to 14 and substitute the following:

“(5) In appointing a person as manager of a credit union, its board of directors shall ensure that the person complies with all legal requirements (including requirements which the Bank may prescribe) to be appointed.”.

Seanad amendment agreed to.

Seanad amendment No. 74:

Section 23: In page 35, to delete lines 8 to 46 and in page 36, to delete lines 1 to 8 and substitute the following:

“66.—(1) If the board oversight committee of a credit union considers that a member of the board of directors has taken any action or decision which, in the opinion of the committee, given in writing to the director concerned, is not in accordance with the requirements of this Part, then, after consulting the Bank, the committee may either—

(a) suspend, with immediate effect, the director by a unanimous vote of all the members of the committee taken at a meeting of the committee called for the purpose of considering the director’s suspension, or

(b) convene a special general meeting of the credit union to consider whether to remove the director in the light of the action or decision taken by that director, but no steps shall be taken under this subsection without the director concerned being given an opportunity to be heard by the members of the board oversight committee.

(2) Where a director of a credit union has been suspended by the board oversight committee in accordance with subsection (1), the board oversight committee shall, within 7 days of that suspension, convene a special general meeting—

(a) for the purpose of reviewing the suspension, and

(b) to consider whether to remove the director having regard to the action or decision taken by that director.

(3) Where the board oversight committee convenes a special general meeting for the purposes of this section the credit union may, by resolution of a majority of the members present and voting at that special general meeting—

(a) ratify the suspension of the director concerned and remove that director from office,

(b) rescind the suspension of that director, or

(c) remove that director from office,

but no director shall be so removed from office without being given an opportunity to be heard by the members present at the meeting.

(4) The secretary of the credit union shall, not less than 21 days before the date of the special general meeting at which it is proposed to move a resolution referred to in subsection (3), give written notice of that meeting to the director concerned.

(5) Where notice is given of an intended resolution to remove a director under this section and the director concerned makes in relation to it representations (not exceeding a reasonable length) in writing to the credit union and requests their notification to the members of the credit union then, unless the representations are received by it too late for it to do so, the credit union shall, subject to subsection (7)—

(a) in any notice of the resolution given to members of the credit union, state the fact of the representations having been made, and

(b) send a copy of the representations to every member of the credit union to whom notice of the meeting is sent.

(6) Subject to subsection (7), and whether or not copies of any representations made by it have been sent as mentioned in subsection (5), the director concerned may require that, without prejudice to his or her right to be heard orally, the representations made by him or her shall be read out at the special general meeting.

(7) Subsections (5) and (6) shall not apply if, on the application either of the credit union or of any person who claims to be aggrieved, the Bank is satisfied that compliance with the subsections would diminish substantially public confidence in the credit union or that the rights conferred by those sections are being, or are likely to be, abused in order to secure needless publicity for defamatory matter.

(8) Where a director of a credit union is removed from office at a special general meeting pursuant to this section, the vacancy caused by the removal shall be filled in such manner as may be determined by the meeting.”.”.

**Deputy Brian Hayes:** The amendment sets out new provisions concerning the suspension and removal of directors of the board oversight committee. Issues arose during the debate in the Dáil about the procedure for the suspension and removal of directors, particularly in relation to the directors concerned being provided with written notification of the board oversight committee’s reasons for taking action under this section. The Minister, on both Committee and Report Stages in this House, indicated his willingness to look again at these provisions and the amendment reflects the changes necessary in order to address the concerns raised by colleagues in the

Dáil. The amendment brings the procedure for the removal of a director at a special general meeting convened under this section into line with that for the removal of a director from office by members of a credit union which is set out in section 56 of the 1997 Act, thereby ensuring greater procedural consistency from one Act to the next. Under this section, the board oversight committee can suspend a director where it considers that a member has taken an action or decision which is not in accordance with Part IV of the 1997 Act.

Deputy Richard Boyd Barrett proposed an amendment on Committee Stage in the Dáil which was accepted by the Minister and provides that the board oversight committee is required to give written notice to the director setting out the reasons for its decisions before suspending the director or convening a special general meeting of the credit union to consider whether to remove the director. Where a director is suspended by the board oversight committee under this section, the suspension takes effect immediately and if that director does not resign within seven days of being suspended, the committee shall convene a special general meeting to review the suspension and consider whether to remove the director. At a special general meeting convened in accordance with this section the members may ratify the suspension, rescind it or remove the director from office. The amendment provides, in a similar manner to section 56 of the 1997 Act, that a director is entitled to written notice of a special general meeting to be held under this section not less than 21 days in advance of the meeting. The amendment also sets out the procedure for the director in question to make written representations in advance of a special general meeting and that the director has the right to be heard orally at such a meeting. The Minister is confident that the amendment addresses the concerns raised by Deputies in this House.

**Deputy Richard Boyd Barrett:** I thank the Minister of State for accepting the amendment. It is regrettable that the constituent who raised the issue with me is not in the Visitors' Gallery, as he has been here to follow some of the proceedings on the Bill. I will not say this has been a labour of love for him, but it has been an issue he has been pursuing for many years. Has specifically sought to have the word "written" inserted in the Bill. The amendment allows for a clear and transparent record to be given of the reasons provided by the board oversight committee for suspending a director of the board. It spells out the steps for proceeding with such a suspension and how the person proposed to be suspended can state his or her case. This is a good amendment and I commend the Government for taking it on board.

A person raised a related issue which probably does not come under the Bill. That person believes there is not an adequate procedure in place for individuals to make a case to the regulator where there is a dispute over the rights and wrongs of a suspension and that there is a need for the Central Bank to ensure there will be a fair procedure in place all the way up the line to allow individuals to appeal a decision in a case if they are unhappy at any stage of the process. That there is now a requirement for reasons to be given in writing will at least ensure a level of transparency about decisions that might be made in this regard. I welcome the amendment. I am sorry the individual in question is not here to see a little bit of his idea being enshrined in law. I am sure he will be very pleased, however, and that it will have the desired effect.

**Deputy Brian Hayes:** I thank the Deputy for raising this issue. Natural justice requires that people would receive this notification in writing. The point the Deputy highlighted comes from a genuine case where someone felt there had been some unfairness. The fact this is now incorporated in the law puts a standard there for all credit unions to follow. I congratulate the Deputy on doing that.

Seanad amendment agreed to.

Seanad amendment No. 75:

Section 24: In page 36, line 43, after “Bank” to insert the following:

“including regulations setting out the form and content of that statement”.

**Deputy Brian Hayes:** This amendment clarifies that the requirement which the bank may prescribe under section 66(C)(1) of the 1997 Act relate to the form and content of the compliant statement to be provided to credit unions.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 76 to 83, inclusive, are related and will be discussed together.

Seanad amendment No. 76:

Section 25: In page 37, between lines 43 and 44, to insert the following:

“(ii) where the officer is the secretary, in writing to the board of directors and served on the chair,”.

**Deputy Brian Hayes:** Seanad amendment No. 76 ensures the secretary acts at all times in a manner free from conflict. Where a potential conflict is identified between his or her own interests and the interests of the credit union, the secretary must declare the nature of his or her interest in writing to the board and service notice of that conflict on the chair.

The other amendments are minor technical amendments and are consequential to amendment No. 76.

Seanad amendment agreed to.

Seanad amendment No. 77:

Section 25: In page 37, line 44, to delete “(ii) where that officer” and substitute “(iii) where that officer”.

Seanad amendment agreed to.

Seanad amendment No. 78:

Section 25: In page 37, line 47, to delete “(iii) where that officer” and substitute “(iv) where that officer”.

Seanad amendment agreed to.

Seanad amendment No. 79:

Section 25: In page 37, line 48, after “secretary,” to insert “or”.

Seanad amendment agreed to.

Seanad amendment No. 80:

Section 25: In page 38, to delete lines 1 and 2.

Seanad amendment agreed to.

Seanad amendment No. 81:

Section 25: In page 38, line 40, to delete “paragraph (i) or (ii)” and substitute “paragraph (i), (ii) or (iii)”.

Seanad amendment agreed to.

Seanad amendment No. 82:

Section 25: In page 38, line 45, after “or” to insert the following:

“where the director concerned is the secretary, in accordance with paragraph (ii) of that subsection, or”.

Seanad amendment agreed to.

Seanad amendment No. 83:

Section 25: In page 38, line 47, to delete “paragraph (ii)” and substitute “paragraph (iii)”.

Seanad amendment agreed to.

Seanad amendment No. 84:

Section 26: In page 41, lines 15 to 17, to delete all words from and including “The” in line 15 down to and including “union,” in line 17 and substitute “The board of directors of a credit union shall”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 85 and 87 are related and will be discussed together.

Seanad amendment No. 85:

Section 26: In page 41, line 19, to delete “authority, resources and experience” and substitute “authority and resources”.

**Deputy Brian Hayes:** Seanad amendments Nos. 85 and 87 delete references to the risk management officer or compliance officer having the necessary experience to manage the functions of their role. This does not need to be provided for here as these standards will be set out under the fitness and probity regime which was agreed with the Commission on Credit Unions. These measures will be rolled out in credit unions over time and will take account of the size and scale of the credit unions.

Seanad amendment agreed to.

Seanad amendment No. 86:

Section 26: In page 42, lines 17 to 19, to delete all words from and including “The” in line 17 down to and including “union,” in line 19 and substitute “The board of directors of

a credit union shall”.

Seanad amendment agreed to.

Seanad amendment No. 87:

Section 26: In page 42, line 21, to delete “authority, resources and experience” and substitute “authority and resources”.

Seanad amendment agreed to.

Seanad amendment No. 88:

Section 26: In page 50, line 27, to delete “section 55(10)” and substitute “section 55(8)”.

Seanad amendment agreed to.

Seanad amendment No. 89:

Section 26: In page 50, line 39, to delete “section 55(10)” and substitute “section 55(8)”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 90, 92, 94 and 114 are related and will be discussed together.

Seanad amendment No. 90:

Section 27: In page 51, line 26, to delete “section 76O” and substitute “section 76N”.

**Deputy Brian Hayes:** These are technical amendments.

Seanad amendment agreed to.

Seanad amendment No. 91:

Section 27: In page 51, lines 44 and 45, to delete “section 76S(4)” and substitute “section 76R(4)”.

Seanad amendment agreed to.

Seanad amendment No. 92:

Section 27: In page 52, line 6, after “earlier” to insert “than that annual general meeting”.

Seanad amendment agreed to.

Seanad amendment No. 93:

Section 27: In page 52, line 8, to delete “section 76S(4)” and substitute “section 76R(4)”.

Seanad amendment agreed to.

Seanad amendment No. 94:

Section 27: In page 52, line 20, to delete “subsection (4) or (5)” and substitute “subsec-

tion (4), (5) or (6)".

Seanad amendment agreed to.

Seanad amendment No. 95:

Section 27: In page 52, to delete lines 35 to 38 and substitute the following:

“(a) an employee or voluntary assistant of the credit union or an employee of any other credit union;”.

Seanad amendment agreed to.

Seanad amendment No. 96:

Section 27: In page 52, to delete lines 41 and 42.

Seanad amendment agreed to.

Seanad amendment No. 97:

Section 27: In page 52, line 43, to delete “(d) an employee of” and substitute “(c) an employee of”.

Seanad amendment agreed to.

Seanad amendment No. 98:

Section 27: In page 52, line 48, to delete “(e) a public servant” and substitute “(d) a public servant”.

Seanad amendment agreed to.

Seanad amendment No. 99:

Section 27: In page 53, line 3, to delete “(f) a member of” and substitute “(e) a member of”.

Seanad amendment agreed to.

Seanad amendment No. 100:

Section 27: In page 53, line 5, to delete “(g) an officer (within” and substitute “(f) an officer (within”.

Seanad amendment agreed to.

Seanad amendment No. 101:

Section 27: In page 53, line 10, to delete “(h) Financial Services Ombudsman” and substitute “(g) Financial Services Ombudsman”.

Seanad amendment agreed to.

Seanad amendment No. 102:

Section 27: In page 53, line 15, to delete “(i) a member of” and substitute “(h) a member of”.

Seanad amendment agreed to.

Seanad amendment No. 103:

Section 27: In page 53, line 18, to delete “(j) the chief executive” and substitute “(i) the chief executive”.

Seanad amendment agreed to.

Seanad amendment No. 104:

Section 27: In page 53, to delete line 24 and substitute the following:

“(j) the auditor of the credit union or a person employed or engaged by that auditor;”.

Seanad amendment agreed to.

Seanad amendment No. 105:

Section 27: In page 53, line 25, to delete “(l) a solicitor or” and substitute “(k) a solicitor or”.

Seanad amendment agreed to.

Seanad amendment No. 106:

Section 27: In page 53, to delete lines 29 to 36 and substitute the following:

“(l) a person who is a spouse or civil partner, cohabitant, parent or child, of a director, board oversight committee member or employee of that credit union;”.

Seanad amendment agreed to.

Seanad amendment No. 107:

Section 27: In page 53, to delete line 37 and substitute the following:

“(m) a body corporate;”.

Seanad amendment agreed to.

Seanad amendment No. 108:

Section 27: In page 53, to delete line 38 and substitute the following:

“(n) a person who is not of full age;

(o) a director of the credit union.”.

Seanad amendment agreed to.

Seanad amendment No. 109:

Section 27: In page 53, to delete lines 39 to 46.

Seanad amendment agreed to.

Seanad amendment No. 110:

Section 27: In page 53, between lines 46 and 47, to insert the following:

“(5) A person shall resign from being a member of the board oversight committee of a credit union if and when he or she becomes a person to whom any of the provisions of subsection (4) relates.”.

Seanad amendment agreed to.

Seanad amendment No. 111:

Section 27: In page 53, line 47, to delete “(5) A board oversight” and substitute “(6) A board oversight”.

Seanad amendment agreed to.

Seanad amendment No. 112:

Section 27: In page 53, line 50, to delete “9 years” and substitute “12 years”.

Seanad amendment agreed to.

Seanad amendment No. 113:

Section 27: In page 54, line 3, to delete “(6) The board oversight” and substitute “(7) The board oversight ”.

Seanad amendment agreed to.

Seanad amendment No. 114:

Section 27: In page 54, to delete lines 35 to 41 and substitute the following:

“(6) The board oversight committee may notify the Bank of any concern it has, that the board of directors has not complied with any of the requirements set out in this Part or Part IV, or regulations made thereunder, following a unanimous vote at a meeting of the committee called for the purpose of considering such a notification.”.

Seanad amendment agreed to.

Seanad amendment No. 115:

Section 27: In page 55, to delete lines 34 to 50 and in page 56, to delete lines 1 to 8.

Seanad amendment agreed to.

Seanad amendment No. 116:

Section 27: In page 56, line 9, to delete “76R.—(1) Subject to” and substitute “76Q.—(1) Subject to”.

Seanad amendment agreed to.

Seanad amendment No. 117:

Section 27: In page 57, line 5, to delete “76S.—(1) A register of” and substitute “76R.—(1) A register of”.

Seanad amendment agreed to.

Seanad amendment No. 118:

Section 29: In page 58, to delete lines 22 to 35.

Seanad amendment agreed to.

Seanad amendment No. 119:

Section 29: In page 58, line 36, to delete “84B.—(1) In making regulations” and substitute “84A.—(1) In making regulations”.

Seanad amendment agreed to.

Seanad amendment No. 120:

Section 29: In page 59, to delete lines 14 to 20, to delete all words from and including “credit” in line 14 down to and including “commenced.” in line 20 and substitute “credit union.”.

Seanad amendment agreed to.

**An Leas-Cheann Comhairle:** Seanad amendments Nos. 121 to 123, inclusive, are related and will be discussed together.

Seanad amendment No. 121:

In page 59, to delete lines 24 to 26 and substitute the following:

“ ‘liquid assets’ means the assets held by a credit union to enable it to meet its obligations as they arise;”.

**Deputy Brian Hayes:** Seanad amendment No. 121 provides a more specific definition of “liquid assets”. Seanad amendment No. 122 clarifies the definition of “maturity mismatch”. Seanad amendment No. 123 ensures the proportion of liquid assets to be kept by a credit union will take account of the nature, scale and complexity of a credit union, ensuring that a one-size-fits all approach is not taken and that the composition and maturity of a credit union’s assets and liabilities is also taken into consideration. This is line with the commission’s recommendations on a tiered regulatory approach. This was in the Bill as published but was mistakenly removed from the Bill as amended on Committee Stage in the Dáil. These amendments clarify the issue and, as I noted in the other House yesterday, make it clear that the tiered approach will not compromise small credit unions or those which have a different range of depositors. That is what these three amendments are for.

Seanad amendment agreed to.

Seanad amendment No. 122:

Section 30: In page 59, to delete lines 27 to 34 and substitute the following:

“ ‘maturity mismatch’ means the ongoing or possible future divergence between a credit union’s assets and liabilities because non liquid assets of the credit union have not or, at the appropriate time, will not have matured;”.

Seanad amendment agreed to.

Seanad amendment No. 123:

Section 30: In page 59, line 43, after “arise.” to insert the following:

“The proportion of assets kept in liquid form shall take into account the nature, scale and complexity of the credit union, and the composition and maturity of its assets and liabilities.”.

Seanad amendment agreed to.

Seanad amendment No. 124:

Section 31: In page 61, line 35, to delete “section 53.” and substitute the following:

“section 53.

(5) Any period of appointment under this section shall not be reckoned for the purposes of calculating the number of years that a person has served in aggregate for the purpose of section 53(12) or section 76N(5).”.

Seanad amendment agreed to.

Seanad amendment No. 125:

Section 34: In page 62, line 34, after “Part IV” to insert “(other than sections 27B, 27G and 27H)”.

**Deputy Brian Hayes:** Seanad amendment No. 125 clarifies that sections 27B, 27G and 27H of the Central Bank Act 1997 continue to apply to the credit union auditor. These sections relate to the duties of auditors to provide reports to the Central Bank. Section 27B already makes reference to section 122 of the Credit Union Act 1997. It relates to auditor management and statutory duty declarations. I emphasise that this amendment does not apply any new provisions to credit union auditors but simply reflects provisions which already applied.

Seanad amendment agreed to.

Seanad amendment No. 126:

Section 39: In page 63, to delete line 32 and substitute the following:

“ “ReBo” means the Credit Union Restructuring Board;

“stabilisation support” has the meaning given by *section 62*.”.

**Deputy Brian Hayes:** An amendment to section 39 was made on Committee Stage in the

Seanad to provide for the inclusion of a definition of stabilisation support in section 39. It refers to the definition of stabilisation support which already appears in section 62 of the published Bill.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 127 and 128 are related and will be discussed together.

Seanad amendment No. 127:

Section 44: In page 65, lines 25 to 36, to delete subsection (2) and substitute the following:

“(2) Subject to this Part, ReBo may do anything which it considers necessary or expedient to enable it to perform its functions including making arrangements with any other person or body for the use by it of premises or equipment belonging to that person or other body or for the use by ReBo of the services of officers or servants of that person or other body.”.

**Deputy Brian Hayes:** Amendment No. 127 was made on Committee Stage in the Seanad. It consolidates the provisions relating to the power of the Credit Union Restructuring Board, ReBo, power to carry out certain functions. The power to appoint staff is provided for in section 54. The power to organise meetings is also set out in section 50. As a result unnecessary references to this section and to the powers were removed by the amendment.

Seanad amendment No. 128 deletes section 44(3), which is not required because section 44(2) already provides that ReBo may do anything it considers necessary or expedient to enable it to perform its functions. We are clearing up these tasks with the amendments.

Seanad amendment agreed to.

Seanad amendment No. 128:

Section 44: In page 65, lines 37 to 45, to delete subsection (3).

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 129, 146, 151 and 152 are related and will be discussed together.

Seanad amendment No. 129:

Section 45: In page 66, subsection (5)(a), line 37, to delete “funding” and substitute “financial support”.

**Deputy Brian Hayes:** These are technical amendments made on Committee Stage in the Seanad to provide for consistency in the references to what we refer to as “financial support” to be provided from the credit union fund under Part 3 and Part 4 of the Bill. The definition of “financial support” may take the form of a payment, loan, guarantee, an exchange of assets or any other type of financial accommodation or assistance. This is consistent with the Credit Institutions (Financial Support) Act 2008 and the Central Bank and Credit Institutions (Resolution) Act 2009. The amendments were made for the purposes of consistency.

Seanad amendment agreed to.

Seanad amendment No. 130:

Section 47: In page 67, lines 39 to 41, to delete subsection (4) and substitute the following:

“(4) The ReBo levy received from each credit union shall be paid into the Credit Union Fund.”.

**Deputy Brian Hayes:** I brought forward an amendment on Committee Stage in the Seanad to provide that the ReBo levy to be paid by credit unions will be paid into the credit union fund rather than paid into or disposed of for the benefit of the Exchequer. The expenses incurred by ReBo will be paid out of the credit union fund and, therefore, it is appropriate that the levy received to recoup those expenses should be paid into the credit union fund.

Seanad amendment agreed to.

Seanad amendment No. 131:

Section 49: In page 68, to delete lines 14 to 18.

**Deputy Brian Hayes:** I brought forward an amendment on Report Stage in the Seanad to delete section 49 because the expenses of ReBo are to be paid out of the credit union fund. Section 49 is no longer required as a consequence and, therefore, I do not propose to include this section in the Bill.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 132 and 134 are related and will be discussed together.

Seanad amendment No. 132:

Section 51: In page 69, subsection (1)(a), line 25, to delete “the Board of that Board” and substitute “that Board”.

**Deputy Brian Hayes:** These are straightforward. Amendments Nos. 132 and 134 were made on Committee Stage in the Seanad to correct typographical errors.

Seanad amendment agreed to.

Seanad amendment No. 133:

Section 51: In page 69, subsection (1)(f), line 32, after “of” to insert “an auditor,”.

**Deputy Brian Hayes:** Seanad amendment No. 133 provides that employees of auditors engaged by ReBo are subject to the non-disclosure of information provisions in this section. The amendment ensures consistency in the application of the non-disclosure provisions which the Bill currently applies to employees of agents, consultants and advisers appointed by ReBo.

Seanad amendment agreed to.

Seanad amendment No. 134:

Section 51: In page 70, subsection (4), line 10, to delete “the credit” and substitute “credit”.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 135 and 136 are related and will be discussed together.

Seanad amendment No. 135:

Section 54: In page 71, subsection (1), lines 32 and 33, to delete all words from and including “given” in line 32 down to and including “Reform” in line 33.

**Deputy Brian Hayes:** Seanad amendment No. 135 made on Committee Stage in the Seanad removes the requirement for the Minister for Finance to obtain the consent of the Minister for Public Expenditure and Reform before approving the appointment of staff by ReBo. The staff of ReBo will be paid out of the credit union fund and, as a result, the consent of the Minister for Public Expenditure and Reform to their appointment is no longer required. ReBo can, therefore, with the approval of the Minister for Finance, appoint such staff and at such grades as it may determine.

Amendment No. 136 made in the Seanad makes the provisions relating to the appointment of the staff of ReBo consistent with those of the appointment of the chief executive of ReBo. Section 54 now mirrors the provisions concerning the appointment of the chief executive set out in section 53. Section 54(2)(a) restates section 54(2) as published following Committee Stage in the Dáil and provides that the terms of appointment of the staff of ReBo may be determined by the Minister for Finance with the consent of the Minister for Public Expenditure and Reform subject to the Public Service Management (Recruitment and Appointments) Act 2004. Section 54(2)(b) as provided for in the amendment made in the Seanad sets out an alternative means of determining the terms of appointment of ReBo staff. These terms may be determined by the board of ReBo subject to the approval of the Minister for Finance with consent from the Minister for Public Expenditure and Reform.

Seanad amendment agreed to.

Seanad amendment No. 136:

Section 54: In page 71, lines 38 to 43, to delete subsection (2) and substitute the following:

“(2) An appointment under this section shall either—

(a) be on such terms (including terms as to remuneration, duration of term and allowances for expenses) as the Minister may, with the consent of the Minister for Public Expenditure and Reform, determine and be subject to the Public Service Management (Recruitment and Appointments) Act 2004, or

(b) be on such other terms (including terms as to remuneration, duration of term and allowances for expenses) as may be determined by the Board of ReBo and approved by the Minister with the consent of the Minister for Public Expenditure and Reform.”.

Seanad amendment agreed to.

Seanad amendment No. 137:

Section 55: In page 71, subsection (1), line 44, to delete “with the agreement” and substitute “under the direction”.

**Deputy Brian Hayes:** This amendment provides that the board of ReBo may direct the chief executive to undertake certain functions relating to the accounts of ReBo. This amendment reflects that the board of ReBo and not the chief executive is responsible for keeping the accounts of ReBo and submitting those accounts to the Comptroller and Auditor General. Therefore, it is appropriate for the chief executive to act under the direction of the board of ReBo rather than with the agreement of the board.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 138 and 170 are related and will be discussed together by agreement.

Seanad amendment No. 138:

Section 57: In page 73, lines 6 to 9, to delete subsection (1) and substitute the following:

“(1) Disclosure by a credit union to ReBo of information or records does not contravene any duty of confidentiality to which the credit union is subject.

(2) A credit union may disclose to ReBo personal data within the meaning of the Data Protection Acts 1988 and 2003.”.

**Deputy Brian Hayes:** This amendment splits section 57(1) into two subsections to provide clarity on the effect of disclosure of information by ReBo on any duty of confidentiality or on any obligation under the Data Protection Acts. Section 57(1), as amended in the Seanad, provides that a credit union which discloses information to ReBo does not breach any applicable duty of confidentiality. The new section 57(2), created by that amendment, sets out that a credit union may disclose to ReBo personal data within the meaning of the Data Protection Acts. This amendment ensures that there is a legal gateway between credit unions and ReBo for the disclosure of information.

Amendment No. 170 inserts a new paragraph (*h*) into section 71(2) of the 1997 Act, which will allow officers of a credit union to disclose confidential information to ReBo and facilitates the sharing of information between the credit unions and ReBo. ReBo will protect the confidentiality of the information shared under section 51 of this Bill.

Seanad amendment agreed to.

Seanad amendment No. 139:

Section 58: In page 73, subsection (2), lines 19 to 21, to delete paragraphs (*a*) and (*b*) and substitute the following:

“(a) to provide a source of financial support for the restructuring of credit unions under this Part,

- (b) to provide stabilisation support in accordance with *Part 4*,
- (c) to meet the expenses of ReBo in discharging its functions under this Act,
- (d) to provide for the costs referred to in *section 61(2)*, and
- (e) to provide for the expenses referred to in *section 69*.”.

**Deputy Brian Hayes:** Amendment No. 139 adds a number of purposes of the credit union fund to those already listed in section 50(2). This amendment sets out that discharging the expenses of ReBo, the cost of collecting levies due under the Act and the expenses of the bank in exercising its functions are purposes of the credit union fund.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 140, 141 and 143 to 145, inclusive, are related and will be discussed together by agreement.

Seanad amendment No. 140:

Section 58: In page 73, subsection (5), line 34, to delete “restructuring purposes” and substitute “the purposes of restructuring under this Part”.

**Deputy Brian Hayes:** Amendment No. 140 is a technical amendment which improves the consistency of terminology in this Part of the Bill by removing the references to “restructuring purposes” and replacing them with “the purposes of restructuring under this Part”. Amendment No. 141 removes the obligation on the Minister to obtain the bank’s approval of an amalgamation or transfer of engagement under section 131(6)(a) of the 1997 Act before providing financial support for the purposes of restructuring. This amendment sets out that the provision of such support may be conditional on the bank giving its approval under this section rather than requiring that approval before the support is provided. This will permit the bank to consider the conditions proposed to be attached by the Minister to the provision of support and the bank can decide accordingly whether to grant approval.

Amendment No. 143 is a technical amendment which updates the cross references to other sections of the Bill dealing with the provisions of restructuring and stabilisation support. Amendment No. 144 clarifies that the support referred to in section 58(7) is stabilisation support. Amendment No. 145 clarifies that the conditions referred to in section 58(4) are those attached by the Minister under section 58(6) to the provision of stabilisation support.

Seanad amendment agreed to.

Seanad amendment No. 141:

Section 58: In page 73, subsection (5), lines 34 to 36, to delete all words from and including “The” in line 34 down to and including “Act.” in line 36 and substitute the following:

“The provision of financial support by the Minister may be conditional on the Bank confirming the amalgamation or transfer under section 131(6)(a) of the Principal Act.”.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 142 and 161 are

related and will be discussed together by agreement.

Seanad amendment No. 142:

Section 58: In page 73, lines 37 to 40, to delete subsection (6) and substitute the following:

“(6) Where requested by the Bank under *section 66(4)*, the Minister may provide stabilisation support from the Credit Union Fund on such terms and conditions as the Minister considers appropriate. The provision of stabilisation support by the Minister shall be conditional on the Bank approving the provision of stabilisation support under *section 66(5)*.”.

**Deputy Brian Hayes:** This amendment provides that the Minister may provide stabilisation support to a credit union from the credit union fund where requested to do so by the bank. The provision for the Minister to attach terms and conditions to any support provided is retained in this amendment. Those conditions are primarily intended to relate to the recoupment of funds provided as financial support under this Act. Amendment No. 161 clarifies that the bank may request the Minister to provide stabilisation support in accordance with section 58(6).

Seanad amendment agreed to.

Seanad amendment No. 143:

Section 58: In page 73, subsection (7), line 41, to delete “*subsection (6)*” and substitute “*subsections (5) and (6)*”.

Seanad amendment agreed to.

Seanad amendment No. 144:

Section 58: In page 73, subsection (7), line 43, after “the” where it firstly occurs to insert “stabilisation”.

Seanad amendment agreed to.

Seanad amendment No. 145:

Section 58: In page 73, subsection (7), line 44, after “but” to insert “conditions under *subsection (6)*”.

Seanad amendment agreed to.

Seanad amendment No. 146:

Section 58: In page 74, subsection (9), line 4, after “of” to insert “financial”.

Seanad amendment agreed to.

Seanad amendment No. 147:

Section 58: In page 74, lines 7 to 9, to delete subsection (10).

**Deputy Brian Hayes:** On Committee Stage in the Seanad I brought forward an amendment

to delete section 58(10). I also brought forward an amendment to section 60 of the Bill which provides the Minister with the power to make regulations prescribing the rate of contribution by credit unions to the credit union fund for the purposes of the provision of stabilisation support under section 58(6). Stabilisation support will be made available out of funds raised through this levy. Therefore, section 58(10) is no longer required and was deleted by this amendment.

Seanad amendment agreed to.

Seanad amendment No. 148:

Section 59: In page 74, subsection (1)(a), line 12, after “accounts” to insert “of receipts and payments”.

**Deputy Brian Hayes:** Amendment No. 148 makes a minor amendment to the terminology used in section 59(1)(a) and provides for the keeping of “accounts of receipts and payments of the credit union fund” rather than “all proper and usual accounts”.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 149 and 153 are related and will be discussed together by agreement.

Seanad amendment No. 149:

Section 60: In page 74, subsection (2), line 40, to delete “support” and substitute “support,”.

**Deputy Brian Hayes:** Amendment No. 149 corrects a typographical error. Amendment No. 153 deletes unnecessary wording relating to section 61. Section 61 is a discretionary provision and, therefore, it is not appropriate to provide for an obligation to comply with that provision.

Seanad amendment agreed to.

Seanad amendment No. 150:

Section 60: In page 74, between lines 41 and 42, to insert the following subsection:

“(3) The Minister shall make regulations prescribing the rate of contribution, or a method of calculating the rate of contribution, to the Credit Union Fund by a credit union under this section for the purpose of providing funding for the provision of stabilisation support under *section 58(6)*.”.

**Deputy Brian Hayes:** Amendment No. 150 sets out the Minister’s powers to make regulations prescribing the rate of contributions or method of calculating the rate of contribution to the credit union fund by credit unions in order to provide the credit union fund with sufficient funds for the provision of stabilisation support. Section 60(2) already provided that the Minister may make regulations prescribing the contribution to be made by credit unions to the credit union fund in order to recoup the cost of financial support provided for the purposes of restructuring. This amendment provides a similar power in relation to stabilisation support to be provided from the credit union fund. This gives effect to recommendation 8.5.8 of the commission report, which recommended that the necessary financing of the credit union fund for the purposes of stabilisation should be sourced from the credit union sector.

Seanad amendment agreed to.

*5 o'clock*

Seanad amendment No. 151:

Section 60: In page 74, subsection (3)(a), lines 46 and 47, to delete “carrying out restructuring activities” and substitute the following:

“providing financial support for the restructuring of credit unions”.

Seanad amendment agreed to. Seanad amendment No. 152:

Section 60: In page 75, subsection (4)(c), line 16, to delete “funding” and substitute “financial support”.

Seanad amendment agreed to.

Seanad amendment No. 153:

Section 60: In page 75, subsection (6), lines 26 and 27, to delete all words from and including “be” in line 26 down to and including “and” in line 27.

Seanad amendment agreed to.

Seanad amendment No. 154:

Section 62: In page 76, to delete lines 2 to 9 and substitute the following:

“ “stabilisation support” means financial support provided under this Act by the Minister from the Credit Union Fund to a credit union for the purpose of restoring and facilitating the maintenance of that credit union’s reserve requirement, and such support by the Minister may include the provision of technical and financial advice and the provision of financial support to the credit union concerned.”.

**Deputy Brian Hayes:** Amendment No. 154, which is in the definitions section of the Bill, was moved on Committee Stage in the Seanad. It changes the definition of “stabilisation support” to clarify that such support may include funding unrelated to the reserve requirements. Such funding may be used to update the systems and controls of the credit union and may also include the provision of financial and technical advice to the credit union. This was a recommendation of the Commission on Credit Unions as set out in paragraph 8.5.6 of the report.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 155 and 156 are related and may be discussed together.

Seanad amendment No. 155:

Section 66: In page 76, lines 37 to 46, to delete subsection (2) and substitute the following:

“(2) Until the commencement of an order under *section 43(1)*, stabilisation support shall not be approved by the Bank for a credit union under *subsection (1)* unless the

Credit Union Restructuring Board has recommended that the credit union be considered by the Bank for stabilisation support.”.

**Deputy Brian Hayes:** Amendments Nos. 155 and 156 were also made on Committee Stage in the Seanad. Amendment No. 155 amends subsection (2) by deleting the existing paragraph (b) which states that the Bank may only approve stabilisation support caused by a short-term, non-recurring event. Instead, amendment No. 156 sets out when ReBo may recommend to the Bank that a credit union should be stabilised. During the period of restructuring, a credit union may not be assessed for stabilisation support unless ReBo makes a recommendation to the Bank that the credit union should be stabilised. A credit union must not be part of the restructuring proposal or must have reserves greater than 7.5% before ReBo can make that recommendation. This will ensure that the restructuring process and the stabilisation process are aligned.

Seanad amendment agreed to.

Seanad amendment No. 156:

Section 66: In page 76, after line 46, to insert the following subsection:

“(3) The Credit Union Restructuring Board may only make a recommendation to the Bank in relation to an individual credit union for the purposes of *subsection (1)* if:

(a) the credit union is not party to a restructuring proposal approved or being considered for approval as part of a restructuring plan under *section 45 (5)(a)*, and

(b) the credit union satisfies the requirements of *subsection (1)(a)(i)*.”.

Seanad amendment agreed to.

Seanad amendment No. 157:

Section 66: In page 77, subsection (3)(a), lines 8 and 9, to delete “Central Bank Acts 1942 to 2011” and substitute “*Central Bank Acts 1942 to 2012*”.

**Deputy Brian Hayes:** Amendment No. 157 updates the citation of the Central Bank Acts, which are amended by Part 5 of this Bill.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Amendments Nos. 158 and 159 are related and may be discussed together.

Seanad amendment No. 158:

Section 66: In page 77, subsection (3)(c), line 19, to delete “support” and substitute “such stabilisation support”.

**Deputy Brian Hayes:** These are two minor technical amendments that were made to this section in the Seanad. Amendment No. 158 clarifies that the support referred to in paragraph (c) is stabilisation support as opposed to restructuring support, while amendment No. 159 changes the reference from “this Part” to “this Act” as stabilisation support is to be provided by the Minister under Part 3 rather than Part 4.

Seanad amendment agreed to.

Seanad amendment No. 159:

Section 66: In page 77, subsection (3)(c), line 20, to delete “this Part;” and substitute “this Act;”.

Seanad amendment agreed to.

Seanad amendment No. 160:

Section 66: In page 77, subsection (3)(g), line 33, to delete “functions.” and substitute the following:

“functions;

(h) such terms and conditions as the Minister considers appropriate to attach to the stabilisation support.”.

**Deputy Brian Hayes:** Amendment No. 160 clarifies that the bank must have regard to the terms and conditions that the Minister considers appropriate to attach to the decision to provide stabilisation support when making a decision on the approval of stabilisation support to a credit union. A previous amendment gave the Minister the right and the power to attach terms and conditions and this is simply ensuring that the Bank will make sure these terms and conditions will apply. These terms and conditions will deal with issues such as recoupment, which may affect the Central Bank’s assessment of viability.

Seanad amendment agreed to.

Seanad amendment No. 161:

Section 66: In page 77, subsection (4), line 35, after “may” to insert the following:

“request the provision of stabilisation support by the Minister under *section 58(6)\** and may”.

Seanad amendment agreed to.

Seanad amendment No. 162:

Section 67: In page 78, to delete lines 18 to 24.

**Deputy Brian Hayes:** I brought forward an amendment in the Seanad to delete Section 67, which provided that the cost of stabilisation support and any other support, financial or otherwise, required as a condition of stabilisation support shall be met from the credit union fund. Any moneys recouped from a credit union in respect of support provided would be paid into the fund. This section was removed, as subsection (2) is covered by Section 58(6) and 58(2) and is covered also by Section 58(9).

Seanad amendment agreed to.

Seanad amendment No. 163:

New Section: In page 80, before the Schedule, to insert the following new section:

“PART 5\*

MISCELLANEOUS AMENDMENTS RELATING TO CENTRAL BANK ACTS 1942 TO

70.—(1) Section 33AK of the Central Bank Act 1942 is amended—

(a) by substituting “subsection (1A)” for “subsection (1)(b)” in each place,

and

(b) in subsection (3) by substituting the following for paragraph (b):

“(b) Paragraph (a) does not apply—

(i) where the Bank is satisfied that the supervised entity has already reported the information concerned to the relevant body, or

(ii) where the information concerned has come into the possession of, or to the knowledge of the Bank, from an authority, in a jurisdiction other than that of the State, duly authorised to exercise functions similar to any one or more of the statutory functions of the Bank.”.

(2) Schedule 2 to the Central Bank Act 1942 is amended in Part 1 by substituting the following for item 38:

“

38	No. 23 of 2010	Central Bank Reform Act 2010	Parts 3, 4 and 5
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””.

Seanad amendment agreed to.

Seanad amendment No. 164:

New Section: In page 80, before the Schedule, to insert the following new section:

71.—The Central Bank Reform Act 2010 is amended—

(a) in section 3 by inserting the following definitions:

“ ‘authorised officer’ means a person appointed by the Bank under Part 5 to be an authorised officer;

‘financial services legislation’ means—

(a) the designated enactments,

(b) the designated statutory instruments, and

(c) the Central Bank Acts 1942 to 2012 and statutory instruments made under those Acts;”.

and

(b) by inserting the following after section 53:

“PART 4

OVERSEAS REGULATORS

54.—(1) In this section ‘overseas regulator’ means an authority in a jurisdiction other than that of the State duly authorised to perform functions similar to any one or more of the statutory functions of the Bank.

(2) At the request of an overseas regulator to do so in relation to any matter, the Bank may –

(a) require information on the matter about which the Bank has required or could require the provision of information or the production of documents under any provision of financial services legislation, or

(b) authorise one or more than one authorised officer to exercise any of his or her powers for the purposes of investigating the matter.

(3) In deciding whether or not to exercise any of its powers under subsection (2), the Bank may take into account in particular:

(a) whether in the country or territory of the overseas regulator, corresponding assistance would be given to an authority duly authorised in the State to perform functions corresponding to functions exercised by the overseas regulator;

(b) whether the case concerns the breach of a law, or other requirement, which has no close parallel in the State or involves the assertion of a jurisdiction not recognised by the State;

(c) the seriousness of the case and its importance to persons in the State;

(d) whether it is otherwise appropriate in the public interest to give the assistance sought.

(4) The Bank may decide that it will not exercise any of its powers under subsection (2) unless the overseas regulator undertakes to make such contribution towards the cost of such exercise as the Bank considers appropriate.

(5) Subsections (3) and (4) do not apply if the Bank considers that the exercise of its power is necessary to comply with any obligation created or arising by or under the Treaties governing the European Union.

(6) If the Bank authorises an authorised officer for the purposes of subsection (2)(b), the Bank may direct the authorised officer to permit a representative of the overseas regulator to attend, and take part in, any interview conducted for the purposes of the investigation of the matter concerned.

(7) A direction under subsection (6) is not to be given unless the Bank is satisfied that any information obtained by an overseas regulator as a result of the interview will be subject to obligations of non-disclosure of information similar to those imposed on the Bank in section 33AK of the Act of 1942.

(8) A person shall not be required for the purposes of the exercise of any power under this section to answer any question tending to incriminate the person.

PART 5

Authorised Officers

55.—(1) In this Part –

‘agent’, in relation to a person to whom this Part applies, includes a past as well as a present agent and includes the person’s banker, accountant, solicitor, auditor and financial or other adviser, whether or not a person to whom this Part applies;

‘authorisation’ means an authorisation, licence or any other permission required to carry on business as a regulated financial service provider granted by the Bank pursuant to any provision of financial services legislation, and includes registration;

‘customer’, in relation to a regulated financial service provider, means–

(a) any person to whom the regulated financial service provider provides or offers financial services, or

(b) any person who requests the provision of financial services from the regulated financial service provider,

and includes a potential customer and a former customer;

‘person to whom this Part applies’ shall be read in accordance with section 56;

‘prescribed contravention’ has the same meaning as in section 33AN of the Act of 1942;

‘premises’ includes vessel, aircraft, vehicle and any other means of transport, as well as land and a building and any other fixed or moveable structure;

‘regulated market’ has the same meaning as in Regulation 3 of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No 60 of 2007);

‘related undertaking’, in relation to a person (‘the first-mentioned person’), means—

(a) if the first-mentioned person is a company, another company that is related within the meaning of section 140(5) of the Companies Act 1990,

(b) a partnership of which the first-mentioned person is a member,

(c) if the businesses of the first-mentioned person and another person have been so carried on that the separate business of each of them, or a substantial part thereof, is not readily identifiable, that other person,

(d) if the decision as to how and by whom the businesses of the first-mentioned person and another person shall be managed can be made either by the same person or by the same group of persons acting in concert, that other person,

(e) a person who performs a specific and limited purpose by or in connection with the business of the first-mentioned person, or

(f) if provision is required to be made for the first-mentioned person and another person in any consolidated accounts compiled in accordance with

Seventh Council Directive 83/349/EEC of 13 June 1983 OJ L 193, 18.7.1983, p.1, that other person.

(2) References in this Part to a regulated financial service provider, or a related undertaking, shall, unless the context otherwise requires, be read as including a person who was a regulated financial service provider, or a related undertaking, at the relevant time.

56.—(1) The following are persons to whom this Part applies (including persons outside the State):

(a) a regulated financial service provider;

(b) a person who has applied for an authorisation but whose application has not been determined;

(c) a person whom the Bank reasonably believes is or was a regulated financial service provider, or is or was acting as or claiming or holding himself or herself out to be a regulated financial service provider;

(d) a person who is or was, or whom the Bank reasonably believes, is or was, without an authorisation, providing a financial service in respect of which an authorisation is required;

(e) a related undertaking of any of the persons referred to in paragraph (a), (b), (c) or (d);

(f) any other person whom the Bank reasonably believes may possess information about a person referred to in paragraph (a), (b), (c), (d) or (e);

(g) any person whom the Bank reasonably believes may possess information about a financial product or investment admitted to trading or which is to be admitted to trading under the rules and systems of a regulated market.

(2) The duty imposed by this Part to produce or provide any information, extends to-

(a) a person who is in relation to a person to whom this Part applies –

(i) an administrator within the meaning of section 1(1) of the Insurance (No. 2) Act 1983,

(ii) an administrator within the meaning of section 2 of the Investor Compensation Act 1998,

(iii) a person appointed as an administrator of a credit union by virtue of section 137 of the Credit Union Act 1997 or appointed to act as a provisional administrator of a credit union by virtue of section 138 of that Act,

(iv) a special manager appointed pursuant to the Credit Institutions (Stabilisation) Act 2010,

(v) an examiner, liquidator, receiver, official assignee, or

(vii) in respect of a person outside the State, a person corresponding to any of the persons who come within subparagraphs (i) to (v),

and

(b) a person who –

(i) is or has been an officer or employee or agent of any person to whom this Part applies, or

(ii) appears to the Bank or the authorised officer to have the information in his or her possession or under his or her control.

57.—(1) For the purposes of obtaining any information necessary for the performance by the Bank of its functions under financial services legislation relating to the proper and effective regulation of financial service providers, the Bank may appoint any of its officers or employees or other suitably qualified persons to be authorised officers and to exercise any of the powers conferred by this Part.

(2) The Bank may revoke any appointment made by it under subsection (1).

(3) An appointment or revocation under this section shall be in writing.

(4) A person's appointment by the Bank as an authorised officer ceases on the earlier of –

(a) the revocation by the Bank of the appointment,

(b) in a case where the appointment is for a specified period, the expiration of the period,

(c) on the person's resignation from the appointment, and

(d) in the case where the person is an officer or employee of the Bank –

(i) on the resignation of the person as an officer or employee of the Bank, or

(ii) on the termination of the person's employment with the Bank, or when the person's term of office ceases, for any reason.

(5) In this section 'suitably qualified person' means any person (other than an officer or employee of the Bank) who, in the opinion of the Bank, has the qualifications and experience necessary to exercise the powers conferred on an authorised officer by this Part.

58.—Every authorised officer appointed by the Bank shall be furnished with a warrant of his or her appointment, and when exercising a power conferred by this Part shall produce such warrant or a copy of it, together with a form of personal identification, for inspection if requested to do so by a person affected by the exercise of the power.

59.—(1) Subject to subsection (2), an authorised officer may at all reasonable

times enter any premises—

(a) which the authorised officer has reasonable grounds to believe are or have been used for, or in relation to, the business of a person to whom this Part applies, or

(b) at, on or in which the authorised officer has reasonable grounds to believe that records relating to the business of a person to whom this Part applies are kept.

(2) An authorised officer shall not enter a dwelling, otherwise than —

(a) with the consent of the occupier, or

(b) pursuant to a warrant under section 61.

60—(1) An authorised officer may do any one or more of the following:

(a) search and inspect premises entered under section 59 or pursuant to a warrant under section 61;

(b) require any person to whom this Part applies who apparently has control of, or access to, records, to produce the records;

(c) inspect records so produced or found in the course of searching and inspecting premises;

(d) take copies of or extracts from records so produced or found;

(e) subject to subsection (3), take and retain records so produced or found for the period reasonably required for further examination;

(f) secure, for later inspection, any records produced or found and any data equipment, including any computer, in which those records may be held;

(g) secure, for later inspection, premises entered under section 59 or pursuant to a warrant under section 61, or any part of such premises, for such period as may reasonably be necessary for the purposes of the exercise of his or her powers under this Part, but only if the authorised officer considers it necessary to do so in order to preserve for inspection records that he or she reasonably believes may be kept there;

(h) require any person to whom this Part applies to answer questions and to make a declaration of the truth of the answers to those questions;

(i) require any person to whom this Part applies to provide an explanation of a decision, course of action, system or practice or the nature or content of any records;

(j) require a person to whom this Part applies to provide a report on any matter about which the authorised officer reasonably believes the person has relevant information;

(*k*) require that any information given to an authorised officer under this Part is to be certified as accurate and complete by such person or persons and in such manner as the Bank or the authorised officer may require.

(2) Where records are not in legible form, an authorised officer, in the exercise of any of his or her powers under this Part, may—

(*a*) operate any data equipment, including any computer, at the premises which is being searched or cause any such data equipment or computer to be operated by a person accompanying the authorised officer, and

(*b*) require any person who appears to the authorised officer to be in a position to facilitate access to the records stored in any data equipment or computer or which can be accessed by the use of that data equipment or computer to give the authorised officer all reasonable assistance in relation to the operation of the data equipment or computer or access to the records stored in it including—

(i) producing the records to the authorised officer in a form in which they can be taken and in which they are, or can be made, legible and comprehensible,

(ii) giving to the authorised officer any password necessary to make the records concerned legible and comprehensible, or

(iii) otherwise enabling the authorised officer to examine the records in a form in which they are legible and comprehensible.

(3) Where the Bank or an authorised officer proposes to retain, pursuant to this section, any records taken by the authorised officer under subsection (1) for a period longer than 14 days after the date on which the records are taken, the Bank or the authorised officer shall, before the end of that period of 14 days, or such longer period with the consent of the person hereafter mentioned, furnish, on request, a copy of the records to the person who it appears to the Bank or the authorised officer, but for the exercise of the powers under this section, is entitled to possession of it.

(4) A person to whom this Part applies shall give to an authorised officer such assistance as the authorised officer may reasonably require and make available to the authorised officer such reasonable facilities as are necessary for the authorised officer to exercise his or her powers under this Part including such facilities for inspecting and taking copies of any records as the authorised officer reasonably requires.

(5) Subject to any warrant issued section 61, an authorised officer may be accompanied, and assisted in the exercise of the officer's powers under this Part, by such other authorised officers, members of the Garda Síochána or other persons as the authorised officer reasonably considers appropriate.

61.—(1) Without prejudice to the powers conferred on an authorised officer by

or under any other provision of this Part, if a judge of the District Court is satisfied on the sworn information of the authorised officer that there are reasonable grounds for believing that records are to be found on, at or in any premises, the judge may issue a warrant authorising an authorised officer accompanied by such other authorised officers or members or the Garda Síochána as may be necessary, at any time or times, within the period of validity of the warrant, on production, if so requested, of the warrant—

(a) to enter the premises specified in the warrant, if need be by reasonable force, and

(b) to exercise the powers conferred on authorised officers by this Part or such of those powers as are specified in the warrant.

(2) The period of validity of a warrant shall be 28 days from its date of issue.

(3) An application for a warrant under this section shall be made to a judge of the District Court in the district court district in which the premises concerned are situate.

62.—(1) An authorised officer may attend any meeting relating to the business of a regulated financial service provider if the authorised officer considers that it is necessary to attend in order to assist the Bank in the performance of any of its functions under financial services legislation.

(2) The attendance of an authorised officer pursuant to subsection (1) at a meeting referred to in that subsection does not in any circumstances limit the powers of the authorised officer or of the Bank.

63.—Nothing in this Part shall operate to confer any right to production of, or access to, any record subject to legal professional privilege.

64.—(1) The disclosure or production of any record or other information by a person under this Part shall not be treated, for any purpose, as a breach of any restriction under any enactment or rule of law on disclosure or production by the person or any other person on whose behalf the record or other information is disclosed or produced.

(2) Where a person from whom production of a record is required under this Part claims a lien on the record, the production of it shall be without prejudice to the lien.

65.—(1) If any person to whom this Part applies fails or refuses to comply with a requirement under this Part the authorised officer may certify the failure or refusal under his or her hand to the High Court.

(2) When an authorised officer certifies a failure or refusal referred to in subsection (1) to the High Court, the High Court may inquire into the case and may make such order (including interim or interlocutory orders) or direction as the High Court thinks fit, after hearing -

(a) any witnesses who may be produced against or on behalf of the person concerned, and

(b) any statement which may be offered in defence.

66.—(1) A person commits an offence if he or she —

(a) obstructs or impedes an authorised officer in the exercise of any

of his or her powers under this Part, whether or not by virtue of a warrant issued under section 61.

(b) without reasonable excuse, does not comply with a requirement of an authorised officer in the exercise of any of those powers,

(c) in purported compliance with such a requirement, gives information to the authorised officer that the person knows to be false or misleading in a material respect, or

(d) falsely represents himself or herself to be an authorised officer.

(2) A person who commits an offence under this section is liable –

(a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or

(b) on conviction on indictment, to a fine not exceeding €250,000 or imprisonment for a term not exceeding 5 years or both.

(3) A person does not commit an offence of failing to comply with a requirement referred to in subsection (1)(b) unless, when the requirement was made, the person was warned that a failure to comply is an offence.

(4) If a person refuses to answer a question asked of him or her or to comply with any other requirement made, under this Part, on the grounds that the answer or compliance with the requirement might tend to incriminate the person and the person is informed of his or her obligation to answer the question or to comply with the requirement, the person shall not refuse to answer the question or to comply with the requirement but the answer given or information provided on that occasion shall not be admissible as evidence in criminal proceedings against the person other than proceedings against him or her under this section.”.”.

Seanad amendment agreed to.

Seanad amendment No. 165:

New Section: In page 80, before the Schedule, to insert the following new section:

72.—(1) The Acts specified in *Part 1* of *Schedule 2*\*\* are amended to the extent specified in that Part.

(2) The statutory instruments specified in *Part 2* of *Schedule 2*\*\* are amended to the extent specified in that Part.

(3) The Central Bank Acts 1942 to 2011 specified in *Parts 1* to *3* of *Schedule 3*\*\*\* are amended to the extent specified in each such Part.

(4) The Acts specified in *Parts 1* to *8* of *Schedule 4*\*\*\*\* are amended to the extent specified in each such Part.

(5) The statutory instruments specified in *Parts 1* to *7* of *Schedule 5*\*\*\*\*\* are amended to the extent specified in each such Part.

(6) A person who was an authorised officer, by whatever name called, appointed un-

der the provisions of any enactment repealed or revoked by this Act immediately

before the coming into operation of the repeal or revocation concerned is taken to have been appointed under Part 5 of the Central Bank Reform Act 2010.

(7) Anything done by a person who was an authorised officer, by whatever name called, appointed under the provisions of any enactment repealed or revoked by this

Act immediately before the coming into operation of the repeal or revocation concerned shall be treated after the coming into operation of the repeal or revocation as done under Part 5 of the Central Bank Reform Act 2010 by an authorised officer appointed under Part 5 of the Central Bank Reform Act 2010.

(8) Any information gathered, or any other thing done, under the provisions of any enactment repealed or revoked by this Act is to be treated after the coming into

operation of the repeal or revocation as if done under any provision of Part 5 of the Central Bank Reform Act 2010 under which it could have been done had the

provision been in force at the time in question.”.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Seanad amendments Nos. 166 and 172 are related and may be discussed together.

Seanad amendment No. 166:

Schedule: In page 83, item 22, lines 13 and 14, to delete “section 37C” and substitute “sections 37C and 37D”.

**Deputy Brian Hayes:** Amendment No. 166 is a minor amendment made on Committee Stage in the Seanad which inserts a reference to section 37D of the Credit Union Act of 1997, which sets out the information to be included in the credit agreement notice to the credit union members. This item in the Schedule is required to ensure that there is consistency between the 1997 Act and the European Communities (Consumer Credit Agreements) Regulations 2010, which apply to credit unions. Amendment No. 172 clarifies that the supervisory authority referred to in item 100 is the Irish Auditing and Accounting Supervisory Authority.

Seanad amendment agreed to.

Seanad amendment No. 167:

Schedule: In page 84, item 37, to delete lines 22 to 26 and substitute the following:

“(b) which are being prescribed for the purposes of this section as being services of a description that appears to the Bank to be of mutual benefit to its members,”.

**Deputy Brian Hayes:** Under the previous wording of item 37, the Central Bank could exempt certain additional services which involved “no undue risk” to the credit union. Amendment No. 167 removes the reference to “undue risk” in respect of additional services that the Bank may exempt from the application requirements under Section 47 of the Credit Union Act, 1997. It was felt that this wording was too restrictive and could have limited the instances

where the Bank could exempt certain services from additional requirements provided in that section. Following the amendment made in the Seanad, the Bank may exempt such services which would be for the mutual benefit of its members.

Seanad amendment agreed to.

Seanad amendment No. 168:

Schedule: In page 85, item 44, line 19, to delete “section 53(17)” and substitute “section 53(15)”.

Seanad amendment agreed to.

Seanad amendment No. 169:

Schedule: In page 85, item 46, line 31, to delete “section 53(19)” and substitute “section 53(17)”.

Seanad amendment agreed to.

Seanad amendment No. 170:

Schedule: In page 86, between lines 53 and 54 to insert the following:

“

59	Section 71(2)	Substitute for paragraph (g):“(g) which is made to the Bank for the purposes of its functions in relation to credit unions; or(h) which is made to the Credit Union Restructuring Board for the purposes of its functions under the Credit Union Act 2012.”.
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“

Seanad amendment agreed to.

Seanad amendment No. 171:

Schedule: In page 88, between lines 37 and 38 to insert the following:

“

80	Section 87(2)(c)	Substitute:“(c) that, since the registration of the credit union, the factors taken into account in granting registration have so changed that, if the society were now applying for registration, it would be refused; or(d) that the credit union has failed to comply with any terms and conditions imposed by the Bank under section 66(5) of the Credit Union Act 2012 relating to the provision of stabilisation support under this Act.”.
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**Deputy Brian Hayes:** Amendment 171 made in the Seanad inserts a new paragraph (d) into section 87(2) of the 1997 Act which allows the Central Bank to impose a regulatory direction on a credit union under section 87 where that credit union fails to comply with the terms and conditions of any stabilisation support given to the credit union under this Bill. This is necessary to ensure that conditions imposed in return for financial support to keep the credit union afloat are enforceable. These could be called the troika conditions. This direction will be appealable to the Irish Financial Services Appeals Tribunal under section 52 of the 1997 Act.

Seanad amendment agreed to.

Seanad amendment No. 172:

Schedule: In page 90, item 100, line 43, to delete “Supervisory Authority” and substitute “Irish Auditing and Accounting Supervisory Authority”.

Seanad amendment agreed to.

Seanad amendment No. 173:

Schedule: In page 93, between lines 16 and 17 to insert the following:

“

134	Section 182(1)(k)	Delete.
135	section 182(1)(m)	Delete.

“

**Deputy Brian Hayes:** This amendment removes the ministerial regulation-making powers that existed under section 182 of the 1997 Act, as these powers conflict with the bank’s regulation-making powers under the Bill and are more appropriate for the Central Bank. These

relate to the registration procedures and operations of credit unions.

Seanad amendment agreed to.

Seanad amendment No. 174:

Schedule: In page 93, between lines 45 and 46, to insert the following:

“

140	First Schedule	Insert after paragraph 13:”14. Provision for dealing with directors and members of the board oversight committee who are more than 90 consecutive days in arrears under a debt obligation to the credit union up to and including the suspension or removal from the board of such directors.”.
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“

Seanad amendment agreed to.

Seanad amendment No. 175:

New Schedules: In page 93, after line 49, to insert the following new Schedule:

“SCHEDULE 2

AMENDMENTS TO CERTAIN ACTS AND STATUTORY INSTRUMENTS

PART 1

AMENDMENTS TO CERTAIN ACTS

Item(1)	Number and year(2)	Short title(3)	Extent of repeal(4)
1	No. 24 of 1971	Central Bank Act 1971	Section 17A
2	No. 3 of 1989	Insurance Act 1989	Sections 59 and 60
3	No. 17 of 1989	Building Societies Act 1989	Section 41
4	No. 21 of 1989	Trustee Savings Banks Act 1989	Section 24A

5	No. 24 of 1994	Investment Limited Partnerships Act 1994	Section 25(2)
6	No. 11 of 1995	Investment Intermediaries Act 1995	Sections 9(3), 64 and 65
7	No. 8 of 1997	Central Bank Act 1997	Sections 36G, 36H, 36I, 75 and 76
8	No. 47 of 2001	Asset Covered Securities Act 2001	Section 70

PART 2

AMENDMENTS TO CERTAIN STATUTORY INSTRUMENTS

Item(1)	Number and year(2)	Citation(3)	Extent of revocation(4)
1	S.I. No. 13 of 2005	European Communities (Insurance Mediation) Regulations 2005	Regulations 28, 29, 30 and 31
2	S.I. No. 380 of 2006	European Communities (Reinsurance) Regulations 2006	Regulations 72, 73, 74 and 75
3	S.I. No. 60 of 2007	European Communities (Markets in Financial Instruments) Regulations 2007	Regulations 163, 164 and 165
4	S.I. No. 383 of 2009	European Communities (Payment Services) Regulations 2009	Regulations 99, 100, 101, 102 and 110
5	S.I. No. 183 of 2010	European Communities (Cross Border Payments) Regulations 2010	Regulations 6, 7, 8, 9, 10, 11 and 12

6	S.I. No. 183 of 2011	European Communities (Electronic Money) Regulations 2011	Regulations 62, 63, 64, 65 and 72
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“

Seanad amendment agreed to.

Seanad amendment No. 176:

New Schedules: In page 93, after line 49, to insert the following new Schedule:

“SCHEDULE 3

AMENDMENTS OF CENTRAL BANK ACTS

PART 1

AMENDMENTS OF CENTRAL BANK ACT 1971

Item(1)	Provision affected(2)	Amendment(3)
1	Section 2(1)	In paragraph (d) of the definition of “related body” delete “section 17A” and substitute “Part 5 of the Central Bank Reform Act 2010”.
2	Section 58(1)	Delete “17A,”.

PART 2

AMENDMENTS OF CENTRAL BANK ACT 1997

Item(1)	Provision affected(2)	Amendment(3)
1	Section 28	(a) Substitute the following for the definition of “authorisation”: “‘authorisation’ means an authorisation under this Part authorising a person to carry on a regulated business;”.(b) Delete the definition of “inspector”. (c) In the definition of “retail credit firm”—(i) substitute “paragraph (e)” for “paragraph (g)”, and(ii) substitute “section 2(1)” for “section 3”.

2	Section 32A(5)(b)	After “officer” insert “appointed under “Part 5 of the Central Bank Reform Act 2010”.
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“.

Seanad amendment agreed to.

Seanad amendment No. 177:

New Schedules: In page 93, after line 49, to insert the following new Schedule:

“SCHEDULE 4

AMENDMENTS OF CERTAIN OTHER ACTS

PART 1

AMENDMENTS OF BUILDING SOCIETIES ACT 1989

Item(1)	Provision affected(2)	Amendment(3)
1	Section 119(1)(a)	(a) In subparagraph (v) substitute “section 41A” for “sections 41 or 41A”.(b) Delete subparagraph (vii).

PART 2

AMENDMENT OF TRUSTEE SAVINGS BANKS ACT 1989

Item(1)	Provision affected(2)	Amendment(3)
1	Section 62(1)	Delete “24A,”.

PART 3

AMENDMENT OF INVESTMENT LIMITED PARTNERSHIPS ACT 1994

Item(1)	Provision affected(2)	Amendment(3)
1	Section 25(4)	In paragraph (a) delete the definition of “appropriate person”.

PART 4

AMENDMENTS OF CONSUMER CREDIT ACT 1995

Item(1)	Provision affected(2)	Amendment(3)
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1	Section 8G(1)	(a) In the definition of “authorised officer” substitute “8M” for “8L”.(b) Delete the definition of “responsible authority”.
2	Section 8M	(a) In subsection (1) substitute “The Minister” for “A responsible authority”.(b) In subsection (3) substitute “The Minister” for “A responsible authority”.(c) In subsection (5)—(i) in paragraph (a) substitute “the Minister” for “the responsible authority concerned”, and(ii) in paragraph (c) substitute “the Minister” for “the responsible authority”.

## PART 5

## AMENDMENTS OF INVESTMENT INTERMEDIARIES ACT 1995

Item(1)	Provision affected(2)	Amendment(3)
1	Section 2(1)	Substitute the following for the definition of “authorised officer”:“ ‘authorised officer’ means a person appointed to be an authorised officer under Part 5 of the Central Bank Reform Act 2010;”.
2	Section 20(6)	Substitute “section 19 of this Act and Part 5 of the Central Bank Reform Act 2010” for “sections 19 and 65 of this Act”.
3	Section 79(1)	Substitute “21(10)” for “21(9)”.

## PART 6

## AMENDMENTS OF CREDIT UNION ACT 1997

Item(1)	Provision affected(2)	Amendment(3)
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1	Section 90	<p>Substitute the following for section 90:“90.—(1) In this section and section 91 ‘authorised officer’ means an authorised officer appointed under Part 5 of the Central Bank Reform Act 2010.(2) The Bank may appoint an authorised officer to carry out an inspection and to provide a report of the inspection to the Bank.(3) An authorised officer may, for the purposes of carrying out an inspection, exercise any of the powers conferred on an authorised officer under Part 5 of the Central Bank Reform Act 2010.”.</p>
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2	Section 91	<p>(a) Substitute the following for subsections (1) and (2):“(1) If required to do so by notice in writing served by the Bank at any time—(a) a credit union,(b) any person who is or has been an officer, member, agent or liquidator of a credit union, and(c) any other person who has in his or her possession or power any books or documents relating to a credit union, shall furnish to the Bank such books or documents which relate to the credit union and are in his possession or power and such information relating to the business of the credit union as may be specified in the notice and as may be reasonably required by the Bank in the exercise of its powers under this Act.(2) If required to do so by a notice in writing served on it by the Bank, a credit union shall furnish to the Bank a financial statement or periodic financial statements in such form and containing such information as may be specified in the notice and as may be reasonably required by the Bank in the exercise of the powers of the Bank under this Act.”(b) Substitute the following for subsection (4):“(4) The Bank may take copies of or extracts from any item produced in compliance with a notice under subsection (1) or (2) and, if so required by the Bank, the person on whom a notice under subsection (1) was served or, in the case of a statement produced in compliance with a notice under subsection (2), a person who is or has been an officer, member, agent or liquidator of the credit union shall provide any explanation which may reasonably be required of an item so produced.”.</p>
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PART 7

AMENDMENTS OF INVESTOR COMPENSATION ACT 1998

Item(1)	Provision affected(2)	Amendment(3)
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1	Section 9	Substitute the following for section 9:“(1) In this section ‘Act of 2010’ means the Central Bank Reform Act 2010.(2) Where the supervisory authority forms the view that an insurance intermediary may be unable to repay money belonging to a client of the insurance intermediary, the supervisory authority may appoint an authorised officer under Part 5 of the Act of 2010 to investigate whether the insurance intermediary is unable to repay money or otherwise discharge its obligations towards clients of the insurance intermediary and to make a report to the supervisory authority in respect of the insurance intermediary.(3) In relation to investment firms, an inspector appointed under the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No 60 of 2007) shall, for the purposes of this section, have the powers conferred on an authorised officer appointed under Part 5 of the Act of 2010.(4) In relation to investment firms which are credit institutions, an inspector appointed under section 45 of the Building Societies Act 1989 shall, for the purposes of this section, have the powers conferred on an authorised officer appointed under Part 5 of the Act of 2010.(5) In relation to investment firms which are investment business firms, an inspector appointed under section 66 or 73 of the Investment Intermediaries Act 1995 shall, for the purposes of this section, have the powers conferred on an authorised officer appointed under Part 5 of the Act of 2010.”.
2	Section 33(2)	(a) Substitute “Part 5 of the Central Bank Reform Act 2010” for “the Act of 1995 and the European Communities (Markets in Financial Instruments) Regulations 2007”. (b) Substitute “Part of that Act” for “Act and those Regulations”.

PART 8

AMENDMENT OF ASSET COVERED SECURITIES ACT 2001

Item(1)	Provision affected(2)	Amendment(3)
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1	Section 98	In paragraph (a) delete “or any person authorised by it to perform the relevant function on its behalf”.
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“.

Seanad amendment agreed to.

Seanad amendment No. 178:

New Schedules: In page 93, after line 49, to insert the following new Schedule:

## “SCHEDULE 5

## AMENDMENTS TO CERTAIN STATUTORY INSTRUMENTS

## PART 1

## AMENDMENTS OF EUROPEAN COMMUNITIES (DISTANCE MARKETING OF CONSUMER FINANCIAL SERVICES) REGULATIONS 2004

(S.I. No. 853 of 2004)

Item(1)	Provision affected(2)	Amendment(3)
1	Regulation 25	In paragraph (1) substitute “competent authority (other than the Bank)” for “competent authority”.
2	Regulation 26	In paragraph (1) substitute “competent authority (other than the Bank)” for “competent authority”.

## PART 2

## AMENDMENT OF EUROPEAN COMMUNITIES (INSURANCE MEDIATION) REGULATIONS 2005

(S.I. No. 13 of 2005)

Item(1)	Provision affected(2)	Amendment(3)
1	Regulation 3(1)	Delete the definition of “authorised officer”.

## PART 3

## AMENDMENT OF EUROPEAN COMMUNITIES (REINSURANCE) REGULATIONS 2006

(S.I. No. 380 of 2006)

Item(1)	Provision affected(2)	Amendment(3)
1	Regulation 3(1)	Delete the definition of “authorised officer”.

## PART 4

## AMENDMENTS OF EUROPEAN COMMUNITIES (MARKETS IN FINANCIAL IN-

STRUMENTS) REGULATIONS 2007  
(S.I. No. 60 of 2007)

Item(1)	Provision affected(2)	Amendment(3)
1	Regulation 3(1)	Substitute the following for the definition of “authorised officer”:“ ‘authorised officer’ means an authorised officer appointed under Part 5 of the Central Bank Reform Act 2010”.
2	Regulation 6(7)	Substitute “Part 5 of the Central Bank Reform Act 2010” for “Regulation 164”.
3	Regulation 14(1)	In subparagraph (b) insert “appointed under Part 5 of the Central Bank Reform Act 2010” after “authorised officer”.
4	Regulation 147(1)(g) (ii)	Substitute “Part 5 of the Central Bank Reform Act 2010” for “Regulation 164”.
5	Regulation 174(1)	Delete “an authorised officer or”.

PART 5  
AMENDMENTS OF EUROPEAN COMMUNITIES (INSURANCE AND REINSURANCE  
GROUPS SUPPLEMENTARY SUPERVISION) REGULATIONS 2007  
(S.I. No. 366 of 2007)

Item(1)	Provision affected(2)	Amendment(3)
1	Regulation 3(1)	Substitute the following for the definition of “authorised officer”:“ ‘authorised officer’ means an authorised officer appointed under Part 5 of the Central Bank Reform Act 2010;”.

2	Regulation 9	<p>(a) Substitute the following for paragraph (5):“(5) If, in a particular case, the Bank wishes to verify information concerning an insurer or reinsurer located in another Member State and the insurer or reinsurer is an associate of an insurer or reinsurer that both holds an authorisation issued by the Bank and is subject to supplementary supervision, the Bank shall request the competent authority of that other Member State to have that verification carried out by that authority or an officer appointed by it.”.(b) In paragraph (7) insert “under Part 5 of the Central Bank Reform Act 2010” after “authorised officer”.</p>
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## PART 6

## AMENDMENTS OF EUROPEAN COMMUNITIES (CREDIT INSTITUTIONS)(CONSOLIDATED SUPERVISION) REGULATIONS 2009

(S.I. No. 475 of 2009)

Item(1)	Provision affected(2)	Amendment(3)
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1	Regulation 20	Substitute the following for Regulation 20: “20. (1) Section 18 of the Central Bank Act 1971 (No. 24 of 1971) applies to and in relation to a credit institution that is subject to consolidated supervision by the Bank as if—(a) references in that section to a holder of a licence under that Act were references to the credit institution, and (b) references in that section to a related body of a holder of such a licence were references to an associated enterprise of the credit institution. (2) Section 41A of the Building Societies Act 1989 (No. 17 of 1989) applies to and in relation to a building society that is subject to consolidated supervision by the Bank as if references in that section to a related body of a building society were references to an associated body of the building society. (3) Section 25 of the Trustee Savings Bank Act 1989 (No. 21 of 1989) applies to and in relation to a credit institution that is subject to consolidated supervision by the Bank as if references in that section to a trustee savings bank were references to the credit institution.”.
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PART 7

AMENDMENT OF EUROPEAN COMMUNITIES (CROSS BORDER PAYMENTS) REGULATIONS 2010

(S.I. No. 183 of 2010)

Item(1)	Provision affected(2)	Amendment(3)
1	Regulation 2(1)	Delete the definitions of “relevant records” and “search warrant”.

“

Seanad amendment agreed to.

Seanad amendment No. 179:

Title: In page 5, lines 21 to 24, to delete all words from and including “TO” in line 21 down to and including “MATTERS” in line 24 and substitute the following:

“TO PROVIDE FOR MISCELLANEOUS MATTERS RELATING TO CREDIT

13 December 2012

UNIONS; TO AMEND THE CENTRAL BANK ACTS 1942 TO 2011, TO PROVIDE FOR CO-OPERATION BETWEEN THE CENTRAL BANK OF IRELAND AND OVERSEAS REGULATORS AND TO PROVIDE FOR THE APPOINTMENT OF AUTHORISED OFFICERS BY THE CENTRAL BANK OF IRELAND; AND TO PROVIDE FOR MATTERS RELATED TO THE FOREGOING”.

Seanad amendment agreed to.

**Acting Chairman (Deputy Olivia Mitchell):** Agreement to Seanad amendments will be reported to the House and a message will be sent to Seanad Éireann acquainting it accordingly.

**Deputy Brian Hayes:** I thank the Deputies opposite for the constructive role they played at all Stages of this legislation. I hope the Bill, which passes this House today and will now go to the President, ensures the great Irish credit union movement, which is a standard-bearer of volunteerism and financial support, will continue to flourish in the years ahead. The Bill is consistent with the report of the commission in setting out new standards and a roadmap for the development of the movement. I also thank the officials of the Department of Finance who have worked day and night to ensure this Bill could be passed by the end of the year.

Seanad amendments reported.

*Sitting suspended at 5.15 p.m. and resumed at 5.30 p.m.*

### Topical Issue Matters

**Acting Chairman (Deputy Olivia Mitchell):** 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 Mick Wallace - the decision-making process behind the allocation of national lottery funding to sports clubs; (2) Deputy Thomas P. Broughan - the need to address the growing housing waiting lists on Dublin’s north side and particularly in the Dublin City Council administrative area; (3) Deputy Aengus Ó Snodaigh - the impact of the changes to the PLC pupil-teacher ratio; (4) Deputy Jonathan O’Brien - the effects of the Health Services Executive’s plans to reconfigure therapy resources such as speech therapy, occupational therapy, and physiotherapy into geographically-based teams; (5) Deputy Shane Ross - the proposed closure of Stepaside Garda station, County Dublin; (6) Deputy Ann Phelan - the need to lower the rate of VAT on nicotine replacement patches; (7) Deputy Michael McNamara - the need to give courts discretion not to allow banks that have refused offers of restructuring to repossess family homes; (8) Deputy Joan Collins - the demand in the most recent troika review for legislation to enable banks to more easily repossess properties through the courts; (9) Deputy Clare Daly - the privatisation of 10% of Dublin Bus routes; (10) Deputy Mattie McGrath - the need to debate the McCrystal judgment recently handed down by the Supreme Court; (11) Deputy Seamus Kirk - the need to reverse the cuts to home help services that have been implemented during 2012; (12) Deputy Charlie McConalogue - the impact of the increase in the pupil-teacher ratio in PLC schools and the number of posts that will be lost in 2013; and (13) Deputy Robert Troy - the provision of broadband in rural areas.

The matters raised by Deputies Jonathan O’Brien, Seamus Kirk, Ann Phelan and Thomas P. Broughan have been selected for discussion.

### **Equal Status (Amendment) Bill 2012: Order for Second Stage**

Bill entitled an Act to amend the Equal Status Act 2000; and to provide for related matters.

**Minister of State at the Department of Justice and Equality (Deputy Kathleen Lynch):**  
I move: “That Second Stage be taken now.”

Question put and agreed to.

### **Equal Status (Amendment) Bill 2012: Second and Subsequent Stages**

**Minister of State at the Department of Justice and Equality (Deputy Kathleen Lynch):**  
I move: “That the Bill be now read a Second Time.”

I am pleased to present this Bill, which will give effect in Ireland to the mandatory introduction within the European Union of unisex premiums and benefits in private insurance to which Council Directive 2004/113/EC applies. This directive, known informally as the gender goods and services directive, implements the principle of equal treatment between men and women in the access to and supply of goods and services. In its decision of 1 March 2011, in case C-236/09 taken by a Belgian consumer rights organisation, the Court of Justice of the European Union declared that Article 5(2) of this directive was invalid, with effect from 21 December 2012. This decision, known as the Test-Achats ruling, is binding on all member states of the European Union. The provision thus struck down had allowed an exception from the principle of equal treatment enunciated in the regulation so that insurance companies could price life and motor insurance products differently for men and women, where this difference is reasonable and supported by actuarial or statistical data.

Ireland availed of this exemption in the Equal Status Act 2000, permitting gender differentiation to continue in the areas of motor insurance, life assurance, critical illness cover, income protection cover, and private annuities and pensions. The effect of the ruling is that Ireland is obliged to prohibit by law the selling of private insurance products which differentiate by gender on price or benefits and to have such provisions in force on or before 21 December 2012. The unisex rule will apply to all contracts concluded for the first time as and from that date. It also applies to agreements between parties, as and from 21 December 2012, to extend contracts concluded before that date which would otherwise have expired.

The European Commission has issued guidelines on the application of this judgment on national legislation transposing directive 2004/113 and on insurance industry practice. I have taken due regard to this guidance and to the intention stated in the directive to avoid sudden readjustment of the insurance market in determining the amendments to the Equal Status Acts necessary to comply with this ruling. As I will explain shortly, these amendments are largely technical in nature. For me and for my colleagues in Government, this ruling highlights the crucial importance of achieving legal clarity in the drafting of legislation at European level to ensure that such instruments are interpreted and have the intended impact.

The Government is conscious of the potential for confusion and misinformation among con-

sumers and insurance providers alike resulting from these changes to the private insurance market. For this reason, in October the Department published an information note for consumers on the new rules on the permitted use of gender by insurance providers and sources of further information and advice. The information note is widely available through public information channels such as the Citizens Information Board. I would like to express thanks to the industry bodies - the Irish Insurance Federation, the Irish Brokers Association, the Professional Insurance Brokers Association and the Society of Actuaries in Ireland - who contributed to the preparation of this advice for consumers. I also thank the Department of Finance, the Department of Jobs, Enterprise and Innovation, the Department of Social Protection, the Central Bank, the National Consumer Agency, the Citizens' Information Board, the Pensions Board, the Equality Authority and the Financial Services Ombudsman's Bureau.

I would now like to highlight some of the main provisions of the Bill. Section 2 provides for amendment of section 5 of the Equal Status Act 2000. It limits the existing derogation from the prohibition on gender discrimination in specified insurance products, provided in section 5 of the Equal Status Act, to contracts concluded before 21 December 2012. This is to ensure the prohibition on gender-differentiated insurance, with effect from 21 December 2012, does not affect existing contracts lawfully entered into before that date. The scope of the prohibition is then expanded by providing in a new subsection (4A) that all contracts within the categories of motor or life insurance concluded for the first time as and from 21 December 2012 must comply with the unisex rule. For the avoidance of doubt and because to determine otherwise would result in a sudden readjustment of the motor insurance market, contrary to the intention of the directive, the second paragraph of the new subsection provides that mid-term adjustments to motor insurance contracts concluded before 21 December 2012 are not considered to be new contracts for this purpose.

Finally, this section provides that the obligation imposed on the Central Bank of Ireland to compile, maintain and publish data to support the existing derogation ceases to have effect from 21 December 2012, while not affecting its obligation to maintain and publish data compiled before that date. Consequential to the cessation of this obligation, section 5 provides for the amendment of section 41 of the principal Act. It has the effect of terminating the Minister's power, which is no longer required, to make regulations with regard to the data to be compiled, published and maintained by the Central Bank.

Section 3 provides for amendment of section 14 of the principal Act to clarify that insurance providers may continue to collect, store and use gender status or gender-related information which is genuinely intended for the purposes of reserving and internal pricing, reinsurance pricing, and life and health underwriting. For example, it is envisaged that insurance providers may continue to gather and use gender data in connection with offering gender-specific insurance products and options within contracts to cover conditions which exclusively or primarily concern males or females, such as breast cancer and prostate cancer.

I have also taken the opportunity afforded in this Bill to address a minor procedural issue regarding equal status complaints referred to the Equality Tribunal for mediation. Section 4 provides for amendment of section 24 of the Equal Status Acts to extend the time available to persons who have referred such complaints to apply for resumption of the hearing in instances where mediation has not resolved the dispute between the parties. The amendment will extend the period, after the issue of a notice of non-resolution, within which a complainant is allowed to make an application in writing for a resumption of the hearing, from 28 days to 42 days. This amendment applies the same conditions to complaints under the Equal Status Acts on failure of

mediation as are already applicable to resumption of complaints under the Employment Equality Acts. The remaining provisions are of a standard or technical nature.

Before concluding, I would like to draw the attention of the House to the technical nature of these amendments, while reiterating that the State has no option but to ensure national law complies with the European Court of Justice interpretation of the gender goods and services directive in this instance. I thank the Members of the House for their attention and I look forward to a detailed discussion on the Bill. I commend this Bill to the House.

**Deputy Niall Collins:** Fianna Fáil supports this Bill.

**Deputy Kathleen Lynch:** Sorry to interrupt, but I wish to apologise for not having a copy of what was a very technical speech available for the Deputies.

**Deputy Niall Collins:** That is fine. I thank the Minister of State. We accept that we have to amend our legislation because the derogation period is coming to an end. On that basis, we understand where the Minister of State is coming from. We are supporting the Bill. We do not have any particular issue with it.

When the Equal Status Act 2000 was introduced, it was a ground-breaking measure. Its effects on people's participation in civil society were felt throughout the country. It was right that so many sections of society, including religious and political organisations, had to ensure they offered a level playing field to both genders. It was important that many clubs and associations in this country experienced a mini-revolution when they had to rewrite their constitutions and go about their business differently. It went a long way towards promoting a greater mix and a greater balance with regard to the participation of women in organisations. Unfortunately, there were one or two high-profile instances of organisations in Dublin not abiding by the new law. One particularly high-profile golf club refused to amend its rules to allow women to become full members. It was regrettable that they did not comply with the spirit of the legislation. Neither I nor my party would subscribe to the notion of having exclusive men-only organisations in a modern society.

Perhaps we should review the complete effectiveness of the Equal Status Act 2000 by carrying out an audit, in so far as possible, of how it is being complied with by organisations throughout the country. That could be done in many ways. Our local authorities, for example, have a substantial active database of all community and voluntary organisations, including sports clubs and non-sporting organisations. If we could audit and monitor the level of compliance with the 2000 Act and the impact it has had, it would be a worthwhile exercise as it would be something we could refer to in time. If that is done, I am sure it will find that the legislation in question has had a very positive effect on the promotion of gender balance and a greater mix of participation by both genders.

One of the major concerns associated with the Bill before is that it will lead to an increase in the premiums to be paid across a number of insurance policies. I suppose the week after the budget is probably a bad week to discuss another increased bill that households will have to face. Given that the derogation will cease on 21 December next and will not apply to new insurance policies written after that date, it is unfortunate that so many insurance premiums are renewed in early January. The timing of this measure is particularly cruel because it means that many people will face increased insurance premiums late this year and early in the new year. In that context, I would like to know whether any regulatory impact assessment was carried out by

the Department. Was that possible? If so, was it published? It might serve to inform the public.

The final issue I would like to raise with regard to this Bill relates to the financial services industry. Many of the organisations that underwrite this business are banks. As we know, some banks are involved in insurance as well as banking. Insurance is one of the many aspects of their financial services activity. We will have to keep an eye on how they treat the application of this change in the legislation. We must ensure they do not use it as an excuse to hike up premiums further than the actuarial people tell them they need to do. In other words, they must not use it as an opportunity to try to grow their capital bases further, or engage in another capital-gathering exercise. People are being squeezed by the banks on many fronts. This should not be viewed by the banks as an opportunity to squeeze the consumer a bit more. Consumers are being absolutely squeezed dry. The Financial Regulator and the Central Bank should have a role in ensuring the banks do not engage in opportunism. Unfortunately, we have learned to our detriment from our experience that the banks will take every opportunity possible to add a greater margin to the margins they are already squeezing out of people with the other products they are selling. Did we get the observations of the Financial Services Ombudsman's Bureau of Ireland as part of the regulatory impact assessment? Did that office make any input during the drafting of the legislation? Has the Department had any particular interaction with the ombudsman in that regard?

**Deputy Sandra McLellan:** As this is a very technical Bill, I will not take up too much time. This Bill has had to be introduced on foot of the ruling by the European Court of Justice that the derogation in the EU gender directive that allows gender to be used as a risk factor in determining insurance costs is illegal. While we are on the matter of European courts, I would like to mention briefly that it is a shame the Government does not seem to hold the European Court of Human Rights in the same regard. I assume that is why it has not legislated for the X case as required by the judgment of the European Court of Human Rights in the case of A, B and C v. Ireland. There is a point to be made here about the role of statistical evidence about risk factors when the price of insurance is being determined. Insurance premiums are based on risk factors. In general, women receive lower premiums as there is a lower risk attached to them. Geographical location is a further risk assessment factor. Insurance costs are much higher in some parts of the country than in others because a higher proportion of road traffic accidents takes place in such locations. My concern about this Bill is that it will not result in lower insurance premiums for male drivers, but higher premiums for female drivers. While it is illegal to discriminate on the basis of gender, I am aware of some insurance companies in Britain that have introduced interesting initiatives to ensure women are not unfairly penalised in their insurance claims. Some insurance companies in Britain are offering discounts for young driver schemes, as well as safe driver schemes in which premiums are reduced for both genders where there is a demonstrable record of safety over a period of time. I hope insurance companies here will do the same.

**Minister of State at the Department of Justice and Equality (Deputy Kathleen Lynch):** I thank both Deputies. I assure Deputy Niall Collins that there was extensive consultation with the entire insurance industry, as well as with the Departments of Finance, Jobs, Enterprise and Innovation and Social Protection, the Central Bank, the National Consumer Agency, the Citizens Information Board, the Pensions Board, the Equality Authority and the Financial Services Ombudsman's Bureau of Ireland. The level of consultation was quite significant. People will always say there could have been additional consultation, but in this case I do not think that would have been possible. Anyone who was seen to be a stakeholder in this sector, including

the consumer, was consulted.

As we all know, this measure has resulted from a case that was successfully taken at the European courts by a consumer group in Belgium. I know people are very conscious of what others pay for their insurance. We tend to know what is being paid. I appreciate what Deputy Collins said about the mortgage protection, income protection and life assurance products offered by banks. This Bill will not affect life assurance unless it is to be taken out after 21 December next and is therefore considered to be an ongoing contract rather than a new contract. Where the major impact will be felt is in regard to new car insurance after 21 December.

Equality is a funny thing. As a woman, I see how it will affect women but, on the other hand, as Deputy McLellan rightly said, if we take out the gender issue, insurance companies will surely be able to take account of the fact that someone is a safer driver, as they have done in the past. No matter what gender they were, in the past unsafe drivers would see their insurance costs rise if they were involved in crashes. It is this type of detail that will be necessary.

Equality is a funny thing. As a woman, I see how it will affect women but, on the other hand, as Deputy McLellan rightly said, if we take out the gender issue out, insurance companies will surely be able to take account of the fact someone is a safer driver, as they have done in the past. No matter what the gender was, in the past an unsafe driver would see their insurance cost rise if they had a crash. It is this type of detail that will be necessary.

While I hate to say the following, it is a fact. People taking out insurance products, whether from a bank, a broker or directly from an insurance company would be wise to get at least three quotes. Just because a person is getting a mortgage from a particular lender does not mean the person must take insurance from that lender. Sometimes people do not realise this or forget it, and while there can be a degree of pressure, customers should resist it.

Comprehensive and detailed information leaflets are available both on the Department's website and on the website of the Citizens' Information Bureau. These have been available on the Internet for some time because we knew this was coming, and all the information the average citizen will need is available.

This is a brief but significant Bill that will have an impact on people's lives in the future. I hope those in the insurance industry will be sensible and take into account that someone is a safe driver, whether male or female.

I thank the two Deputies. It is late on a Thursday evening and I know what it is like to have to stay when the Dáil sits late.

Question put and agreed to.

Bill reported without amendment, received for final consideration and passed.

**Acting Chairman (Deputy Olivia Mitchell):** The Bill will now be sent to the Seanad.

## **Topical Issue Debate**

13 December 2012

## Home Help Service

**Deputy Seamus Kirk:** I raise this issue in the context of the various cutbacks and adjustments that have been made to home support in the caring sector. For elderly people, the disabled, the immobile and the disadvantaged, the home help scheme, along with the other care schemes, is invaluable. The benefit of the health budget to the economy as a whole is obvious. Supporting and maintaining people in a home setting for as long as is practical and possible is very desirable.

There has been a whole sequence of adjustments and cutbacks to the home help scheme, particularly the number of hours available to particular families. While I will not cite the individual cases that have cropped up in the Louth-Meath East constituency, I am sure they mirror the position across the country. I exhort the Minister of State, Deputy Kathleen Lynch, to take a serious and urgent look at the scheme. It is so valuable to people living in a home setting that this bears reiteration time and again. Even at a time when resources are scarce, there is a need to prioritise, and there is certainly a need to prioritise the home help scheme. I encourage and exhort the Minister of State to urgently re-examine the situation to see whether additional resources can be made available to support this scheme.

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** I thank the Deputy for raising this important issue, which is one that needs to be discussed on an ongoing basis. The aim of Government policy remains to support older people in living in dignity and independence in their own homes and communities for as long as possible. This objective is realised through various community-based supports such as mainstream home help, enhanced home care packages, meals-on-wheels and day or respite provision. Our aim is to develop and improve community-based supports where possible, taking account of wider reforms of the health service, the overall resources available and the need for the HSE to meet its statutory budgetary obligations.

The HSE has been developing various operational initiatives to improve its approach nationally to all relevant aspects of its home support services. These include various new guidelines for home care and agreeing a new procurement framework for approved agencies providing such services on a partnership basis on behalf of the executive.

*6 o'clock*

While ongoing developments have been designed to standardise and maximise the use of limited resources in the face of increasing demand, they are also intended to enhance quality, safety and other key aspects of planning and delivering services, for both providers and care recipients alike. The HSE service plan for 2012 originally envisaged some 50,000 recipients of mainstream home help and approximately 11,000 recipients of enhanced home care packages at any one time. Notwithstanding the recently announced reduction in HSE home care towards the end of this year, investment in these services remains significant, with expected outturn expenditure of approximately €320 million for home help and home care packages in the course of 2012.

The recent measures adopted by the executive were designed to secure a reduction of approximately €8 million in expenditure on home help hours to the end of December, equating to some 400,000 hours, and a reduction of approximately €1.2 million on home care packages. Every effort has been made to ensure the impact of these reductions will be minimised for

individual recipients so that services are provided, in the first instance, for direct patient care. Decisions in regard to the provision of home help hours continue to be based on a review of individual need and no current recipient of the service who has an assessed need will be without a provision. The latest information available from the HSE indicates that in balancing overall projected financial savings for the home help budget nationally against maintaining adequate service in individual cases, it will probably not meet the savings target envisaged. The Department continues to work closely with the executive to monitor the position between now and year end.

I emphasise again that in addressing very difficult financial realities overall, protecting community-based services for vulnerable older people continues to be a priority for the Government. However, the challenge facing the HSE in drawing up its 2013 service plan should not be underestimated. I am pleased, therefore, to reiterate our commitment to restore to 2012 levels of service the core community services of home help, home care packages and personal assistant hours.

**Deputy Seamus Kirk:** I thank the Minister of State for her reply. I am somewhat disappointed, however, that the underlying message seems to be that the position is as it is and the prospect of enhanced provision for those who are down to three quarters of an hour of care under the home help scheme are poor. I ask the Minister of State again to examine those cases where the curtailment of hours is such that it is unrealistic to expect that the type of care and support required by individuals and families can be met within the assigned allocation.

I have no reason to question or doubt the provision contained in the Estimate for this scheme. Moreover, I accept the financial constraints with which the Minister of State is dealing. However, this is an absolutely invaluable scheme. If we get to a position where a person of 82 or 83 years of age can be maintained in a home setting for another 12 months rather than being taken into institutional care, there are benefits not only for the individual but also for the State. The arithmetic dictates that providing more resources in this area is in line with best public policy. I urge the Minister of State to endeavour to secure greater resources for the scheme.

**Deputy Kathleen Lynch:** I do not doubt for one minute the Deputy's sincerity on this issue. I am not certain, however, that he heard the last part of my reply, which indicates that we have indeed revisited the matter. I stated:

I emphasise again that in addressing very difficult financial realities overall, protecting community-based services for vulnerable older people continues to be a priority for the Government. However, the challenge facing the HSE in drawing up its 2013 service plan should not be underestimated. I am pleased, therefore, to reiterate our commitment to restore to 2012 levels of service the core community services of home help, home care packages and personal assistant hours.

In other words, we have done exactly what the Deputy is asking.

**Deputy Seamus Kirk:** The challenge here is the inadequacy of the 2012 provision.

**Deputy Kathleen Lynch:** We are all agreed that the difficulties which arose midway through 2012 caused undue hardship. However, that budget has been restored.

### **Special Educational Needs**

**Deputy Jonathan O'Brien:** The Minister of State, Deputy Kathleen Lynch, is well aware of the challenges facing the parents of children with special needs in Cork and their concerns in regard to the process of reconfiguration of service delivery that is now under way. I attended the meeting at which she outlined in great detail what is proposed in this regard and attempted to allay some of the fears that were raised from the floor. The difficulty, however, is that the communication breakdown between the HSE and parents' groups remains a problem. Several of the parents who attended the public meeting and whose children are attending special needs schools had received virtually no information on the proposed reconfiguration before the Minister of State provided some of the details. From speaking to parents in recent days, it seems this communication deficit has not yet been addressed. There are parents who are still not aware of the plans that are being implemented. This is something that needs to be taken on board by the Department.

I am sure the Minister of State is aware of the meeting that took place last Monday in the HSE offices in Cork at which parents of children with special needs had an opportunity to voice their concerns about the changes that are taking place. I assume she received the minutes of the meeting, as did I, which clearly point to the concerns that remain outstanding and which must be addressed as soon as possible. One of the main concerns relates to the issue of parent representation on the implementation groups. The answer attendees received to queries as to whether there might be increased representation was that the proposed complement of four is larger than that in other geographical areas. In other words, the message was that four parent representatives is more than enough. That position must be clarified. At the same time, there is a genuine concern among parents that the requirements of the parent representative role go above and beyond what they should be asked to do. The Minister of State will recall from the public meeting she attended that many people are concerned that anybody who accepts the role of parent representative on the implementation group will be held responsible for all of the decisions made. I accept that the Minister of State sought to clarify this matter at the meeting, but that fear persists.

The other main concern among parents is how the changes can be implemented on a cost neutral basis. In fact, there is a genuine view among parents that it is simply not possible. Nobody has yet been able to provide them with details or a plan for how to improve the services and implement the proposed reconfiguration on a cost neutral basis without impacting on front-line services. If the Minister of State could outline how that is proposed to be achieved, it might ease parents' fears. There was a debate at the public meeting around the need for a mapping of services. An argument is being put forward that such mapping should be in place before the implementation groups are established. To do it the other way around would seem to be putting the cart before the horse. Will the Minister of State comment on that?

There is a danger that parents will be pitted against parents. The minutes of last Monday's meeting show there are already differences of opinion, with parents of children attending mainstream schools or units attached to mainstream schools indicating a wish to proceed with nominating representatives to the implementation group as quickly as possible. On the other hand there are parents of children attending special schools who are very wary about nominating representatives and proceeding with the implementation group. We are already seeing a kind of breakdown within the implementation groups, with parents not being able to agree on the best way forward.

The other concern that came out of the meeting, which I hope will be addressed, was that parents were being asked to partake in the groups but they did not have all the documentation

and did not know what the overall plan was. No policy documents were provided to them for studying before they were asked to join the implementation groups.

**Deputy Kathleen Lynch:** Every parent wants the very best for their child. If one has a child with particular needs, or needs that are different from those of other children, there is always a fear the needs of the child will not be met into the future. That is a normal feeling, something one must accept and realise happens.

On the mapping, the implementation groups and whether the mapping should be in place, I reiterate what I said at that meeting, namely, both can run in tandem. There is no need to hold one up while waiting on the other. Mapping is vitally important, as I have always maintained.

I refer to the Progressing Disability document, which is part of a suite of measures we are taking in the area of disability. It is a very good document that outlines delivery of a service in the community. I understand that people in specialist schools have a difficulty with that taking place. I realise they are happy with the service they have and do not want to lose it so this reaction is very understandable. The difficulties I heard about on that day were in terms of where children must go in order to receive the service, and the type of environment they will face. It should be possible to sort out all these things - they are not impossible tasks but entirely solvable issues.

However, there are swathes of children in the community going to mainstream schools who do not have access to any services. I am not one who says we should run madly ahead with the project or that it is cost-neutral. Nothing is cost-neutral. Even moving something to a new location is not so because one has to look at the location and see what is needed. We must try to ensure that every child has access to a service. The mapping should tell us where the gaps are, which is key to the whole issue. If we find there are gaps in the area of speech therapy, physiotherapy, occupational therapy, psychology and all those things, it will then be my job, or that of whoever stands in this position next time around, to ensure the resources are put in place to fill those gaps. That is what we did in mental health and what we are about to do in the area of older people and old age psychiatry. It is what we need to do.

Above all else, we must ensure every child has access to a service. This is not an overnight project; it will take at least three years. I heard the parents talking about their fears that day and these are genuine fears. Nobody wants other than the very best for their children. I would say to those people they need to be part of the process, if they want to have any influence. That is not to say everything will be agreed. This will not happen, it never does. However, mapping and finding the gaps in the service is vitally important. That is what we did in the area of mental health and we need to do it here too. We cannot continue to allow the resource that is in place to go unused. It is not enough, but the resource I mean is the allied professionals I just named. I do not say this in a negative or disingenuous way. We cannot allow all those people to remain within institutions and only delivering service in those institutions. We must have a more holistic approach and must ensure that children who have a difficulty about going into particular areas are accommodated. I very clearly heard the woman the Deputy mentioned.

This is a solvable problem, however, and we need to look at solutions. This is about delivering a better service to more children, and also to those many young adults who are still receiving the service. That would be the aim but it is not an overnight project and will take time. I urge people to become engaged with the process.

13 December 2012

**Deputy Jonathan O'Brien:** I do not, for one moment, doubt the Minister of State's sincerity about trying to improve the service. I genuinely mean that, because I know her track record in this area. It is very welcome that she has acknowledged today in the Chamber that this project cannot be done on a cost-neutral basis. That is a big fear people have, as the Minister of State will know from the meeting.

I completely agree we must map out the services we need in order to identify the gaps that must be filled. The Minister of State rightly stated there cannot be a situation where people who need services do not receive them. Everybody is entitled to them and should receive them. The mapping process will identify the individuals in question and resources will have to be put in place.

The big fear, however, was about doing the work on a cost-neutral basis. If gaps are being identified which will then have to be plugged with resources, and this is being attempted on a cost-neutral basis, it is easy to understand the fear on the part of parents whose children are attending specialist schools. Their big fear is that in moving to the geographical model services will be taken from some individuals in order to plug the gaps in other areas. The Minister of State's acknowledgment today that perhaps this cannot be done on a cost-neutral basis is a positive step and I am sure if parents heard it they would feel there is an understanding of their fears. If we can achieve this, which is not easy in the circumstances we face with the public finances, perhaps we can have a situation where we do not take from one area that is working well in order to try to compensate another area where there are gaps.

**Deputy Kathleen Lynch:** I will be brief. I approach everything on the basis that people come to the table with the very best intentions. I have always done that and that is how I will continue. Equally, when I am dealing with any situation I ask myself what I would do in that circumstance. I know if I had a child who was receiving a very good service and there was a possibility that service might move to a different location, I would be very nervous about all of that. I understand this, I really do. What we need to look at is how to improve the service. It is not about taking from Peter to pay Paul, which never works: neither Peter nor Paul is happy. We really need to start improving the service.

We have used a model which I am reluctant to mention because I know it could be misinterpreted and I do not mean it in that way. The model we used in the area of mental health, whereby we mapped what was necessary for delivering the service in the community, is a good one and we must consider it. The deeds will be different in the area of disability and we understand that. Nevertheless that type of mapping process works. It looks at where gaps exist and what is necessary to ensure they are filled, not by robbing Peter to pay Paul but by taking a look at the kind of enhanced budget we need. This may be a separate budget. In mental health, we used developmental money rather than a centralised budget. That is the direction we need to take and we must look at it.

That answer will not satisfy the parents we met in Ballincollig - at this time. However, if we have a view of where we want to get to and if there is an incremental plan of how to get there, we could go on this journey together.

## **Tobacco Control Measures**

**Deputy Ann Phelan:** I thank the Ceann Comhairle for allowing me to raise this important

matter. According to ASH Ireland, the prevalence of smoking in this country stands somewhere between 26% and 29%. While the position in this regard is better than it was a generation ago, when nearly half of the population smoked, the figure remains high, particularly in comparison to that in places such as California where only 11% of the population smoke, or Norway where the figure is 17%. Smoking must be one of the greatest causes of health problems, with most smokers admitting that they wish they had never begun in the first instance. Smoking is an extremely difficult addiction to overcome and a very expensive habit.

We have made great strides in reducing the level of smoking, having banned it in so many public places. It is well known, however, that the cost of nicotine replacement therapies such as gum, patches and the newer artificial cigarettes is a factor in ensuring some people continue to smoke. They are very expensive, particularly in comparison to the prices paid by our friends north of the Border and throughout the United Kingdom. A major factor in the difference in price is that the British Government has introduced a special VAT of just 5% for these therapies. In Ireland, however, we charge a rate of 23%. This is what gives rise to the significant price differential between Ireland and the United Kingdom. If we could follow the example of the United Kingdom and introduce a similar rate here, the knock-on effects for smokers and the Exchequer would be tremendous. Over 5,500 people die each year as a result of smoking-related illnesses. It is estimated that we spend close to €1.5 billion in treating these illnesses. While a reduction in VAT might result in a small shortfall for Revenue, we should consider the savings to be made in the long term if the beleaguered Department of Health were obliged to deal with fewer smoking-related illnesses. We must do everything possible to reduce the startling statistics for smoking. We can only bring about such a reduction if we help people to give up smoking, while also deterring young people from taking up the habit. Having nicotine replacement therapies available at a reasonable price would definitely assist those trying to beat the addiction.

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):** I thank the Deputy for raising this important issue, to which I am replying on behalf of the Minister for Finance, Deputy Michael Noonan. I welcome the opportunity to outline the position on the question of the VAT treatment of nicotine replacement patches posed by the Deputy.

I wish to explain that, when considering the VAT system and the VAT treatment of any product or service, the VAT rating of goods and services is governed by the requirements of the EU VAT directive with which Irish VAT law must comply. In this regard, it may be useful to remind the House of the structure of Ireland's VAT regime. As the Deputy will be aware, Ireland operates a number of VAT rates. The standard VAT rate of 23% applies to the majority of goods and services, including cars, petrol, diesel, alcohol, tobacco, electrical equipment, CDs and DVDs. There is also a reduced rate of 13.5% which applies mainly to fuel used for heat or light, construction, housing, labour intensive services and general repairs and maintenance. A second reduced rate of 9%, introduced as part of the jobs initiative, applies mainly to tourism-related services, including hotel and holiday accommodation, restaurant services and some entertainment services. The zero rate of VAT generally applies to most food, children's clothes and shoes and oral medicines.

As the Deputy correctly pointed out, nicotine replacement patches are subject to VAT at the standard rate of 23%. Unlike other nicotine products such as inhalers, tablets and chewing gum which are categorised as oral medicines and which thereby qualify for the zero-rate of VAT, nicotine replacement patches are not considered to be oral medicines and are, therefore,

correctly subject to the standard rate of VAT of 23%. However, I understand from the Revenue Commissioners that member states have the option, under Annex III of the EU VAT directive, of applying a reduced rate of VAT to pharmaceutical products of a kind normally used for health care, for the prevention of illnesses and medical treatment purposes. In this regard, since nicotine replacement patches could be considered to meet such criteria, Ireland would have the option of applying a reduced rate to such products. However, constraints imposed by the VAT directive on the number of reduced VAT rates which a member state may operate at any one time would not allow for the possibility of a special reduced VAT rate of 5% to match, as suggested by the Deputy, that which applies in the United Kingdom. Article 98 of the directive provides that member states may apply either one or two reduced rates to the goods and services listed in Annex III. The introduction of a third reduced VAT rate would, therefore, not be possible under EU VAT rules. Accordingly, any reduction in the VAT rate on nicotine replacement patches would have to be considered in the context of the existing 9% and 13.5% reduced rates.

A proposal to reduce the VAT rate applying to any good or service raises a number of issues. The Deputy will not be surprised if I emphasise the need to maintain VAT revenues and also the need to ensure losses to the Exchequer in these difficult economic times are avoided. Notwithstanding the potential health benefits which may accrue from the use of nicotine replacement patches, losses in one area must be balanced by savings or increased taxes in others. The issue of the degree to which the consumer might benefit from a reduction in VAT on nicotine replacement patches also arises. In this regard, there is, unfortunately, no guarantee that moving standard-rated products to a reduced rate of VAT would necessarily be reflected in full in the retail prices charged to consumers. Any dilution of the potential benefit to the consumer would obviously be a major concern and effectively negate the promotion of the use of nicotine patch technology.

In the context of the imbalance of price between Ireland and the United Kingdom to which the Deputy refers, cross-Border shopping studies indicate that fluctuations in the exchange rate between sterling and the euro represent the most significant influence on price. In this respect, the current exchange rate between sterling and the euro should provide less incentive for people to shop outside the State. The report of the implications of cross-Border shopping which was undertaken on behalf of the Minister for Finance by the Revenue Commissioners and the Central Statistics Office notes that the main causes of price differentials between goods in Northern Ireland and the Republic are operating costs, profit margin or mark-up, taxes and the exchange rate between sterling and the euro. While variations in VAT rates widened some price differentials, their impact remained small compared to the significance of the change in the exchange rate.

I again thank the Deputy for raising this matter. I hope I have clarified the position on the VAT treatment of nicotine replacement patches and the situation regarding the possibilities available under the EU VAT directive.

**Deputy Ann Phelan:** I thank the Minister of State for his reply and highlighting the various rules which apply. I remain of the view that this is an area in which we should do a great deal more work, particularly as the benefits for Ireland and other member states would be very significant. It is stated one's health is one's wealth. If we can help people to stop smoking, we will have done a great deed. Nicotine replacement therapies are sold from behind the counter in Ireland, whereas in the United Kingdom and most other countries they are sold off the shelf. They are also sold exclusively by chemist shops in this country, but elsewhere one can purchase them from a wide variety of outlets, which makes matters much easier for those who want to

quit. I am determined to pursue this significant issue which has major implications for people's health and the Exchequer. We must do everything in our power to help people stop smoking, particularly as the habit is so closely associated with the lower socioeconomic classes. In the case of a person in receipt of a benefit payment of €188 per week and who smokes 20 cigarettes a day - most people smoke more at weekends - one can calculate that he or she spends €60 to €70 a week on tobacco, which is a significant amount of money. If we put in place a task force to assist people on benefits to quit the habit, this would go a long way towards helping such individuals rebalance their budgets rather than watching their money go up in smoke.

**Deputy John Perry:** I appreciate fully the point made by Deputy Phelan. She correctly described the impact on public health of the sale of tobacco. I suggest the promotion of nicotine patches is an issue she could discuss with the Minister for Health, Deputy Reilly. It may be possible to have nicotine patches on open display to make them more available to the consumer. The cost of 20 cigarettes is the best part of €70 a week. This is a major expenditure for people on low incomes. More than 5,500 people die in this country every year from smoking related diseases. The consumption of cigarettes is detrimental to people's health.

I refer to the issue of the illegal importation of tobacco products. Cigarettes are being sold door to door. This is illicit tobacco and the quality is dubious. Any tobacco is bad but this illicit tobacco is substandard and the quality is even worse.

The Minister for Finance referred to the possibility of a VAT rate of 9% or 13.5% on nicotine replacement patches. I suggest the Deputy could pursue this issue with him. I am certain a self-financing mechanism would benefit the State and the health of the population. I agree with the Deputy that these products should be more available.

**Deputy Ann Phelan:** I thank the Minister of State for his very positive response to this issue. I take the point about the 9% VAT rate and the 13.5% VAT rate. Anything that could be done to lower the rate to encourage people to quit the smoking habit would be welcome. I will pursue the issue with the Minister for Health.

### **Social and Affordable Housing Provision**

**Deputy Thomas P. Broughan:** The social housing programme has collapsed in most constituencies, including mine. Dublin City Council figures show that last year, 16,600 families and individuals were on its housing waiting list, with 7,538 on the transfer list. A total of 32% of applicants were waiting more than five years, with 2,544 waiting more than seven years. I describe these figures as deeply damaging to the credibility of Dublin City Council and the Government. In addition, Fingal County Council confirmed to me that 9,082 families and individuals were waiting for housing on its council housing list.

When Members of this House are able to retire to our comfortable homes or lodgings after long days in the Dáil, 80 to 90 people will be sleeping on the streets of this city. They will sleep outside on this very night as they have done over recent bitter November nights. It is unacceptable and disgraceful.

Like other Members I receive many phone calls and e-mails from constituents. I meet many of them at my weekly information clinics who are in dire straits with regard to housing. They describe very difficult home circumstances. They may be on a housing waiting list for anything

from five to 13 years. A typical example is a young woman with three children who has been living for the past five or six years in very cramped conditions with her adult siblings and her parents in a modest two-bedroom house.

A few weeks ago I asked the Taoiseach whether a social housing investment programme would be implemented in 2012. I have studied budget 2013 as best I can but I have not found any evidence of any serious intent on the part of this Government to address this issue. I estimate that perhaps only a few dozen individuals and households were rehoused in the past year in my constituency out of the 4,000 on the Dublin North-Central housing list.

The Minister of State with responsibility for housing, Deputy Jan O'Sullivan, is committed to tackling the issue but it is impossible for any progress to be made unless proper funding is allocated to kick-start the social housing programme. This would also have a beneficial effect on the construction industry.

I have spoken about the appalling treatment of citizens who have been left on the waiting list, in some cases for up to 15 years. I have long urged Dublin City Council to move away from its historic points-based, priority-based housing list system to a system based on time on the list, as used in Fingal County Council. I am a former Dublin City Council councillor. The council last week decided to move to the system of time on the list, which is a fair and transparent system. It is a case of first come, first served. It now awaits the Minister, Deputy Hogan, to sign the regulation. When will he sign that regulation?

Under the Fianna Fáil regime led by Ahern and Cowen, the failure of local authorities to provide social housing meant a massive growth in the private rental sector. In the past five years since 2007, almost €3 billion has been expended on rent supplement allowances. This money has gone into the pockets of private landlords. Ordinary constituents wonder why that money was not used to fund a housing programme.

When will the promised housing Bill come before the House? I refer in particular to provisions in respect of the administration of voluntary housing bodies. My constituency has organisations such as NABCO, Iveagh Trust, Respond and Clúid. There is no legislation governing estate management and tenancy and it is urgently needed.

The Minister, Deputy Hogan, gave two deadlines - the first Sunday in September and then a further ten days - to the developers, builders, auctioneers, insurance companies in respect of the pyrite disaster. He keeps issuing deadlines but when will he take action? When will he decide to levy the industry which did those terrible things to households? People are upset that they are expected to pay a housing tax - which the House will discuss tomorrow - on houses which are worthless because they need to be remediated. I ask the Minister of State to bring these points to the attention of the Minister.

On a final point, I ask the Minister of State to ask if the Minister will join us next Monday at 7.30 p.m. at Priory Hall for a candlelight vigil. Those families - a total of 250 people - are facing a second Christmas out of their homes at Priory Hall. I am sure they would be delighted to see him at the vigil next Monday night at Priory Hall.

**Deputy John Perry:** I thank Deputy Broughan for raising this issue. I may not have the comprehensive reply he wants but I will bring his concerns to the attention of the Minister, Deputy Hogan. The current economic crisis is severely testing the capacity of the State to meet social housing need. Financial considerations mean local authorities are effectively no

longer engaged in large-scale housing stock construction programmes at the very time when demand for housing services is at its greatest. The Government's housing policy statement, published in June 2011, sets out a new approach for housing provision that recognises these key unfortunate realities. It is specifically predicated on a tenure-neutral approach that focuses on enabling households to access the housing solution that best suited to their needs at a point in time. While home ownership is still a very valid aspiration for a majority of households, it is no longer the acme of all tenure options.

The Department of the Environment, Community and Local Government, in conjunction with the housing authorities and with not-for-profit approved housing bodies, is engaging in a range of innovative and flexible housing solutions to meet housing need in general, and homelessness in particular. I acknowledge the Deputy's campaigning work on behalf of the homeless. I sympathise with the fact that up to 80 people are sleeping on the streets of Dublin tonight. I cannot even imagine what it must be like on such a cold evening. I appreciate the Deputy's point about homelessness.

The Department's approach to homelessness is to focus on providing people with a home where they can live as full and valued members of society. That is why Government policy in this area is moving to a housing-led approach rather than the traditional model that places hostel or shelter-type accommodation at the centre of accommodation provision. This change will take time to implement, but the Minister of State, Deputy Jan O'Sullivan, is committed to seeing it through. People deserve the dignity of a home. We must obviously bear in mind the financial constraints.

Early in the new year, the Minister of State, Deputy Jan O'Sullivan, will be issuing a policy statement on homelessness. This will indicate what we expect from housing authorities and other stakeholders in accelerating progress towards realising the ambition of eliminating involuntary long-term homelessness. The Minister of State has sought to put in place real solutions for people who find themselves without a home. Investment of nearly €50 million has been provided by central and local government in the provision of homelessness services in 2012.

With regard to wider demand for social housing, the Government's focus is on optimising the delivery of social housing for the resources invested. To achieve this, it is essential that we tailor the use of available Exchequer supports to prevailing conditions and explore the full range of solutions to address housing needs.

The social housing capital budget has had to be reduced from €1.535 billion in 2008 to just over €333.7 million this year - this is a considerable reduction - and the financial parameters within which we will be operating for the coming years rule out a return to large capital-funded construction programmes. Nevertheless, the Minister of State is committed to responding more quickly and on a larger scale to social housing support needs across the country through a variety of mechanisms, including through increased provision of social housing. Delivery is being significantly facilitated through more flexible funding models such as the rental accommodation scheme and leasing, but the Minister of State is also developing other funding mechanisms that will increase the supply of permanent new social housing. In spite of these challenging circumstances, a tentative projection of 4,000 housing units is anticipated for 2012.

The Minister of State will continue to target available resources to ensure the critical housing needs of the most vulnerable sectors of our society are addressed. Precise data are critical in this regard, which is why the Department of the Environment, Community and Local Gov-

ernment will in 2013 carry out a full housing-needs assessment, the first such assessment to be carried out under the 2009 housing Act. This will give a comprehensive picture of real need and help to direct scarce resources to best effect.

I will pass on Deputy Broughan's concerns on Priory Hall to the Minister, Deputy Hogan.

**Deputy Thomas P. Broughan:** I warmly welcome that because the householders of Priory Hall are anxiously awaiting the recommendation of Mr. Justice Finnegan. Those with pyrite damaged homes are waiting to know whether the Government will put in place a facility regarding the new house tax, which is having an impact on them, and whether the deadline has been reached.

The current social housing capital budget is €333.7 million, a very disappointing sum. The Government is supposed to be getting €400 million plus for the 4G communications auction. Could at least part of this not be hypothecated to address the awful housing problem? Might this be considered? I understand we are not going to make the promissory note payment at the end of March. We slotted into the Estimates for the medium term approximately €5 billion between interest and capital repayments. Are there not more areas in the kitty that the Minister for the Environment, Heritage and Local Government should be examining to kick-start the sector and get all the unemployed construction workers back onto the sites?

It is shocking that 80 to 90 people might be sleeping out tonight. There was a recent tragic death involving a homeless person in Bray. This urgent issue needs to be addressed in the coming days. When will the housing Bill be introduced?

With regard to the rent-to-buy and rental accommodation schemes, the Minister of State, Deputy Perry, mentioned various initiatives. Do the Minister, Deputy Hogan, and Minister of State, Deputy Jan O'Sullivan, intend to do something more dramatic regarding plans for long-term rental?

Has the Minister of State given any consideration to allowing local authorities themselves to engage in housing construction like the voluntary bodies by establishing their own construction and housing-management companies? It would involve emulating what Clúid, NABCO and other bodies have done. Thus, local authorities, such as Sligo county and city councils, could take the initiative rather than wait for individuals in the community to do so.

**Deputy John Perry:** The Minister, Deputy Hogan, is very far-reaching in his thinking. The biggest shake-up in local government in 100 years has taken place under his watch. This involves a considerable change of mindset. Bearing in mind the limited budget and very scarce resources, I am quite certain value for money will be achieved in respect of the buy-to-let and rental accommodation schemes.

**Deputy Thomas P. Broughan:** We need more money.

**Deputy John Perry:** Given the amount of rental accommodation available throughout the country, not only in Dublin, I have no doubt the Minister and Minister of State, Deputy Jan O'Sullivan, will do their very best to obtain the best value for money despite the very limited resources made available through the voted Estimate.

It is obviously a matter for the Minister for Finance to deal with the money allocated for the 4G communications auction. I will raise the timeline for the legislation with the Minister

for the Environment, Community and Local Government. I note what the Deputy said and the Minister will revert to him.

With regard to homelessness and people sleeping out, we are very fortunate that there are some fantastic services providing short-term solutions. Members of the voluntary sector are bringing people into shelters in the city every night. I hope sincerely that the homeless will be facilitated in every way possible. Members of the Garda Síochána are identifying people. It is very important that, in the short term, the homeless must be facilitated, especially in this very difficult climate. This is only a short-term solution, not a long-term one.

## **Ceisteanna - Questions**

### **Priority Questions**

#### **Dairy Sector**

1. **Deputy Seamus Kirk** asked the Minister for Agriculture, Food and the Marine the advantage to milk producers of the milk quality assurance scheme; and if he will make a statement on the matter. [55818/12]

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** The development of a dairy sustainability and quality programme comes against the background of ambitious plans under the Food Harvest 2020 report to increase dairy production by 50% in the period to 2020, and the need to find a home on international markets for this additional production.

We are taking a series of steps on a number of levels to prepare for this. State agencies, the Department and companies are working together to restore new markets in areas such as Asia, the Middle East, Russia and Africa. We are also developing a common brand, Origin Green, across the food industry generally. This is about differentiating Irish food from food produced in competitor countries. Essentially, it is a sustainability claim backed up by data that are internationally accredited in respect of how food is produced in Ireland. Part of building that brand requires a sustainability and quality programme for primary producers of dairy projects. This is why, in last year's budget, I announced that I wanted to see the rolling out of a quality or sustainability programme among the 18,000 dairy farmers in the country to ensure we could stand over our collective dairy industry and say we produce milk to a certain standard. This will not be some kind of inspection-based witch-hunt of farmers; it will be quite the opposite. We will roll out the programme in the same way that the carbon-footprinting programme has been rolled out for the beef sector. By the end of this year, 32,000 beef farms across Ireland will be carbon-footprinted. When we sell a steak, not only will we be able to put on the label the traceability claim indicating the farmyard from where it came, we will also be able to tell buyers the carbon footprint of the animal that produced it. We want to provide similar sustainability claims for dairy production in Ireland. Bord Bia is working with all the interested parties and

farming organisations to ensure we get buy in from farmers and that we insulate the Irish dairy industry from price volatility in the future on the basis of quality and the data we collect which can prove sustainability.

**Deputy Seamus Kirk:** I thank the Minister for his comprehensive reply. In his preamble to the points he made about the proposed scheme, he said the background to this is Food Harvest 2020 and the projected increase in dairy production in Ireland. I understand Teagasc has prepared expansion plans for the dairy industry and the plans indicate it will be expensive to expand. This industry, by its nature, is capital intensive and there is a low margin return on the money invested in it. When the inevitable price volatility that will arise for the dairy sector is injected into the mix, any proposal that will increase costs for the farmer, or a combination of farmers in partnership arrangements, is dangerous territory to approach.

Is the model of the proposed scheme a template taken from somewhere else? Has it been modelled on a template in some other jurisdiction across the Community? For instance, will the authorities north of the Border have a parallel scheme running alongside our proposed scheme? The core question is the additional cost that will be imposed on farmers who will be stretched financially to meet the expansion objectives set out in Food Harvest 2020.

**Deputy Simon Coveney:** The best way farmers can insulate themselves from the price volatility that will happen in the future is to ensure Irish product get differentiated from other product. Let us not forget that more than 85% of all the milk we produce is exported in various forms, be it infant formula, skimmed and semi-skimmed milk, cheese, yoghurts and all the other products in which milk is an ingredient. If we are to be able to demand a higher price for our product in the future, which we will need to do, and move away from being a commodity producer of volume to being a quality producer of volume, targeting the top 10% price area in the new markets we are exploring, we have to be able to stand over the way in which our food is produced. The sustainability and quality programme will not cost farmers a great deal of money, in fact it will help them to run their businesses more efficiently. If a farmer is using less water, has more feed conversion efficiency and more efficient grazing management, his business will be more efficient and sustainable. The combination of those two factors will improve the standard of dairy farming in Ireland, which will be beneficial for everybody.

In the context of the capital investment farmers have to make, we will make more than €10 million available to dairy farmers next year in the form of the TAM scheme, which is half of the overall scheme as such, to help them with the costs of expansion, growth and upgrading their equipment.

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

Environmental sustainability is an increasingly important issue in the marketplace for many multinational dairy and food operators, many of which now have sustainability as a core part of their corporate strategies. During my trade missions to China and the US in 2012 it was clear that the sustainability and quality messages have a strong resonance both with potential customers for Irish food products and with potential investors in the Irish agri food sector.

Developing a unique selling point for Irish food products is a critically important element of the national strategy for the development of the sector. It is particularly relevant in the dairy sector where we will need to maximise market returns for significantly increased production in competitive markets worldwide. Ireland is well placed to develop a national brand image based

on a reputation for high quality dairy products, and on its mild maritime climate, plentiful supplies of water, grass based production and an already positive green image.

In that context, earlier this year, Bord Bia launched its “Origin Green” programme, which establishes a framework within which Irish food companies can have their green credentials independently measured. This will be a critically important element in the development of the Irish food sector in the coming years and its promotion on international markets. The key is to build independently verifiable metrics, which can be used in the marketplace, around Ireland’s already positive green image.

It is equally important to develop an independently accredited sustainability and quality programme at farm level for the dairy sector as part of that overall strategy to enable the sector point to verifiable attributes in maintaining and expanding its market share. There is also a strong correlation between the measures needed to improve environmental sustainability and to improve hygiene and other quality practices on farm, and those needed to reduce the costs of production at farm level and improve profitability.

In that context, and following extensive consultations with stakeholders in the first half of 2012, I announced in June that Bord Bia would begin detailed work on the development of a national sustainability and quality programme for the dairy sector to be used as a key element in marketing and promotional efforts on international markets. The programme will provide an independently accredited framework for operating best practice quality and sustainability principles on Irish dairy farms, and an objective and uniform mechanism for measuring compliance with these principles. It will also provide a vehicle for encouraging continuous improvement in production standards on Irish farms, underpin the marketing of Irish dairy products internationally and provide additional assurance for potential investors in Ireland.

Stakeholders are currently engaged in detailed technical discussions on the development of the programme, under the aegis of a technical advisory group convened by Bord Bia to progress the issue, and I hope it can be finalised in the near future.

### **Agriculture Schemes Expenditure**

2. **Deputy Martin Ferris** asked the Minister for Agriculture, Food and the Marine his views on the impact of budgetary cuts on farm programmes; and if he will make a statement on the matter. [56052/12]

**Deputy Simon Coveney:** As this is a fairly broad question, I will address the issues that might be most pertinent. There has been some criticism since the announcement of the budget that we have targeted certain schemes unfairly and I want to give the Deputy the rationale for why we did what we did. I will deal with the beef sector first.

For the past five years we have had a suckler cow welfare scheme which has been a popular and extremely good scheme. It has significantly improved the welfare standards within the suckler herd and it has provided very valuable data around breeding programmes and fertility within herds to Irish Cattle Breeding Federation, ICBF, which is very useful for planning for the future, breeding programmes and so on. That was a five year scheme and this is the fifth year of it. It has come to an end. I had signalled that I would not be able to continue the suckler cow welfare scheme indefinitely into the future because we do not have the money to do it and it has

come to the end of its five year term. I would have had to have put a new scheme in place and get approval from Brussels for that. Instead we decided to put in place a smaller, more targeted scheme to replace the suckler scheme for the moment, which will cost us approximately €10 million a year and which will pay farmers €20 rather than €40 an animal. We are asking them to continue to supply the kind of data on breeding and fertility they previously would have been providing to the Irish Cattle Breeding Federation, ICBF. We are asking new entrants also to provide that data for that money.

It is important to say in terms of the beef sector, because it is misunderstood, that next year we will spend almost as much on the beef sector as we spent this year. This year we will spend €25 million on the suckler cow welfare scheme in addition to approximately €2 million connected to beef discussion groups which started half way through the year. Next year we will spend €10 million on this new scheme. We will spend €10 million on the existing suckler cow welfare scheme where the payments will be paid next year in respect of calves that were born in the second half of the year, and we will spend €5 million on beef discussion groups on this sector next year. That is €25 million that will be spent on suckler beef next year which is not a significant difference from what was spent on that sector this year, although I accept the make-up and design of those payments are different. I will address one or two of the other sectors related to the sheep sector and DAS payments when I get an opportunity to do so later.

**Deputy Martin Ferris:** I thank the Minister for his reply. He is aware that farm incomes have fallen by 22% up to November of this year. That is an average payment of approximately €18,000 which is well below the industrial wage. I am sure he is also aware of the plight of the weaker farmer, which includes farmers in the suckler welfare scheme, those on previous REP schemes and so forth, and the fact that such schemes were instrumental to the viability of that type of farming. Notwithstanding the tremendous work regarding the provision of data and so forth, the suckler scheme has had a huge impact on the quality of calves being born and in terms of the finished product, and everybody benefited as a result.

It is not the remit of the Minister's Department, but the farm assist scheme has been cut by approximately €8 million. The farmers in that scheme are the most marginal and they are struggling to survive and care for their families. These cuts will have a detrimental effect on that type of farming in particular because one will find that the farmers in the suckler welfare scheme and some people involved in sheep farming are also dependent on farm assist. While the Minister might try to make up that loss another way, perhaps by compensating for the situation in regard the suckler welfare scheme, the farm assist being cut as well will make it almost impossible for these type of farmers to survive.

**Deputy Simon Coveney:** There is a genuine concern about ensuring that farmers on relatively small farms in very disadvantaged areas are provided with enough support to keep them on the land. That is the reason, in terms of the savings we must make in the disadvantage areas scheme, we have excluded mountainous farmers from any of those savings to ensure nobody farming in a mountainous area - that is 32,000 out of the 100,000 - will face any reduction in their incomes. Regarding the low land disadvantaged area farmers, instead of reducing the rate for everybody, we have reduced the eligible hectareage for people to again protect smaller farmers. In other words, instead of claiming the payment on 34 hectares as a maximum it will be claimed on 30 hectares as a maximum. I have tried to prioritise the most disadvantaged farmers, that is, the people on the mountains and the smaller farmers within the disadvantaged areas scheme, DAS, in lowland areas. A total of 73% of people in disadvantaged areas will be unaffected by the reductions and the remainder will see a reduction of an average of about

11% but those decisions were made to protect those with holdings and the most disadvantaged people within DAS areas. The same applies to the suckler scheme. Those who apply for the new suckler scheme in terms of the data transfer scheme will automatically get €20 per cow for the first 20 cows.

*7 o'clock*

The average size of a suckler herd is 16 cows while the average size of a suckler herd in the suckler cow welfare scheme is 18 cows. We are trying to prioritise smaller farmers. If we have moneys left over after that, then we will give it to the farmers who have more than 20 cows. I believe there will be some money left over to give top-up payments to farmers with 30 to 40 suckler cows.

This was the third year of the three-year sheep grasslands scheme. We have decided to continue with the scheme, which will be paid for by unspent moneys under pillar 1. While we have reduced the cost of it from €18 million to €14 million, we have made up for that by introducing a discussion group, similar to the ones that have worked so well for the dairy sector, which will bring farmers together to discuss how they can improve their businesses and make more money in the marketplace. We will spend €3 million on these discussion groups next year. The total spend on the sheep sector next year will be more or less the same as this year's. I have worked hard to achieve this, as I see the sheep sector as a vulnerable area.

### **Harbours and Piers**

3. **Deputy John Halligan** asked the Minister for Agriculture, Food and the Marine further to Parliamentary Questions Nos. 521 and 522 of 4 December 2012, when a decision will be made in relation the potential inclusion of Dunmore East Harbour, County Waterford, under the 2013 Fishery Harbour and Coastal Infrastructure Capital Development Programme; if he will confirm where Dunmore East Harbour sits in relation to other competing priorities; if his attention has been drawn to factors (details supplied); and if he will make a statement on the matter. [56183/12]

**(Deputy Simon Coveney):** My Department administers the fishery harbour and coastal infrastructure capital development programme every year. Dunmore East fishery harbour centre is one of the six designated fishery harbour centres which are owned, managed and maintained by my Department and, as such, it receives funding annually on foot of the programme.

My Department continues to support the harbour's development with funding provided for maintenance, development and upgrading works each year. Indeed, expenditure under the programme for Dunmore East since 2007 has been in the order of €4 million. This is in recognition of the valuable contribution the harbour makes to the fishing industry as well as the local community in terms of the support the harbour infrastructure provides to the development of the tourism industry and the local economy generally.

Dunmore East fishery harbour centre provides a dedicated and essential service to our fishing fleet. Both local and visiting fishing vessels, including vessels of significant dimensions, avail of the harbour facilities at Dunmore East. I am happy to report the investment in Dunmore East fishery harbour centre in recent years is bearing fruit. Indeed, the Sea-Fisheries Protection Authority's records indicate a year-on-year increase in fish landings in recent years.

13 December 2012

My Department's officials host a harbour users' forum regularly and meet with local stakeholders and harbour users. This forum provides a platform for harbour users to air their views and gives my officials an opportunity to hear at first hand the concerns and suggestions of the people using the harbour facilities. As recently as July of this year, the Dunmore East tourism group, which plays an active part in the harbour users' group, formally complimented both the appearance of the harbour and the good work being done there by my Department.

The need for dredging works at the harbour has been recognised by my Department. Reports commissioned have indicated that 80% of the harbour sediment contains tributyltin, TBT. Unfortunately, the cost associated with the disposal of dredge is approximately €5 million. This is a figure we cannot afford immediately but I am conscious of the need to dredge the harbour. We are examining the best way of dealing with this as safely as we can given our budgetary constraints. The total harbours budget this year was €7 million and the cost of cleaning Dunmore East is €5 million. The Deputy can understand the difficulties I have.

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

This represents a significant expenditure in the current economic environment and I can confirm that my Department's engineering division has engaged consultants to examine and report on a number of alternative options in terms of the structuring of the works and the outlay involved. I expect to have the report in early 2013 and will assess at that stage how best to proceed.

Future investment at Dunmore East and the five other fishery harbour centres will of course be considered each year in the context of available Exchequer funding and overall national priorities. In early 2013, I expect to be in a position to identify projects for inclusion under the 2013 fishery harbour and coastal infrastructure capital development programme at each of the six fishery harbour centres.

**Deputy John Halligan:** Twenty-five years ago, up to 50 fishing boats worked out of Dunmore East employing hundreds of fishermen, with hundreds more employed in fish-processing plants around the harbour. Over the past decade, however, this long-established fishing industry has been under threat from restrictions designed to protect stocks. The local fishermen's co-operative is struggling enormously with EU fish quota restrictions, an aging fishing fleet and poor fish prices caused by low demand due to the recession. As fishing vessels become more technologically demanding, additional pressure has been put on resources and infrastructure. Reduced catches put pressure on employment in the processing sector. Several fish factories have already closed in Dunmore East over the past four years.

Dunmore East Harbour is suffering from inadequate infrastructure to address its potential needs. No dredging of the harbour has taken place for 17 years. Consequently, larger vessels cannot access the harbour. Silting has reduced the depth of the approach under the synchrolift. Despite the fact that it has a lifting capacity of 200 tonnes, it is only suitable for vessels with a maximum draft of about nine feet. Hence, many vessels have to divert to Cork or Howth for docking. This poor access has had a devastating impact on the local fishing fleet.

Since the recession hit, several hotels and restaurants in Dunmore East have closed. There is a significant scarcity of work and little or no investment in local industry. It is well recognised that the average income in the fishing village is below the national average. The local community has suffered significantly in the past several years, with a 12% decline in popula-

tion. Without a properly functioning harbour, we may as well close down Dunmore East.

**Acting Chairman (Deputy Peter Mathews):** There is only one minute left.

**Deputy John Halligan:** Will the Minister reconsider dredging the harbour there? Although he has acknowledged in the past that dredging works in Dunmore East are a priority, it is not possible to wait another five years for this to happen.

**Acting Chairman (Deputy Peter Mathews):** This will have to be just a headline answer as there is only half a minute left.

**Deputy Simon Coveney:** The reality is that nothing can be done if one does not have the money. We have taken on consultants to examine the options-----

**Deputy John Halligan:** The harbour has a turnover of €10 million and we are asking for a €4 million investment which could increase that turnover and, in turn, bring more money into the Exchequer.

**Deputy Simon Coveney:** The Deputy is asking for more than half of my total harbours fund. I simply do not have it. If I had the money, I would be spending it on this. This is one of the harbours that has priority when it comes to dredging investment.

Fish landings at Dunmore East are actually increasing every year. Quotas are significantly up this year and it is my job to negotiate another good deal on the quotas next week. The stocks of cod, haddock, whiting and herring in the Celtic Sea are all up. It is not as bad as some people make out.

I agree there is a significant problem in the harbour and it needs to be dredged. I will do it when I can afford to. In the meantime, we will have to put a plan in place to do what we can do.

### **Common Fisheries Policy Negotiations**

4. **Deputy John Browne** asked the Minister for Agriculture, Food and the Marine the position regarding the common fisheries policy review; the possible implications for Irish fishermen; when he expects this to be concluded; and if he will make a statement on the matter. [56051/12]

**Acting Chairman (Deputy Peter Mathews):** Before we continue, I must let Members know I had a tasty piece of sole before I came into the Chamber. I hope it came from Dungarvan.

**Deputy Luke 'Ming' Flanagan:** Did the Acting Chairman have a bit of sole or a bit of soul?

**Deputy Simon Coveney:** Sole is one of the species whose stock is under pressure in the Irish Sea.

**Deputy John Browne:** The Acting Chairman should not have eaten it then.

**Acting Chairman (Deputy Peter Mathews):** I am glad I did something good.

**Deputy Simon Coveney:** I am hoping to get the best deal I can for fishermen next week in a

whole series of areas, particularly with regard to prawns in the Irish Sea and area VII generally. As part of that, fantastic work has been done by the Marine Institute. One of the stocks under pressure is sole. I hope the Acting Chairman feels guilty now.

**Acting Chairman (Deputy Peter Mathews):** I am sorry to have added to the pressure.

**Deputy Simon Coveney:** I hope he enjoyed it because it might be the last one he gets.

**Acting Chairman (Deputy Peter Mathews):** It was lovely and I recommend it.

**Deputy Simon Coveney:** Deputy Browne has been in this ministry before and will know the preparation required for the negotiations on total allowable catches, TACs, and fishing quotas. These preparations have been completed this year in an impressive manner.

There has been much talk about getting the reforms of the Common Agricultural Policy done during the Irish EU Presidency. I am equally focused on the Common Fisheries Policy. We want to get a deal for all countries but one that will also shape policy to ensure the Irish industry can survive and grow. One of the key issues under discussion is how we deal with discards. At the moment in many of our fisheries up to 40% or 50% of the fish caught are being dumped over the side, dead. They are either juvenile fish or in some cases adult fish. We need and we will find solutions to that and I hope the industry will work with me in the change process.

We are moving towards what is termed maximum sustainable yield in how we determine quotas each year. The idea is that there is a set formula now based on data collection and linked to total allowable catch which can measure what a fish species can take in terms of the amount of fish caught each year to ensure that the stocks can survive and grow. We are trying to apply maximum sustainable yield, MSY, calculations to as many of the stocks as we can and to have enough data to do that by 2015. We are trying to apply it to all the stocks with sufficient data by 2020. That is part of the programme.

The other issue relates to regionalisation of decision making. This is something we are supportive of because we are keen to see countries fishing in Irish waters making decisions on the management of stocks in Irish waters rather than others, but we also want the protection of the Commission to ensure that Ireland does not get outvoted or outnumbered in a regionalisation structure on decision making. For example, we want to avoid a scenario whereby the French and Spanish could gang up on Ireland and make decisions on fish stocks in Irish waters. That would be unacceptable. Only when there is a unanimous decision on a regionalised decision-making process will we support it. Otherwise we want to be able to go back to the Commission, which is essentially there to support small nations.

The challenge is to find common ground with the European Parliament. I will spend a good deal of time in Brussels talking to people in the European Parliament about how to ensure that the Council, which is represented by Ministers, and the European Parliament can come together in a co-decision process to find a compromise position on the future of the fishing industry and to try to get that job done by the end of June next year. I believe it will be possible to do it but it will be demanding.

**Deputy John Browne:** I thank the Minister for his detailed reply and I wish him well at the negotiations in Brussels next week. I imagine he will have the fishermen and the fishery organisations in tow. It is important to the 11,000 people employed in the fishing industry around the

country that the Common Fisheries Policy review leans towards Irish fishermen. They believe that in the past they have not got the best possible deals. Does the Minister believe he will be in a position to conclude the review during the term of the Irish EU Council Presidency?

The Minister has been pursuing the issue of discards, among other issues, since he came to the Ministry. Does he have any other countries on board supporting him on the issue of discards?

In the area of regionalisation one size does not fit all for Irish fishermen but it is an important issue on the agenda.

**Deputy Simon Coveney:** We worked hard during the Danish EU Council Presidency, which was before the current Cypriot Presidency, to get a Common Position on discards by the end of the Presidency, which was the end of June this year. There is a basic agreement in principle on how to address discards. However, dealing with the pelagic sector is different from dealing with the whitefish sector and there is a recognition of this, in particular in the whitefish sector, in which there are mixed fisheries. For example, off the south coast of Ireland at Dunmore East if one is catching cod, one is also likely to catch haddock and whiting in the same net. When adult fish species are the same size and a fisherman has a quota to catch two types but not the third, what does he do when he catches all three in the one net? These are complex problems that we must try to solve through more technical measures and more targeted fishing gear. It is one thing to deal with the juvenile fish issue. One can deal with it through measures such as mesh size to allow smaller fish to escape, but in mixed fisheries where one is likely to catch multiple species in the one net because the fish are roughly the same size there are complex problems relating to the management of discards. We are trying to find flexible ways of doing that, minimising discards and ultimately eliminating them altogether. I believe we will be able to do that.

It will be possible to do this before June but it will be challenging because there are deep divisions on some of these issues between member states, some of which are driven by the sustainability arguments while others are driven by the fishing industry. I maintain that they have a common interest and it will be our job during the Irish Presidency to try to bring the two sides together and to agree compromise positions.

### **Land Reclassification**

5. **Deputy Luke ‘Ming’ Flanagan** asked the Minister for Agriculture, Food and the Marine his plans for Castlerea Town Trust, Cow Park Trust, County Roscommon; his position regarding appointing new trustees to such a trust; and if he will make a statement on the matter. [56184/12]

**Deputy Simon Coveney:** I am pleased that the Deputy has asked this question because we discussed it some weeks ago. I am pleased that I have managed to bring the issue forward since that discussion. I wish to make clear at the outset that my reply relates to the public trust set up in 1919 under the provisions of the Land Purchase Acts. To avoid confusion, my Department refers to it as the Castlerea Public Trust because there is another private trust bordering the trust in Castlerea. The Castlerea Public Trust land is registered on folio No. 13684 County Roscommon in the names of the trustees.

Public trusts vest the trust land in the trustees and provide that day-to-day operational mat-

ters relating to the public trust are dealt with by the trustees, appointed from time to time. As Minister, I retain certain residual powers, mainly set out in section 30 of the Land Act 1950. These powers are to appoint the trustees; to alter or amend the terms of the trust; to agree to proposals from the trustees regarding disposal in whole or in part of the trust; and revocation of the trust if it is not being used for its intended purposes.

Castlerea Public Trust was originally created as a cow park trust, where local landless people could graze a cow. With the passage of time as Castlerea town has developed, part of the trust lands close to Market Square have been used by local people for recreational purposes and there are several paths and walkways traversing the trust lands.

As Minister, I am solely empowered to appoint trustees to these Land Act trusts. The existing trustees notify my Department when any appointments are necessary and they also nominate names of persons suitable and willing to act as trustees.

**Acting Chairman (Deputy Peter Mathews):** Minister, the remainder of the reply can be read into the record because there is quite a bit to go.

**Deputy Simon Coveney:** If the Deputy prefers I will get to the meat of it.

**Deputy Luke 'Ming' Flanagan:** Yes, please. If the Minister could do so I would be keen to hear what he has to say.

**Deputy Simon Coveney:** I have only half a page left.

**Acting Chairman (Deputy Peter Mathews):** Okay, but it lessens your time for supplementary questions.

**Deputy Luke 'Ming' Flanagan:** I will chat to the Minister afterwards.

**Deputy Simon Coveney:** The minimum number of trustees in this trust is five and the maximum number is 12. It is important that the replacement trustees are nominated by and acceptable to existing trustees to ensure the harmonious work of the trust. This is especially important in Castlerea because at present the people who are the trustees of the Castlerea Public Trust lands are also trustees of the contiguous private trust lands.

In the case of Castlerea Public Trust, new trustee nominations were recently submitted to me. I have not as yet appointed these nominated parties because I believe it is necessary for the existing trustees to carry out a comprehensive review of the operation of the trust and address in particular the need to modernise the use of the trust from mainly pasturage to accommodate general recreational use. When this review has been completed, I will consider the nomination and replacement of trustees, who may bring additional community value and reflect any new direction established for the use of the trust lands. This will entail the trustees liaising with community leaders for the ongoing development, preservation and increased community use of the important local amenity.

It is my policy generally with Land Act trusts that where agreement can be reached locally, ownership of the trust lands should be transferred to a community company or a co-operative representative of local communities. I endeavour to seek consensus not confrontation in carrying through such a transfer. I am mindful of the fact that the trustees in Castlerea and their predecessors in title have preserved and developed this trust since 1919 as a significant amenity for the area and I hope to be able to move this process forward in a positive way.

**Acting Chairman (Deputy Peter Mathews):** There are only two minutes remaining for this question.

**Deputy Luke ‘Ming’ Flanagan:** I do not often come into the House and praise the previous Government. I hope I can do likewise for this Government. The former Minister of State, Deputy Michael Finneran, stated in this House: “The ... trust does not appear to be answerable to anybody, is not elected, refuses to discuss the business of the town demesne with any local representative group”. That was possibly the first time that the former Minister of State chimed with the people of Castlerea.

In 2005, 1,300 people wrote to the then Minister with responsibility for agriculture asking her to revoke the trust. While she did not do so, she did not appoint any new trustees. This has led to the situation whereby there are now only five trustees remaining. If that number falls below five, it will not be possible to obtain a quorum for a meeting, at which point action will have to be taken. When I heard that an attempt had been made to appoint new trustees, I contacted the Minister whom I thank for taking the time to speak to me on what I know was a busy day for him.

More people have now written to the Minister. I understand some 1,300 people have done so and that there are a further 280 letters on the way to the Minister asking him not to appoint new members to the trust, to let it fall and, if needs be, to use his powers to revoke the trust. When the Minister’s officials last visited the trust, they outlined the future of the cow park trust in view of the fact that the main objective of the original trust had now ceased. They also informed it of the 1,300 letters received by the Minister, which had been organised by then Councillor Flanagan, and said that as a public official the Minister could not ignore them.

**Acting Chairman (Deputy Peter Mathews):** Time for this question has elapsed.

**Deputy Luke ‘Ming’ Flanagan:** The purpose of the trust has ceased. As such, an opportunity to revoke it exists. It is hoped the Minister will do this. People in my town are united on their right to have a say in their own future and destiny. I hope the Minister will facilitate that.

**Acting Chairman (Deputy Peter Mathews):** We must move on.

**Deputy Luke ‘Ming’ Flanagan:** I thank the Minister for what he has done thus far.

**Deputy Simon Coveney:** I am not sure everybody will get what they want but we are moving towards resolving the matter.

**Deputy Luke ‘Ming’ Flanagan:** All we want is openness and accountability.

**Deputy Simon Coveney:** That is what is happening. I turned around a situation about which the Deputy was very unhappy.

**Deputy Luke ‘Ming’ Flanagan:** Yes.

**Deputy Simon Coveney:** We have created time and space to try to find a solution.

**Deputy Luke ‘Ming’ Flanagan:** Thank you.

## Other Questions

### Single Payment Scheme Payments

6. **Deputy Michael P. Kitt** asked the Minister for Agriculture, Food and the Marine if he would favour a limit on the amount of money being paid to any one farmer under the single farm payment of the Common Agricultural Policy 2014-2020; the ceiling he thinks would be appropriate; and if he will make a statement on the matter. [55990/12]

**Deputy Simon Coveney:** This question is in the name of Deputy Kitt, although I suspect it comes from Deputy Ó Cuív. It relates to whether we should be setting ceilings on future single farm payments. Before considering whether we should be setting caps on single farm payments, we first need to know that we have the capacity to do so. I have been supportive of the Commissioner's proposals to cap single farm payments. This would result in a reduction in payment on amounts in excess of €150,000. I would like to see the cap set lower than €150,000. I have stated that I would have no difficulty with a cap on payments of approximately €100,000. I recognise that we must find a common solution across the European Union which all countries can accept and live with. In my view, a number of the larger powerful countries, such as, for example, Germany and Britain, will not accept a cap on single farm payments because they have large landowners who are big commercial food producers who are receiving large payments and they want to see that continue.

Ireland is in a different situation. I need to ensure the flexibility countries are given in relation to the capping issue suits Ireland. Once a final deal is done and, if we have the capacity on a voluntary basis, country by country, to be able to set caps on single farm payments, we can then have this discussion and try to get this right. I do not have a problem with that in principle but we need to be careful not to push the cap too low because we have large commercial farmers we need to support. We will have an opportunity at a later stage, when we know the options, to be able to debate and discuss this issue and then make the most informed decision.

**Deputy Seamus Kirk:** Perhaps the Minister will indicate the overall budgetary position for CAP funding. There appears to be some doubt about what that figure will be. Will we be dealing with a reduced provision in 2013 or is it likely the budgetary situation will deteriorate with the passage of time? The envelope available for distribution to primary producers in Ireland will be determined by the budgetary position. There are various proposals floating around concerning the multi-annual financial framework for 2014 to 2020 - the long-term budget plan. The danger in this context is that provision for CAP funding may well be reduced and that the Irish envelope will suffer as a result. Perhaps the Minister would appraise the House of the up-to-date position.

**Deputy Simon Coveney:** Two sets of negotiations are ongoing. The first concerns negotiations on the overall budget, the multi-annual financial framework, MFF, as referred to by the Deputy. We failed collectively last month as a European Union to get agreement on the MFF. This budget is for seven years and is worth more than €1 trillion. There was a wide variation in what countries wanted in terms of the levels of reduction or increases to that budget. For example, Britain wanted cuts of up to €200 billion. President Van Rompuy proposed cuts of approximately €80 billion. As the negotiations proceeded, the different budget lines within the budget were being debated in terms of which might take cuts and which might not. There

are three big budget lines. CAP represents approximately 38 to 40% of the budget. Cohesion Funds represent one third of the budget and innovation and research and development also account for a large chunk of it.

Ireland has been trying to prevent a significant reduction in the overall MFF funding. If there are to be cuts, we will seek to protect the CAP budget within that. Some 85% of all EU money coming into Ireland comes through CAP. This amounts to approximately €1.6 billion per annum. We had some success in the negotiations. At one stage, it looked like there was going to be a cut to CAP of approximately 6% or 7% in terms of pillar 1 and about 11% in pillar 2. By the end of the discussions, this had been reduced to a 3% cut in pillar 1, which was progress. The difference was about €8 billion across the Union.

**Acting Chairman (Deputy Peter Mathews):** There is only one minute remaining for this question.

**Deputy Simon Coveney:** We hope to conclude the MFF discussions during the Irish Presidency of the European Council at a Heads of State meeting to be held on 7 February. It is likely to be the next big summit meeting on the MFF. If we can get the budget agreed in February, it may be possible to get the CAP reform finalised before the end of the Irish Presidency. If we cannot get the MFF agreed in February, it will be difficult, in terms of the timescale, to do this.

**Deputy Seamus Kirk:** In terms of the eventual template or formula to be put in place for Ireland, a serious difficulty is arising in terms of the age profile of people involved in the agriculture industry in Ireland. As regards incentives and support under CAP to encourage young people to get involved and become participants in the future of the agriculture industry, how does the Minister see this unfolding?

**Deputy Simon Coveney:** This issue is the subject of Question No. 9, at which point I will respond to those questions.

**Acting Chairman (Deputy Peter Mathews):** We now move on to Question No. 7.

## **Sugar Industry**

7. **Deputy Éamon Ó Cuív** asked the Minister for Agriculture, Food and the Marine the progress made to date with discussions in relation to the re-establishment of a sugar industry here including the growing of sugar beet for sugar production; the steps he has taken to promote this industry; and if he will make a statement on the matter. [55991/12]

**Deputy Tom Barry:** I have a problem with this question. It is an absolute disgrace that this question has been tabled. The question asks the Minister what steps he is taking to promote the sugar industry. I have news for the Deputies opposite: we do not have a sugar industry. It is an insult to people like me and others who grew beet and worked in the factories that Members opposite would table a question like this. It is absolutely unbelievable. Why do we not have an industry? We do not have an industry because a Fianna Fáil Minister in a Government of which Deputy Ó Cuív was a member shut it down and absolutely ruined our countryside.

**Acting Chairman (Deputy Peter Mathews):** I must ask the Deputy-----

**Deputy Tom Barry:** I understand that but it is insulting to those of us who tried to maintain

the industry. I could spend ten minutes talking about why we do not have a sugar industry and I am upset that Deputy Ó Cuív is not here to respond to me.

**Acting Chairman (Deputy Peter Mathews):** This is out of order, Deputy. I ask Deputy Barry to resume his seat.

**Deputy Tom Barry:** I will resume my seat but it is an absolute disgrace that Deputy Ó Cuív tabled this question and his colleagues know that.

**Acting Chairman (Deputy Peter Mathews):** Deputy Barry, you cannot-----

**Deputy Tom Barry:** It is insulting for those of us who have suffered. I am not going to allow this sort of behaviour. The Deputy tabled a question but he knew damn well-----

**Deputy Seamus Kirk:** Deputy Barry is totally out of order.

**Acting Chairman (Deputy Peter Mathews):** The conduct of the Chamber is my responsibility.

**Deputy Tom Barry:** I understand that.

**Acting Chairman (Deputy Peter Mathews):** I ask the Deputy to resume his seat. The Ceann Comhairle has listed the questions for oral answer and I am obliged to deal with the questions and invite the answers.

**Deputy Tom Barry:** I understand that but the Deputies on the other side know that their party was responsible for closing down the sugar industry. It is a disgrace-----

**Acting Chairman (Deputy Peter Mathews):** That is a discussion for outside this House.

**Deputy Tom Barry:** The Fianna Fáil Deputies brought it inside the House.

**Acting Chairman (Deputy Peter Mathews):** Deputy, please. I call on the Minister.

**Deputy Simon Coveney:** I can understand my colleague's frustration, as somebody who comes from a town where the sugar industry provided huge employment and significant opportunities for arable farmers in particular, that the industry is now no longer in existence because of policy decisions and mistakes that were made a number of years ago. That being said, I think it is possible for us to revive the sugar industry, but only if a number of things happen.

First of all, I have made it clear that the Government is not going to subsidise the setting up of a new sugar industry because we need to ensure that any new industry that begins in Ireland again can stand on its own two feet. However, I believe there is a fighting chance that the sugar industry will be set up again in Ireland on a commercial basis. Last summer we had two very professionally put together viability studies for the setting up of a sugar industry in Ireland again, from a processing point of view, which would involve building a large sugar processing plant and ethanol production facility. There are a number of people who are extremely committed to making this happen and they are very credible people. Michael Hoey, in particular, who heads up Beet Ireland, has put a huge amount of his own resources and time into putting together a very realistic business plan for rebuilding a sugar processing sector in Ireland. It is his job to put the business case together and he will do that, in terms of attracting investors and so forth. It is my job to ensure that if that business case is to proceed that there is either a sugar quota for Ireland in the future or there is no sugar quota in the European Union.

The current sugar regime in the EU will end in 2015 and Ireland has already been compensated to get out of that regime to the tune of €353 million. That means that we are not going to be able to produce sugar before 2015. The Commission is proposing that the sugar quota regime would end in 2015, which is something that Ireland supports. However, I do not think it is realistic because the countries that currently have sugar quota will insist on the quota regime extending beyond 2015, in my view, possibly until 2018 or 2020. In that context, we will be seeking an opportunity for Ireland to be allocated quota for domestic use, given the fact that we have been compensated to be out of the sugar industry until 2015 but not beyond that. Given the size of our food industry here and the volume of sugar use in that industry, we should be allowed a sugar quota to be able to support it. We have made a very strong case for this, both publicly and privately, to the Commission.

**Deputy Seamus Kirk:** If there is potential to rebuild and regenerate the sugar industry in Ireland then clearly steps should be taken to do so. As the Minister has said, at least one feasibility study has been carried out-----

**Deputy Simon Coveney:** Two studies have been carried out.

**Deputy Seamus Kirk:** Have those feasibility studies been made available to the Minister?

**Deputy Simon Coveney:** Yes.

**Deputy Seamus Kirk:** Have the studies been assessed by those who are dealing with the possibility of regenerating the sugar industry and if so, what does the assessment indicate? Is there a potential for the industry, provided certain things happen and if they do not happen, what is the position? What is our competitive position vis-à-vis other sugar producing countries across the EU?

**Deputy Simon Coveney:** The feasibility studies were very professionally done. Both of them were presented to me and both of them involved detailed meetings around the presentation of those feasibility studies. We then asked officials in the economics section of my Department to assess the feasibility of the business plans. It is important to say, though, that in order for those business plans to be viable, the price of processed sugar must remain at a level that can pay for all of this because we are talking about a €200 million investment to build the plant before any sugar beet can be processed to produce either ethanol or sugar. It is probably fair to say, as a rule of thumb, that these feasibility studies stack up if the price of sugar remains at over €500 per tonne. It is well over that level at the moment and actually, in the last 12 months, it was close to €800 per tonne because there were real shortages of sugar in the European Union. A lot of food industries in Ireland, some from my own part of the country, were finding it hard to get sugar at any price, which suggests that there is an argument around sugar security for both the pharmaceutical and food industries. Having said that, a judgment has to be made by the investors and those putting the business plan together as to what the likely sugar price will be in three, five or ten years time and what the price will be if sugar quotas are abolished in the European Union.

When we were producing sugar in Ireland we were not particularly competitive *vis-à-vis* other parts of Europe in terms of the tonnage of beet per hectare we were growing and the sugar content. However, I believe we can be much more competitive now and the proof of that can be seen in the United Kingdom at the moment. The varieties of sugar beet being grown there are highly competitive with other parts of Europe and there is no reason Ireland could not benefit

from that. We can be competitive in this area but whether this happens will be contingent on where world sugar prices go. In my view, they are not likely to collapse any time soon. Sugar is in strong demand because consumption will continue to grow, both in the European Union and, more important, further afield.

### **Coillte Teoranta Lands**

8. **Deputy Charlie McConalogue** asked the Minister for Agriculture, Food and the Marine the position regarding the proposed sale of the Coillte forest crop; and if he will make a statement on the matter. [55980/12]

**Deputy Simon Coveney:** The Deputy's question concerns the current position with regard to Coillte. Deputies will know that the Government made a decision in principle to move ahead with preparing for and investigating the possibility of a sale of Coillte forests. Essentially this involves selling the harvesting rights to commercial Coillte forests and the investigative and preparatory process is under way. Work is ongoing between Coillte, NewEra - which is managing this process - and my Department. Consultants have also been brought in to do specific work around valuations and managing how the sales process may proceed, with the aim of maximising the value to the State, if value is to be found, as well as taking account of the other sectors that may be impacted by such a sale, such as the sawmill sector and timber supply generally, which is totally dominated by Coillte at the moment. This is a very complex process which we are in the middle of at the moment but I assure Deputies that the Government will act with caution. We will not do anything that will undermine or significantly damage the timber or sawmill sectors in Ireland. Effectively, we have a monopoly in Coillte at the moment. Most sawmills take more than 80% of their timber from Coillte forests. If we proceed with this, we will do so with caution to try to protect other sectors that will be affected by any sale, while at the same time trying to maximise value for the State.

**Deputy Seamus Kirk:** Are we to deduce from what the Minister has said that no decision has been taken yet as to what will happen with Coillte? I assume that the decision on selling it has not been taken and that the process of assessment is continuing. I ask the Minister to clarify that issue.

**Deputy Simon Coveney:** The Government decision was straightforward. We are not selling the company or the land. The principal decision was to investigate and, if it makes sense to do so, proceed with the sale of harvesting rights for Coillte forests. This would involve selling crops early, just like farmers might sell 30% of their barley crops before they are mature. This is one option for realising the value of State assets, that is, the standing timber on State-owned land managed by Coillte, at a time when we need cashflow. In the context of that sale, a range of complex issues arise which need to be addressed if we are to proceed with our plans. The only decision that the Government has taken is that we will prepare for the sales process with a view to making a decision in the new year on whether it makes sense to continue the process in terms of realising value for the State without compromising strategic assets.

**Deputy Seamus Kirk:** The sale of immature timber will have profound implications for the saw milling sector, which employs a significant number despite the recession. I understand the downturn in the economy has had a minimal effect on the numbers employed in the sector thanks to the flexibility of both employers and employees. I ask the Minister for his assurance that the employment prospects and long-term viability of the saw milling sector will be borne

in mind in any decision taken.

**Deputy John Browne:** I get the impression that the Minister is not jumping over the moon about selling Coillte. The timber industry is very important for the saw milling sector but I am sure he will accept that the 18 million people who visit Coillte forests every year are also important in terms of recreation and environmental matters. Does he agree that the proposal to sell the forest assets owned by Coillte presents a serious threat to the use of forests by the people? It is an issue about which we are all concerned and I have received a considerable number of e-mails from groups which use Coillte forests for recreation and environmental matters.

**Deputy Simon Coveney:** As I noted earlier, if we proceed with the sales process, we intend to protect the State assets, in other words, the common good element of State-owned forests in terms of the land on which they sit. That includes public access. Most of the forests to which there is public access are not commercial crops. At least 25% of Coillte's estate comprises mature broadleaf forest primarily used for recreation. That will remain the case. These forests will remain in the ownership of the State and under the management of Coillte. The sale will involve standing commercial timber and we will proceed with caution and in a way that is consistent with the Government's decision.

### **Age Profile in the Farming Industry**

9. **Deputy Dara Calleary** asked the Minister for Agriculture, Food and the Marine the steps he has taken to address the age profile imbalance in the farming industry; and if he will make a statement on the matter. [55959/12]

**Deputy Simon Coveney:** Many people find it extraordinary that more farmers are over the age of 80 than under the age of 35. That is no basis for the kind of ambition we share for growth and innovation in the sector. This is not to imply there are no good farmers who are older than 80. Many of them are wise people who can teach the new generation.

**Deputy Seamus Kirk:** They have accumulated experience.

**Deputy Simon Coveney:** Large numbers of young people are enrolled in agricultural colleges. Over the past six years, the number has increased from 600 to 1,450 per year. There has been a dramatic increase in the number of young men and women who want to get into farming and we need to offer them a future. That is why an Irish proposal was taken on by the Commission as part of the Common Agricultural Policy reform to ask countries to set aside 2% of pillar 1 single farm payment money over the next five years for top-up payments for young farmers under the age of 40. In other words, single farm payments for young farmers under the age of 40 will be topped up by 25%, up to a maximum of five years. It is like an installation aid scheme except that it is sponsored by European money. Ireland's proposal was supported by Hungary and the Commission has taken it on. Irrespective of whether it is mandatory or voluntary, it will be implemented if I am still Minister. We need to support young farmers in terms of giving them a financial advantage to allow them to invest in expanding their businesses. That will boost the realisation of the targets in Food Harvest 2020. Pillar 2 also provides opportunities to support young farmers through a series of programmes supported by rural development funds.

In terms of national policy, despite all the difficult decisions taken in the budget, we acted strategically to support young farmers by encouraging the consolidation of farms, and main-

taining the preferential treatment they get in terms of stock relief, exemption from stamp duty and partnerships where sons and daughters work with their parents to manage the farm. A number of positive initiatives are being taken in the interests of young farmers to address the generational problem.

**Deputy Seamus Kirk:** Does the Minister agree that we need to develop a public policy position which would also involve Revenue and other Departments? The prospects for young farmers having access to land other than by leasing arrangements are limited and unless they win the lotto or inherit large sums of money, they are often unable to buy the sort of acreage that would rapidly create a viable holding. Does the Minister see a need for a co-ordinated approach to stock relief, leasing arrangements and special tax breaks for those who own the land to ensure young people who graduate from agricultural colleges can seamlessly enter the industry and provide the energy it clearly needs?

**Deputy James Bannon:** I listened with interest to the Minister's comments on educational facilities for young farmers. Quality education is key to developing Irish agriculture and giving it a competitive edge in Europe. The Minister may be aware, however, that at least six agricultural colleges closed across the midlands during my lifetime. There is a significant deficit in terms of educational facilities. I have raised this issue in the House in respect of the midlands and Deputy Kirk's area.

**Acting Chairman (Deputy Peter Mathews):** The Deputy's point has been well made. Will he, please, allow the Minister to respond?

**Deputy James Bannon:** There is a huge deficit in the north of the country. Does the Minister have plans to provide a new agricultural facility in the midlands or further north?

**Deputy Simon Coveney:** I agree with the Deputy that agricultural colleges, universities and institutes of technology that offer strong food and agricultural courses are hugely important. We do not have plans to build new agricultural colleges. What happened was that there was a dramatic fall-off in the numbers of young men, in particular, going to agricultural colleges. As a result, some of the colleges closed and there was huge pressure to close others. I remember sitting in a committee room trying to persuade policymakers that we should not be shutting colleges such as Rockwell, Gurteen, Clonakilty and others. Fortunately, that did not happen and now these colleges are operating at full capacity. Buildings are not the problem. The problem is the availability of adequate staffing and expertise.

**Deputy James Bannon:** Multyfarnham and Warrenstown which were fine colleges were closed. As a result, there is no agricultural facility in the midlands and no place in which to educate its young farmers. I plead with the Minister to look at this issue.

**Acting Chairman (Deputy Peter Mathews):** That would be an excellent subject for a Topical Issue debate.

**Deputy Simon Coveney:** All of the agricultural colleges have dorm facilities. Therefore, having to attend an agricultural college in another part of the country is not a disaster. I went to Gurteen agricultural college, which is a long way from where I live in Cork, and had a really good year there. I probably learned more in that year about farming than I did during my three year degree programme in agricultural science. It works well when people from different parts of the country move to other parts where they can meet different types of farmers with whom they can live and learn while in agricultural college.

## **Sheep Grassland Scheme**

10. **Deputy Michael Moynihan** asked the Minister for Agriculture, Food and the Marine the number of farmers who successfully applied for the sheep grassland scheme in 2012, broken down by county; the total anticipated savings in the Budget 2013 changes; and if he will make a statement on the matter. [55970/12]

**Deputy Simon Coveney:** I mentioned this issue earlier in connection with a matter raised by Deputy Martin Ferris. I would like to explain the decisions taken in last week's budget on the sheep grassland scheme. We had a three year grassland scheme which was costing the country approximately €18 million a year, using unspent funds under Pillar 1. The aim of the scheme and the idea behind it was to increase the number of sheep being farmed in Ireland because for ten years in a row the flock decreased in size year after year. We had to try to reverse that trend. I am delighted to be able to say the scheme has contributed significantly to reversing it and for the first time in a decade, the flock is bigger this year. Therefore, the scheme has worked well.

I now want to try what I know has worked in other sectors, particularly in the dairy sector, in which we have seen the benefit of discussion groups. In the dairy sector dairy farmers meet on a monthly basis in what they might call "dairy discussion groups" to discuss how their business works and how their animals are performing and everything else. The issues discussed include fertility, grazing, feed conversion efficiency, stock management and so on. The evidence we have from the groups is that, on average, farmers who attend them have increased their profit margins by somewhere between 4% and 5%. I want to see the same benefits in the sheep sector. The sheep grassland scheme was due to end this year, but we have chosen to extend it into next year. We will spend €14 million on it next year and use €3 million from the budget to initiate a sheep discussion group model to encourage sheep farmers to enter the type of discussion group setting that has worked so well for the dairy and beef sectors in order that we can help sheep farmers to make more in the market place rather than rely on schemes for an income. This is a progressive measure. It is about using money in the most progressive way we can, given the problems we face.

**Deputy Seamus Kirk:** Despite the Minister's protestations, the reality is that the budgetary provision for the scheme is going downhill. Once he starts to reduce the funds available-----

**Deputy Simon Coveney:** It is not.

**Deputy Seamus Kirk:** The fund is being reduced from €18 million to €14 million.

**Deputy Simon Coveney:** It is going from €18 million to €17 million, when we include the €3 million being transferred for the sheep discussion groups

**Deputy Seamus Kirk:** I take it there has been an assessment of expenditure under the scheme by the Department. What has been the result of that assessment? Has the expenditure been justified? Obviously, the Minister has decided to change direction. Should there be a continuation of the financial support provided under the original scheme?

**Deputy Simon Coveney:** The scheme has been a success on a number of levels. We had seen sheep numbers reduce year on year and were getting to a stage where the perception was developing that a farmer could not make money from sheep farming. We had to put a scheme in place to help farmers to make more money from responsible sheep production and that was the origin of the sheep grassland scheme which was a three year scheme. This was to be the last

year of the scheme. We believe it makes sense to continue it but to divert some of the money towards a discussion group model that we know has worked well for other sectors in order that, as well as supporting the income of sheep farmers and the quality of production, we can help upskill them to ensure they are maximising the potential of their holdings and the returns they obtain. That is what discussion groups do.

Although farmers have seen this move as a cut to the sheep grassland scheme, they should instead look at it in the round and realise that while there is a slight reduction in financial support for the scheme, there is a new opportunity for them to sign up to participate in a sheep discussion group through which they will be paid €1,000 a year to attend meetings and participate in discussions that will help them to run a more effective lamb and sheep production business. That is a good use of the money.

**Deputy Mick Wallace:** On the issue of schemes, I notice the suckler cow welfare scheme has been done away with.

**Deputy Simon Coveney:** Is the Deputy trying to get in early?

**Deputy Mick Wallace:** I realise this is a slightly different issue, but small farmers have contacted me about it. Producing suckler cows has been a way of life for them and even if they do not make money one year, they stay in the business because it is their way of life. The ending of the scheme is a huge blow for many small farmers who have depended on this money. The allowance used to be €80 which was cut to €40 and now it is €20, payable on a maximum of 20 animals. There is significant work involved for the farmers concerned. Last week I spoke to a farmer who had gone through all his records for his animals, including date of birth, date of tagging of cow and calf, the rate of calving, the date of dehorning, the date of castration, date of meal introduction and so on. He needs three bags of meal for just one calf.

**Deputy Simon Coveney:** None of that comes under the scheme we are discussing.

**Deputy Mick Wallace:** The farmer also mentioned he had to feed a calf meal for six weeks before he could part with it. The scheme was a very good one for the industry and made sense. Sadly, its demise will hit small farmers more than big farmers. It is a pity it is going. I, therefore, suggest the Minister should reconsider the matter.

**Acting Chairman (Deputy Peter Mathews):** To use a golf analogy, the Deputy is out of bounds on this question. However, the Minister seems to be willing to respond.

**Deputy Mick Wallace:** We need a flexible Acting Chairman.

**Deputy Simon Coveney:** If the Acting Chairman allows, I will be happy to answer the question. There are only the four of us in the Chamber. The media have probably long since gone to bed.

**Acting Chairman (Deputy Peter Mathews):** I feel I am in Gurteen to gain an education.

**Deputy Simon Coveney:** This is a serious issue. I hope I have answered the questions on sheep farming. I answered questions on the beef sector for Deputy Martin Ferris, but I will respond to Deputy Mick Wallace. I am not targeting the small guys. The new scheme we are putting in place - a €10 million scheme - will ensure farmers with 20 or fewer suckler cows will receive payments on all of them. We made this provision deliberately to ensure smaller farmers would receive their payments first. The bigger farmers, with more than 20 animals, may

receive payment on more than 20 animals, if there is money left over as I suspect there will be at the end of the process.

*8 o'clock*

The other aspect is that the new scheme does not require farmers to do anything other than transfer data relating to the breeding and fertility of their animals to the ICBF. We are not asking them to do all the other things they would have been paid for before. In other words, they are being asked to do a fraction of what they were asked to do before and they are being paid €20 per cow rather than €40 per cow. It is important for the Deputy to understand that the total amount of money going into the beef sector next year will not be very different from what went into the beef sector this year. That is because under the existing suckler cow welfare scheme, at least €10 million is to be paid next year in respect of calves that were born in the second half of this year. When that €10 million is taken with the €10 million we will spend on the new data transfer scheme and the €5 million we will spend on beef discussion groups - farmers will be given €1,000 to attend meetings and learn about how they can run their businesses more effectively - it means we will be spending €25 million on the beef sector next year. Most of that will be spent in the suckler beef sector. We spent approximately €27 million in the beef sector this year. It is important for farmers to get this into context. Since the budget, there has been a blunt focus on arguing that the abolition of the suckler cow welfare scheme is a disaster. I suggest there should be a concentration on what we are putting in place to replace it. The State will be putting almost as much money into the suckler sector next year as it has put into it this year. We are prioritising small farmers in that mix.

**Deputy Seamus Kirk:** Can the Minister tell us the number of suckler cows in the national herd? What is the position at the moment? What was it in each of the last three years? What is the trend?

**Deputy Mick Wallace:** I take the Minister's point. I have been listening to a couple of farmers who will be seriously affected by this change. They were getting €80. I know the Minister is saying they will have less work to do now in terms of documentation and registration, etc., but they did not mind doing the work. That is what these small farmers were used to doing. It was a good idea for them to keep records like this. I do not know if they will have to do as much feeding under the new scheme. The level of feeding they had to do under the old scheme made sense. It is pretty draconian for a small farmer to have the payment he gets for each calf reduced from €80 to €20.

**Deputy Simon Coveney:** The point is that they are being asked to do a fraction of what they were previously asked to do. I agree that this was a great scheme. It improved the quality of suckler beef in Ireland and brought about significant changes in areas like animal husbandry, data collection and the general performance of those animals. While I would have put a new scheme in place anyway, I would have liked to have had more money to spend on building up the suckler cow welfare scheme. I hope we will be able to spend more money in this area in the future. When the new Common Agricultural Policy is in place, I hope we will be able to fund a larger scheme than the one to be implemented next year. It is important to understand that all of the €25 million being spent in this sector will go to farmers. It may go to different farmers next year. It is important to recognise that contrary to what some farmers have claimed, there will be no dramatic reduction in the money going into this sector, all of which will go to farmers as I have said.

**Acting Chairman (Deputy Peter Mathews):** We must finish on that note.

**Deputy Simon Coveney:** I will conclude by responding to the point made by Deputy Kirk. Half of the beef in Ireland comes from the suckler herd and the other half comes from the dairy herd. As I have said on many occasions, if we do not support the suckler herd, beef will simply become a by-product of the dairy industry as it expands and grows in the context of the elimination of quotas in 2015. I do not want that to happen because all of the real quality Irish beef comes from the suckler herd. It is delivered by the bloodlines and the breeding. That is why this sector needs additional support. I hope we will be able to provide it in the context of the new Common Agricultural Policy.

**Deputy Seamus Kirk:** I would like to make a brief point about the scheduling of Question Time, particularly on Thursdays.

**Acting Chairman (Deputy Peter Mathews):** We have gone over time.

**Deputy Seamus Kirk:** I will be brief. The questions we have been discussing this evening relate to what is probably the most important industry in the country. I do not have a problem with being here after 8 p.m. If some of the earlier business had not finished ahead of schedule, however, Question Time would not have started yet. It was not due to start until 8.45 p.m. I assure the Minister that I am not carping when I say that the Whips need to examine the arrangements for the scheduling of the business of the House, particularly on Thursday evenings. I am saying this in the context of agriculture questions, but it applies to other areas as well. We should be able to revert to the traditional afternoon slot for Question Time.

**Deputy Simon Coveney:** I assure the Deputy that would have been my preference as well.

**Acting Chairman (Deputy Peter Mathews):** It would have been mine too. As I said earlier, at least I got the benefit of a lovely plate of sole. I thank those who posed the questions and the Minister who replied to them. I thank the Clerk and the staff for their attendance.

*Written Answers follow Adjournment.*

The Dáil adjourned at 8.05 p.m. until 10.30 a.m. on Friday, 14 December 2012.