



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

Leaders' Questions	2
Order of Business	13
Message from Select Committee.	21
Statute of Limitations (Amendment) Bill 2013: Motion	21
Estimates for Public Services 2013	21
Topical Issue Matters.	30
Message from Select Committee.	31
Health (Pricing and Supply of Medical Goods) Bill 2012 [Seanad]: Order for Report Stage	31
Health (Pricing and Supply of Medical Goods) Bill 2012 [Seanad]: Report Stage	32
Ceisteanna - Questions	43
Priority Questions.	43
Exceptional Needs Payments	43
Social Welfare Code	47
Jobs Protection.	48
Disability Allowance Payments.	51
Job Initiatives.	54
Other Questions	56
Rented Dwellings Register	56
Jobseeker's Allowance Eligibility	61
Topical Issue Debate	63
Rural Development Programme Funding	63
Credit Availability.	65
Pension Provisions	68
Accident and Emergency Services Provision.	71
Health (Pricing and Supply of Medical Goods) Bill 2012 [Seanad]: Report Stage (Resumed)	74
Non-Use of Motor Vehicles Bill 2013: Order for Second Stage	83
Non-Use of Motor Vehicles Bill 2013: Second Stage	83
Public Sector Pay and Conditions: Motion (Resumed) [Private Members]	108

DÁIL ÉIREANN

Dé Céadaoin, 24 Aibreán 2013

Wednesday, 24 April 2013

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

Paidir.
Prayer.

Leaders' Questions

Deputy Micheál Martin: I beg the Ceann Comhairle's indulgence to wish the Taoiseach a happy birthday. Is it the Tánaiste's birthday as well?

The Taoiseach: Yes.

Deputy Micheál Martin: The birthdays are about the only thing that unite both of them at the moment but the Taoiseach should enjoy the day nonetheless.

I raise the issue of the aftermath of the Croke Park II deal and the vote by public sector workers to reject the deal presented to them by Government - a deal we said was unfair and had a disproportionate impact on front-line workers, in particular. I also criticised the strategy deployed to get this deal through which was a combination of dividing and conquering workers, a bit of bribery at the end and when all else failed, old-fashioned intimidation and threats, which ended in abject failure.

When we raised this issue last week, the Taoiseach said the Government was going to take time out to reflect on the vote. It seems the reflection did not really last more than 24 hours because the Estimates were rammed through committee and included the savings earmarked in the pay deal. In essence, the Estimates on which we will be asked to vote today contain the €300 million the Government expected to realise as a result of the deal the workers rejected last week.

While the Minister has asked the chair of the Labour Relations Commission-----

Deputy Brendan Howlin: The Government.

Deputy Micheál Martin: The Government. Sorry, I thought the Minister, Deputy Howlin, was leading the charge on this. In any event, the Government asked the chair of the LRC to reconsider while at the same time throwing it out there yesterday - of course, it may take it back again - that there could be compulsory job losses in the public sector. The Taoiseach said there

24 April 2013

really is only a fortnight and people must come back to the table but meanwhile the Estimates are being rammed through. We do not know of what the €300 million will be made up.

Sources close to the Government have said the legislation the Minister, Deputy Howlin, promised in regard to the Financial Emergency Measures in the Public Interest Act, the Pensions Act and the Payment of Wages Act will be brought in. That is what the Taoiseach seems to be confirming. In essence, there seems to be a pretence that we really want to enter into renegotiation but in reality that will not happen. Will the Taoiseach confirm to the House that it is the Government's real position to force the pay deal through and bring in the legislation, the Minister, Deputy Howlin, promised some weeks ago in this context of this deal and that the legislation is actually ready to go?

The Taoiseach: I thank Deputy Martin for his good wishes. I will pass on the same to the Tánaiste.

Deputy Michael Healy-Rae: He will be delighted.

The Taoiseach: The House might indulge me for a moment as this is job shadow day and young people are working with various public representatives through the Irish Association of Supported Employment. Two young men, Michael Dunleavy and John Hynes, are shadowing me today and they are in the Visitors Gallery. I just wanted to recognise that.

In respect of Deputy Martin's question, the position is that the unions held their ballot and made their decision. The Government reflected on this and has asked the LRC to engage with the 21 unions to see if there is a basis for negotiations because, as I said before and as has been very clearly confirmed by the Minister, the bottom line is that the requirement for €300 million must come from the payroll package this year, rising to €1 billion by 2015. The LRC will engage genuinely with the unions to see if there is a basis for that. That is the first step Government instructed following the announcement of the vote by the unions.

It is not true for Deputy Martin to say the Estimates are being rammed through. For whatever reason, his people walked out of the committee dealing with the Estimates yesterday. I remind the Deputy that in his pre-budget submission, the cuts he was looking for this year were of the order of €350 million, which was more extensive and deeper than what was negotiated. It is very necessary for the Government to produce its Estimates without gaps or brackets around numbers because it is important that it be able to continue to do its work and carry out its duties. The Estimates before the Dáil do not comprise the entire range of Estimates; they have been apportioned across Departments. As the discussions take place on these Estimates, there may be little adjustments here and there.

Deputy Dara Calleary: Some €300 million.

The Taoiseach: The Estimate before the House is the Estimate for the Department of Public Expenditure and Reform. The 130 people who work in shared services need to be paid this week. That is why it is important that the Estimate for the Department of Public Expenditure and Reform go through today in order that the people concerned can continue their work and be paid for it. In that sense, a very genuine process is being followed. We have to achieve the savings that have been set out.

The Deputy referred to the threat of compulsory redundancies. The Minister for Public Expenditure and Reform said that if this were a private company, there would be redundancies

in train. With regard to the public sector and the Labour Relations Commission's negotiations on Croke Park II, protection was an inherent part. However, if there is no agreement, there is no protection; that is the point. Obviously, the trade unions will now engage with the Labour Relations Commission to determine whether there is a basis for negotiations on the savings of €300 million required to be made this year.

Deputy Micheál Martin: That is why workers really get fed up with the mixed messages that flow from the Government. What the Taoiseach has said is really a threat to workers. He is basically saying that if there is no agreement, there will be no protection. He did this about two months ago also. Again, it was not followed through. The Government is reaching out on the one hand, while saying that if one does not play ball, there will be no protection in terms of employment.

Nurses, health care workers and public servants felt the deal was fundamentally unclear. There was a divide and conquer approach at the time and it is continuing. The Minister for Public Expenditure and Reform said yesterday that he would work with the trade unions that would work with him. That old tradition of number counting is what got the deal into trouble from day one. The Government was looking at the electoral college set-up and counting the numbers and it got it wrong. It tried to isolate certain workers, particularly in the health care sector. We know that gardaí were isolated much earlier. The Government needs to go back to the drawing board in terms of how the deal was constructed and the composition of the pay cuts for specific workers.

The Taoiseach has confirmed that there will be only little adjustments. Government sources said yesterday there could only be a tweaking of the deal. In reality, the laws that must be enacted to give effect to the pay deal are ready. While informed industrial relations correspondents are saying the Government has bought a little time for itself, it seems it has bought time to try to get the numbers right here by getting Labour Party backbenchers to vote for the necessary legislation to get the deal through. That is what is on the agenda for the next fortnight. Deep down, the Government knows there is no room for the kind of substantive renegotiation of the deal that those representing the workers are saying is required. The Government's position is that only a tweaking of the deal can occur. The real agenda is to get everybody on board to vote through the pay deal in the context of legislation that is ready to go and which the Minister has drawn up.

The Taoiseach: That is not a question. Let me remind the Deputy of the truth. The Government must deal with the truth and the facts. The trade unions rejected the proposals from the Labour Relations Commission which were negotiated in full and open consultation in a very comprehensive way. This is unlike the circumstances in which legislation was simply rammed through without consultation or engagement with the public sector in the first place.

Deputy Dara Calleary: What about Croke Park I?

Deputy Brendan Howlin: That is after the Deputy's party made cuts.

The Taoiseach: That was repeated on two separate occasions. It is also true that in the negotiations between the Labour Relations Commission and the trade unions on Croke Park II, employment was protected. It is absolutely true to say that if there is no agreement, there will be no such inherent protection. In the beginning all of the trade unions were invited to participate and engage. They can now all participate and engage again. It is fundamental to getting

24 April 2013

the public finances right that the saving of €300 million be achieved this year and, as has been pointed out, that up to €1 billion be saved by 2015.

The Deputy's assertion that the Estimates are being rammed through is also untrue. The Estimate is for the Department of Public Expenditure and Reform.

Deputy Micheál Martin: There was no debate last week on the Estimates.

The Taoiseach: The Deputy's people walked out of a meeting yesterday and would not engage on it. The reason the Estimate must go through this morning is to ensure workers can be paid at the end of the week. They are engaged in public service and public duties.

A process is in train whereby the Labour Relations Commission can engage with the trade unions, all of which can come back in and give their views to the commission. The savings must be achieved. As I stated, the door of the Government is always open to the ideas and expressions of the trade unions. There is an important process in place, as the Government has recognised. It has asked the commission to engage with the trade unions to determine how best this might be achieved. It has to be achieved.

Deputy Mary Lou McDonald: I wish the Taoiseach and his terrible twin in the Labour Party a happy birthday.

Since yesterday the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, sought to ram Estimates for his Department through the committee. The Taoiseach has stated correctly the Estimates are apportioned Department by Department. Hardwired into each of them are the Croke Park agreement cuts. The Taoiseach has asked the Labour Relations Commission to re-engage with the trade unions to find some accommodation. Despite this, he will bring the same Estimates in front of the Dáil this morning, snubbing his nose at the decision of workers in the civil and public service. He congratulates himself and contrasts his approach with that of the last Government which acted unilaterally on pay cuts. I suppose the distinction is really one of choreography because, whereas the current Government will go through the motions of engaging in consultation and pretending to have a listening ear, it has indicated that, like Fianna Fáil, it is ultimately prepared to act unilaterally. The Taoiseach is playing games with public sector workers. I am not talking about those at the top such as himself, the Tánaiste and their special advisers but about workers on the front line, including gardaí, nurses, teachers and emergency personnel.

The Taoiseach continues his sabre rattling this morning and draws a parallel with the private sector. I suggest that in the private sector the first one to get the chop would be the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, who would very smartly be followed by the rest of the members of the Government. To add insult to injury, as the Taoiseach throws shapes at public sector workers, he protects the pay of Richie Boucher. If ever somebody was correctly named, it is the bould Richie.

An Ceann Comhairle: Will the Deputy, please, refrain from dealing with personal issues?

Deputy Mary Lou McDonald: He is on a salary – sorry, a remuneration package – of €843,000. That is €70,000 per month or over €16,000 per week.

An Ceann Comhairle: Which topic are we debating?

Deputy Mary Lou McDonald: Richie takes home in a fortnight what an average nurse

earns in an entire year. How does the Taoiseach look public and civil servants in the eye, despite telling us that many of them are struggling just to get by? How does he look them in the eye when his approach is so heavy-handed with them? He demands that nurses, gardaí and emergency personnel take cuts to their wages and accept a decrease in the standard of their working lives, while at the same time being so gentle and generous with Richie Boucher.

The Taoiseach: I am not sure where the Deputy's question was. Let me deal with her assertion on the Estimates. It is necessary that the work of government continue and that the Estimates being produced are clear. It may well be that in the discussions that will take place at committee suggested changes or adjustments will be made to the Estimates set out. What is before the Dáil is one Estimate for the Department of Public Expenditure and Reform. It is necessary that this Estimate be passed if public sector workers are to be paid. I am sure even Deputy Mary Lou McDonald, with her ability to turn this way and that-----

Deputy Dara Calleary: As distinct from the Taoiseach.

The Taoiseach: -----recognises that workers in the public service who perform their duties are entitled to be paid. The Deputy walked out of a meeting yesterday at which this could have been arranged. The Government has set out in its fiscal plan the savings required to be achieved this year. These savings, as set out in the Revised Estimates for the Department of Public Expenditure and Reform, are apportioned across all Departments. That is the reason the Estimate is before the House. This is normal procedure in the workings of government. The discussions and negotiations that took place were the most extensive, comprehensive, open and - I dare say - truthful expression of the facts of financial life in this country. From a Government perspective, the proposals on the table as put forward by the Minister through the Labour Relations Commission are fair and equitable. The core salaries of 87% of public sector workers earning below €65,000 per annum are not touched. It is important that the Deputy understand we are borrowing more than €1 billion every month to pay salaries in the public sector.

The Deputy mentioned individuals in the banks. I remind her that the contract for the bank in question was negotiated by a Fianna Fáil-led Government and that this Administration on taking office put in place a cap on bankers' salaries, which nobody has since breached. I further remind her that the Government, as part of its programme for Government, asked that an analysis be carried out of bankers' pay. This analysis was conducted by Mercer and the findings were reported to the Government. The Government, in its engagement with the banks, recommended a reduction in banks' pay and pension scales of between 6% and 10%. The Minister for Finance expects that this recommendation from the Government will be responded to by the banks in the next two weeks. My understanding is that it will include a substantial contribution from the leadership of the banks on pay and pensions.

Deputy Mary Lou McDonald: I am well aware that not only did Fianna Fáil set this remuneration package of €16,000 per week but also that the former Minister for Agriculture and Food, Mr. Joe Walsh, is chairman of the remuneration committee of the bank in question.

An Ceann Comhairle: Can we avoid dealing with individuals, please?

Deputy Mary Lou McDonald: I am fully conversant with the facts. The Taoiseach spoke about the need for clarity. In this episode there is absolute clarity: the outrageous remuneration package of a banker is not to be touched. The Minister for Finance, rather than register a protest in this regard, will abstain and allow this obscenity to go through on the nod. At the same time,

24 April 2013

the Government is eye-balling nurses, gardaí and front-line staff, telling them that they have to take more pain.

An Ceann Comhairle: A question, please.

Deputy Mary Lou McDonald: The Taoiseach may claim and may have been brainwashed by his colleagues into believing 87% of public and civil servants are untouched by the deal.

An Ceann Comhairle: The Deputy is over time.

Deputy Mary Lou McDonald: When workers did the sums in respect of their households and families, they took a different view.

An Ceann Comhairle: Will the Deputy put her question, please?

Deputy Mary Lou McDonald: Will the Taoiseach explain to public and civil servants such as clerical officers why the Government is being so aggressive with them and so gentle with Richie Boucher? I ask the Taoiseach to answer that straightforward question.

An Ceann Comhairle: I remind Deputies that we are fortunate to enjoy absolute privilege in this House and ask them to refrain from using this opportunity to raise individual matters.

Deputy Mary Lou McDonald: The names are in the public domain.

The Taoiseach: The Deputy is quite prepared to name people on some occasions but not on others. That has been a trait of the Sinn Féin Party for many years.

Deputy Mary Lou McDonald: Really.

The Taoiseach: The Minister for Finance, Deputy Michael Noonan, on behalf of the Government, put in place the process of independent analysis of the pay scales and pension packages of bankers. As I said, this issue was reported on to the Government by Mercer. The Minister has also made a recommendation on behalf of the Government that banks reduce their cost base by between 6% and 10%. He expects to receive a response in this regard in the next couple of weeks. As I said, it is expected that it will include a substantial contribution from the leadership of the banks. It is important that everybody understand the banks are an important part of Ireland's financial economy. They are not making money and would not be in existence but for the taxpayer. It is important that the Government squeeze the banks and require them to reduce their cost base.

Deputy Pearse Doherty: Cast your vote.

The Taoiseach: Everybody understands the difficulties all of the people the Deputy mentioned have to deal with every day of the week. We are borrowing over €1 billion per month to pay salaries.

Deputy Mary Lou McDonald: Has the Taoiseach told Richie that?

The Taoiseach: We will never have the country we want until we get the public finances in order.

Deputy Mary Lou McDonald: The Taoiseach should sing that song to him.

The Taoiseach: As part of this process, the Minister for Finance, Deputy Michael Noon-

an-----

Deputy Mary Lou McDonald: Will abstain on the payment of a €843,000 salary.

The Taoiseach: -----made a recommendation following receipt of the Mercer report to the Government that banks reduce their cost base by between 6% and 10%. The Minister expects to receive a response from the banks to this recommendation in the next two weeks which will include a substantial contribution from the bank leadership on pay and pensions.

Deputy Mary Lou McDonald: That is the Taoiseach's answer to the nurses.

Deputy Mattie McGrath: I, too, wish the Taoiseach a happy birthday. I hope his colleagues will help him to cut the cake. There is, however, little on which I can compliment him. More than two years ago Fine Gael received a mandate, one of the finest ever given to a Government, to deal with the situation in the country, in respect of which it has been an abject failure.

Today we will witness the annual charade that is the Bank of Ireland AGM, a charade in which shareholder power is held up to mockery and the real power of the vultures and the board will once again be asserted over the interests of small shareholders. Also present will be the Bank of Ireland's chief executive, Mr. Richie Boucher, who continues to be paid an obscene salary of €843,000 per annum, despite the sense of disgust and outrage among people across the country.

(Interruptions).

Deputy Mattie McGrath: The Taoiseach's response to Deputy Mary Lou McDonald was just idle words because we know nothing is happening. This annual salary package is only €157,000 short of the €1 million the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney, announced yesterday would be provided to assist farmers in the fodder crisis. This puts things in perspective in terms what is being done for ordinary people, whom the Taoiseach, coming from a rural constituency, should know well. We have heard today that the new governor of the Bank of Ireland, Mr. Archie Kane, will receive a package of €500,000 per annum or €10,000 per week. At the same time, the Government is trying to cut the salaries of public servants, jobseekers are being paid €188 per week, young people are being paid €100 per week, while front-line workers, including gardaí, nurses and council workers, are being penalised, threatened and bullied. Five Labour Party Deputies appealed to the Minister in the House yesterday to do something about this issue. How long more are they expected to sit idly by?

Deputy Arthur Spring: Fianna Fáil signed off on it.

Deputy Finian McGrath: It is a separate party.

Deputy Mattie McGrath: Do not get me stuck on the banks issue. Deputy Arthur Spring was there himself.

(Interruptions).

Deputy Mattie McGrath: It is welcome that the Deputy is concerned about pay now.

Deputy Finian McGrath: Deputy Arthur Spring could tell us about Anglo-Irish Bank.

(Interruptions).

24 April 2013

Deputy Mattie McGrath: The AGM presents the Minister for Finance, Deputy Michael Noonan, with an opportunity to stand up on behalf of taxpayers on the issue of bankers' outrageous salaries.

Deputy Finian McGrath: They have a brass neck.

Deputy Mattie McGrath: However, the Minister bottled it. He could have used the Government's 15% shareholding to vote against the proposal which is certain to be passed now.

An Ceann Comhairle: The Deputy is over time.

Deputy Mattie McGrath: Is the Taoiseach prepared to defend the cowardice and inaction of the Minister? The Minister will vote in favour of every other resolution, including those on the re-election of Mr. Boucher, Mr. Archie Kane and all of the other directors. We all know that Mr. Boucher was an enthusiast of the property boom.

(Interruptions).

Deputy Finian McGrath: Can we, please, have some respect for Deputy Mattie McGrath?

An Ceann Comhairle: Deputy Mattie McGrath is over time.

Deputy John Halligan: He is unable to speak because of the interruptions.

An Ceann Comhairle: I have told Deputy Mattie McGrath that he is over time. What is his question?

Deputy Mattie McGrath: I will put my question, if I am allowed to do so.

Deputy Derek Keating: The Deputy is making a speech.

11 o'clock

Deputy Mattie McGrath: Does the Taoiseach intend to stand over the cowardice on the part of the Minister? The then Minister for Finance, Deputy Lenihan, God be good to him, said that if they would not do it themselves, he would legislate for it.

An Ceann Comhairle: Thank you, Deputy. I ask the Deputy to resume his seat as he is a minute over time.

Deputy Mattie McGrath: Will he legislate for it or stop this outrageous charade that is going on in the Burlington Hotel today and all over our country? Have we become a refuge for failed bankers from other countries?

Deputy Finian McGrath: Hear, hear.

An Ceann Comhairle: Before the Taoiseach replies I want to put on the record that under Standing Order 59 it is not allowed to name people in this House unless the Deputy gives prior notice to the Ceann Comhairle of the day and a good reason for doing so. I ask Deputies to respect the Standing Orders. This is not a Chamber where people's reputations are taken asunder. I will not sit here and allow people's reputations to be taken away, irrespective of who they are. My job is to ensure that we adhere to the Standing Orders of this House, and there is a good reason there is a Standing Order which protects the reputation of individuals. I will not allow Deputies to use this Chamber, under the cover of privilege, to make allegations against

members of the public who are not here to defend themselves. It is up to other people outside this Chamber to deal with this issue, or else the Members can change Standing Orders but I apply Standing Orders.

The Taoiseach: I understand the Ceann Comhairle's ruling. Deputy McGrath's Second Stage speech outside the church gate sounds very well-----

Deputy Mattie McGrath: The Taoiseach is good at it himself.

The Taoiseach: -----but he refuses to accept or recognise that he, Deputy Mattie McGrath, was party to a proposition and a Government which left this country with the highest deficit on the planet of 32.5% of GDP when it was thrown out of office.

Deputy Mattie McGrath: History.

(Interruptions).

Deputy Arthur Spring: That is the legacy we have.

The Taoiseach: Deputy McGrath has the temerity to come in here and to accuse the Minister, Deputy Noonan, of cowardice.

Deputy Mattie McGrath: What else is it?

The Taoiseach: I want to tell the Deputy one thing; he can accuse the Minister of many things but he can never accuse him of cowardice.

Deputy Ruairí Quinn: Hear, hear.

The Taoiseach: He is the Minister who, on behalf of Government, put in place the process to try to do something about a situation which was inherited by the Government because contracts were approved and signed off by the previous Fianna Fáil Administration and because of that process, the Government commissioned a report into bankers' pay, conditions, salaries, pensions and so on. That report was conducted by Mercer and it reported to Government. The Government made its recommendation through engaging with the Minister, the Department of Finance and the banks and because he has that process in train, he expects to have the recommendation responded to in the next two weeks. My understanding is that there will be a substantial and significant contribution from the leadership of banks in respect of pay and pensions. That is something that everybody here would welcome. These banks are only in existence because of the taxpayer and it is right and proper that Government would force and require banks to reduce their cost base in order that they can become solvent again and play a part that they should be able to play in the development of our economy for the times ahead.

Deputy Mattie McGrath: The Taoiseach has a short memory. I remember he and his party voting-----

(Interruptions).

Deputy Arthur Spring: Deputy McGrath supported the bank guarantee.

Deputy Mattie McGrath: Can I speak? I have always acknowledged that I made a mistake in voting for the bank guarantee but the Taoiseach voted for-----

24 April 2013

Deputy John Lyons: On the next occasion the Deputy will say sorry and it will all be okay; that is great then.

Deputy Mattie McGrath: It does not make it okay.

An Ceann Comhairle: Will the Deputy put his supplementary question?

Deputy Mattie McGrath: I am; I am just correcting the record and stating the facts. The Taoiseach and all those on his Front Bench and his backbenchers or those who were Members at the time, voted for it.

An Ceann Comhairle: Will the Deputy put his question? This is Leaders' Questions.

Deputy Mattie McGrath: Unlike his colleagues, the sheep on the Labour Party benches are making noises, but what will they do? What action will they take?

(Interruptions).

Deputy Mattie McGrath: How can the Taoiseach or the Minister, Deputy Noonan, possibly retain any shred of credibility? The Minister has a 15% shareholding in the bank on behalf taxpayers and he had the opportunity to do something today. We have once again put the fox in charge of the chickens. We have once again exposed ourselves to the charge that we are not really serious about banking reform. It is indefensible.

Deputy John Lyons: Just because the Deputy says he is sorry does not make it okay.

An Ceann Comhairle: Will Deputy McGrath put his question?

Deputy Mattie McGrath: I have one question. Is the Government beholden to Mr. Boucher?

An Ceann Comhairle: Thank you, Deputy.

Deputy Mattie McGrath: He gave the Government a dig out last year in regard to the promissory notes. Is the Government totally beholden to him? Is the Government to be beholden to him or to the troika, our European colleagues?

Deputy Aodhán Ó Ríordáin: The Deputy is an embarrassment.

Deputy Mattie McGrath: The Government members are embarrassing themselves. Are they beholden to Mr. Boucher to the extent that they allow him to have a reckless-----

An Ceann Comhairle: Did the Deputy totally ignore what I asked him to do, namely, not to mention names?

Deputy Mattie McGrath: I did not. This matter is being discussed at the moment down in the Burlington Hotel.

An Ceann Comhairle: But not in this Chamber under my chairmanship.

Deputy Mattie McGrath: It is covered in every newspaper. Are we going to be silenced in here and let the bankers ravage our country?

An Ceann Comhairle: I call the Taoiseach to reply but I do not know to what question he

is to reply.

The Taoiseach: First, I want to confirm that it was not because of the bleatings of Deputy Mattie McGrath that the Minister for Agriculture, Food and the Marine was able to put €1 million extra on the table yesterday to deal with the fodder shortage for hard pressed farmers.

Second, when the Deputy speaks of courage, he did not have the courage to put his name behind the Fianna Fáil banner and stand before the people. He ran because he was afraid to face the people with that brand on his forehead.

Deputy Brendan Howlin: He got off the sinking ship.

The Taoiseach: He was afraid-----

Deputy Mattie McGrath: I stood up for what I felt was wrong.

The Taoiseach: -----to knock on doors in Tipperary and say “I represent the Fianna Fáil Party”.

Deputy Mattie McGrath: They are waiting for the Taoiseach to come back with Deputy Hayes.

The Taoiseach: He showed absolute cowardice and lack of courage and far be it from him to come in here and preach about others. The Deputy proved it himself; he did not have the gumption to say “I was selected by the party, I represent the party”.

Deputy Mattie McGrath: Answer the question.

The Taoiseach: The Deputy fled in the face of the people because of the brand image that the party carried with it at the time.

Deputy Mattie McGrath: What happened in the case of the lady the Taoiseach brought into the bank who wanted to take out a mortgage?

The Taoiseach: The Minister, Deputy Noonan, put in place the process for attempting to deal-----

Deputy Mattie McGrath: What about the lady the Taoiseach brought into the bank in Meath to get a mortgage? What did she get?

The Taoiseach: -----with banking contracts that were signed before this Administration’s time and that process is in place. The Minister will attend at the AGM, I understand, but because it is his understanding that the response to the recommendation he made arising out of the Mercer report to Government is that there will be a substantial and significant contribution from bank leadership, he has made a decision in that regard. I expect that to be a significant and major contribution-----

Deputy Mattie McGrath: Live horse and you will get grass.

The Taoiseach: -----and it is right that it should be because these are extraordinary salaries.

Deputy Mattie McGrath: He had his chance this morning at the AGM.

An Ceann Comhairle: That completes Leaders’ Questions.

Order of Business

The Taoiseach: It is proposed to take No. 18, Revised Estimates for Public Services 2013, Votes 11 to 19, back from committee; No. 20, Health (Pricing and Supply of Medical Goods) Bill 2012 [Seanad] - Order for Report, Report and Final Stages; No. 2, Companies Bill 2012 - Second Stage (resumed); and No. 3, Non-Use of Motor Vehicles Bill 2013 - Order for Second Stage and Second Stage, to be taken not later than 5.30 p.m. today.

It is proposed, notwithstanding anything in Standing Orders, that in relation to No. 18 the proceedings shall, if not previously concluded, be brought to a conclusion after 20 minutes; Votes 11 to 19, inclusive, shall be moved together and decided by one question which shall be put from the Chair and any division demanded thereon shall be taken forthwith; and the following arrangements shall apply: the speech 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 five minutes in each case. Private Members' business shall be No. 99, motion re public sector pay and conditions, resumed, to conclude at 9 p.m. tonight, if not previously concluded.

An Ceann Comhairle: There is one proposal to be put to the House. Is the proposal for dealing with No. 18, Revised Estimates for Public Services 2013, Votes 11 to 19, back from committee agreed to?

Deputy Micheál Martin: It is not agreed. We raised this last week and objected to the procedure and process being engaged in by Government whereby it referred all these Estimates to committee last week generally without any debate at plenary session. We requested a debate last week because it was in the aftermath of the rejection of the Croke Park II pay deal by public sector workers. Public servants need to know that in essence, as described last week in terms of these Estimates, in each Estimate for each Department, including in respect of one Department today, there is a proportion of the Estimate which relates to the pay deal that was rejected. In essence, what is being attempted to be voted through in respect of one Department contains Croke Park II provisions within that Estimate. That is the reality, irrespective of whatever other pretence is going on in terms of a genuine renegotiation. We are not going to rubber-stamp or be part of a charade which, on the one hand, is saying there is a negotiation process on the way but in reality the ground is being prepared for something different, in other words, to have the deal put through, through Estimates and in the form of the legislation which the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, promised in terms of the Financial Measures in the Public Interest Act 2009 and the Pensions Act. We are opposing the manner in which this is being taken and the approach of the Government in the past week has been to suppress debate and get the deal through one way or another.

Deputy Mary Lou McDonald: During the course of the week I asked the Taoiseach and a number of his colleagues several times whether he accepts and respects the outcome of the ballot of workers in respect of Croke Park II. I never got a clear answer. He intimated that he was reflecting. He has now requested the Labour Relations Commission to reopen an engagement with unions and their workers. The manner in which the Estimates are to be brought through committees and then before the House reflects, in the clearest way, the fact that he does not have any regard or respect for the fact that the Croke Park deal was rejected because hard-wired

into this Estimate and every other Estimate that will go before an Oireachtas committee and find its way to this Chamber is Croke Park II. If ever there was a case of giving the deaf ear to a democratic outcome it is here. It is absolutely inappropriate that he would put the Estimates through in this manner. I am baffled that he continues to pat himself on the back for the quality of the engagement which as the Minister said was wedded to a co-operative path with unions and their workers while, at the same time, giving them a smack on the face. He is saying it is Croke Park or Croke Park and that is the choice. As that is writ large across every Estimate we object to the taking of this Estimate with Croke Park knitted or stitched into it.

Deputy Richard Boyd Barrett: This is a disgraceful attempt to short circuit and pre-empt any possible negotiation with public sector workers over their pay and conditions and over the Croke Park deal. It is an act of bullying of workers by the Government. It is particularly outrageous that a Labour Party Minister would seek to bully trade union members, large numbers of whom put him and his colleagues into the House and Government, and show such contempt for what ordinary public sector workers have said with their vote. He is well aware that the representatives of workers have proposals that differ markedly from his way of dealing with the deficit problem and he should be open to listen to those proposals and alternative views rather than try to shove this down their throat and pre-empt any discussions with them. Shame on a Labour Party Minister for doing this. He should not try to ram this through in advance of those negotiations.

The Taoiseach: I do not accept the assertions of Deputies Martin, McDonald and Boyd Barrett. The normal procedure for dealing with Estimates for Departments is that they are sent to committee and that is the opportunity for spokespersons or anybody else to have their say and make their line by line analysis of what is involved. That was what happened last week when they were sent to committees for that purpose. However, Members for their own opportunistic politics decided to walk out yesterday. In that sense, what is involved in the Estimates discussion this morning relates to the Department of Public Expenditure and Reform. Deputy Richard Boyd Barrett can go to his room and telephone any one of the 130 people who work in shared services and say that his attempt in the Dáil this morning was to prevent him or her from being paid because that is what is necessary arising out of this Estimate. The same goes for Deputy Mary Lou McDonald who is wrong in her assertion also. What is involved here is the normal procedure of Government which wants to do its business to allow those same public sector workers to be paid. She has the opportunity to go to the committee and voice her opinion, line by line, if she does not like it. What she is trying to do is to prevent the workings of Government from going ahead and those people in shared services, for example, from getting their payment at the end of the week. I ask her to make up her mind. She has an opportunity to speak in the House if she wishes, after walking out of the committee yesterday where the Estimates had been sent for the purpose of discussion. She chose not to do that because she wants another forum to put forward her fantasy economics which would be catastrophic for the country.

Question put: "That the proposal for dealing with No. 18 be agreed to."

<i>The Dáil divided: Tá, 81; Níl, 47.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Bruton, Richard.</i>	<i>Calleary, Dara.</i>
<i>Butler, Ray.</i>	<i>Collins, Joan.</i>

<i>Buttimer, Jerry.</i>	<i>Collins, Niall.</i>
<i>Byrne, Catherine.</i>	<i>Colreavy, Michael.</i>
<i>Byrne, Eric.</i>	<i>Cowen, Barry.</i>
<i>Carey, Joe.</i>	<i>Crowe, Seán.</i>
<i>Coffey, Paudie.</i>	<i>Daly, Clare.</i>
<i>Collins, Áine.</i>	<i>Doherty, Pearse.</i>
<i>Conaghan, Michael.</i>	<i>Donnelly, Stephen S.</i>
<i>Conlan, Seán.</i>	<i>Dooley, Timmy.</i>
<i>Connaughton, Paul J.</i>	<i>Ellis, Dessie.</i>
<i>Conway, Ciara.</i>	<i>Ferris, Martin.</i>
<i>Coonan, Noel.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Creed, Michael.</i>	<i>Fleming, Sean.</i>
<i>Daly, Jim.</i>	<i>Fleming, Tom.</i>
<i>Deasy, John.</i>	<i>Grealish, Noel.</i>
<i>Deenihan, Jimmy.</i>	<i>Halligan, John.</i>
<i>Deering, Pat.</i>	<i>Healy, Seamus.</i>
<i>Doherty, Regina.</i>	<i>Healy-Rae, Michael.</i>
<i>Donohoe, Paschal.</i>	<i>Kelleher, Billy.</i>
<i>Dowds, Robert.</i>	<i>Kitt, Michael P.</i>
<i>Durkan, Bernard J.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>English, Damien.</i>	<i>McConalogue, Charlie.</i>
<i>Farrell, Alan.</i>	<i>McDonald, Mary Lou.</i>
<i>Feighan, Frank.</i>	<i>McGrath, Finian.</i>
<i>Fitzgerald, Frances.</i>	<i>McGrath, Mattie.</i>
<i>Fitzpatrick, Peter.</i>	<i>McGrath, Michael.</i>
<i>Flanagan, Charles.</i>	<i>McLellan, Sandra.</i>
<i>Griffin, Brendan.</i>	<i>Martin, Micheál.</i>
<i>Harrington, Noel.</i>	<i>Moynihan, Michael.</i>
<i>Hayes, Brian.</i>	<i>Murphy, Catherine.</i>
<i>Hayes, Tom.</i>	<i>Nulty, Patrick.</i>
<i>Heydon, Martin.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Hogan, Phil.</i>	<i>Ó Cuív, Éamon.</i>
<i>Howlin, Brendan.</i>	<i>Ó Fearghail, Seán.</i>
<i>Humphreys, Heather.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Humphreys, Kevin.</i>	<i>O'Dea, Willie.</i>
<i>Keating, Derek.</i>	<i>O'Sullivan, Maureen.</i>
<i>Kehoe, Paul.</i>	<i>Pringle, Thomas.</i>
<i>Kenny, Enda.</i>	<i>Shortall, Róisín.</i>
<i>Kenny, Seán.</i>	<i>Smith, Brendan.</i>
<i>Kyne, Seán.</i>	<i>Stanley, Brian.</i>
<i>Lawlor, Anthony.</i>	<i>Tóibín, Peadar.</i>
<i>Lyons, John.</i>	<i>Troy, Robert.</i>
<i>McEntee, Helen.</i>	<i>Wallace, Mick.</i>

<i>McGinley, Dinny.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Maloney, Eamonn.</i>	
<i>Mathews, Peter.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Naughten, Denis.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Mahony, John.</i>	
<i>O'Sullivan, Jan.</i>	
<i>Penrose, Willie.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Quinn, Ruairí.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Shatter, Alan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>Varadkar, Leo.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

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

Question declared carried.

24 April 2013

Deputy Micheál Martin: There appear to be mixed messages between the Government parties on when water charges are to be introduced. The Water Services Bill, a major item of legislation, is still awaited. The Taoiseach might confirm when it will be introduced. Also, my understanding is Bord Gáis's billing system is ready for use by Irish Water but Ministers are referring to different dates. Is it the Government's intention to publish the Bill and levy water charges in 2014 or 2015?

Will the Taoiseach update the House on the protection of maternal life Bill because there are reports that emergency discussions took place last evening involving the Taoiseach, the Tánaiste and the Minister for Health, Deputy James Reilly? There is a Bill which officials in the Department of Health have and discussed with the Ministers of State at that Department, as well as the senior Minister who has denied various newspaper reports on six people interviewing a woman with suicidal ideation.

An Ceann Comhairle: We are short of time.

Deputy Micheál Martin: I seek clarification as to when the Bill will be published and of the Government's intentions in that regard.

The Taoiseach: On water charges, the Deputy is aware that the troika is back in town and that there will be discussions between it and the Minister for Finance and the Minister for Public Expenditure and Reform on Ireland's programme. The Ministers will make a case to it that water charges should not be applied until 1 January 2015 and that they should be applied quarterly and retrospectively in that they would start from October 2014. In other words, they would be applied three months behind-----

Deputy Micheál Martin: Starting from October.

The Taoiseach: The charge would be levied but paid three months later, from 1 January 2015.

Deputy Micheál Martin: For the October period.

The Taoiseach: Yes, for the October to December period.

Deputy Micheál Martin: Just after the local elections.

The Taoiseach: Ministers have to make that case to the troika and have its approval.

Deputy Micheál Martin: The Taoiseach can trust the Minister, Deputy Phil Hogan, to organise things that way.

Deputy Phil Hogan: The Deputy's memorandum was very good. His were due to come in on 1 January.

The Taoiseach: The Bill on water charges will be brought forward later in the autumn.

On the protection of maternal life Bill, there has been a lot of speculation and comment on it. The Minister expected to have the heads approved yesterday. We had a discussion on the issue. There are a number of matters that we must address to get the Bill as right as possible. I hope this can happen.

Deputy Micheál Martin: Will there be six or 12 on the panel?

An Ceann Comhairle: The Deputy should wait until he sees the legislation. We only have four minutes left.

The Taoiseach: I have seen all of the speculation. I do not comment on speculation.

Deputy Phil Hogan: Deputy Eamon Ó Cuív will be on it.

Deputy Micheál Martin: It is not speculation. I am just trying to have clarity on the issue.

The Taoiseach: This is about saving the life of the mother and that of the unborn, the Constitution and the law. It is important to get the Bill right. I do not engage in wild speculation.

Deputy Micheál Martin: Neither do I, but somebody on the Taoiseach's side is doing so.

(Interruptions).

An Ceann Comhairle: We only have four minutes left and a number of Deputies are indicating.

Deputy Mary Lou McDonald: I am sure nobody wants to engage in wild speculation on the X legislation or the protection of maternal life Bill, but the turn of events in recent days has been most unedifying.

An Ceann Comhairle: We are on the Order of Business.

Deputy Mary Lou McDonald: I appreciate that, a Cheann Comhairle. Other than telling us that the anticipated heads of the Bill did not materialise, can the Taoiseach give us more concrete information on the timing of the legislation? We are all anxious to see it, approach it in a constructive manner to get the law right and get through the process. Is there any truth in the speculation that the House may sit for an additional week at the end of July to facilitate the passage of the legislation?

The Taoiseach: I share that view. Much of the comment I have heard has been, to say the least, unedifying and not respectful of women. This is an issue on which there should be as much consensus as possible because it is an important one. As I said to other Deputies, if we work backwards from the date of the rising of the House for the summer towards the end of July, there is a raft of legislation to be published, some of which is to be enacted. I would like to think we could have the protection of maternal life Bill enacted before the House rises for the summer recess, but I cannot honestly be too prescriptive about this because people may want to have their say and so on. What I would like to see happen is that we can seek approval for the heads from the Government to get the Bill as right as possible, send it to the Oireachtas committee for debate, bring it back and process it through the Houses in proper fashion. I will keep everybody updated on the issue. It is important that everybody has an opportunity to reflect properly, sensitively and with understanding on what is involved. I will keep the Deputy and the House updated on the issue.

An Ceann Comhairle: I will take Deputies' questions in groups and ask for their co-operation in that regard. There should be no speeches, as there is only one minute remaining.

Deputy Finian McGrath: On the criminal justice (corruption) Bill, is there any update on the investigation into the murder of Fr. Niall Molloy? Does the Taoiseach accept that the only way to resolve the matter for the families and those who want to get to the truth and justice is

24 April 2013

to have a full and proper inquiry?

Deputy Mattie McGrath: On the Water Services (Amendment) Bill, I ask the Taoiseach - I am glad the Minister is in the Chamber - if the Government will make any effort to ensure small contractors and self-employed persons-----

An Ceann Comhairle: That is a different issue.

Deputy Mattie McGrath: It is not. It is very important to have a debate on the issue.

An Ceann Comhairle: It has nothing to do with the publication of the Bill.

Deputy Mattie McGrath: Of course, it has. There was a promise that small contractors-----

An Ceann Comhairle: I need the Deputy's co-operation, as other Deputies are waiting.

Deputy Mattie McGrath: On the Children First Bill, the Government has ignored the Supreme Court's decision. Where is the Bill? When will the Government address the Supreme Court's decision in the McCrystal case?

An Ceann Comhairle: The Water Services (Amendment) Bill has been dealt with.

The Taoiseach: The former Fianna Fáil man should know that the Water Services (Amendment) Bill will be introduced later in the year.

Deputy Mattie McGrath: The Taoiseach will be the former Fine Gael man very soon.

The Taoiseach: The heads of the criminal justice (corruption) Bill were cleared by the Cabinet last June and sent to the relevant committee for discussion. I do not yet have a date for publication. The Children First Bill will be introduced this session.

Deputy Finian McGrath: What about the Fr. Niall Molloy case?

An Ceann Comhairle: Which?

Deputy Finian McGrath: I asked a question about the investigation of the Fr. Molloy case.

An Ceann Comhairle: That is not a matter for legislation.

Deputy Finian McGrath: It comes under the corruption Bill. It is a very important issue.

The Taoiseach: I understand the heads of the criminal justice (corruption) Bill were cleared last June and sent to the relevant committee for discussion and observations. There is as yet no date for publication.

Deputy Finian McGrath: And no news on the Fr. Niall Molloy case.

Deputy Michael Healy-Rae: I welcome Mr. Michael O'Sullivan from Gneeveguilla who is in the Visitors Gallery as part of Job Shadow day.

With regard to changes to be made to the Finance Bill, the capital gains tax applied to the sale of co-operative shares should be reduced to help struggling farmers.

An Ceann Comhairle: The Finance Bill was passed. The Deputy will have to wait until the next one.

Deputy Peter Fitzpatrick: When can we expect the defence (amendment) Bill to be published to amend the Defence Act 2006 to specify certain activities associated with the dispatch of personnel overseas which can take place in advance of discussion of the United Nations Security Council resolution?

The Taoiseach: The defence (amendment) Bill will not be published until next year.

Deputy Michael P. Kitt: In view of the number of community alert meetings which have been held throughout the country to deal with the issue of rural crime and the fact that the use of texting has been found to be very useful in apprehending criminals, I understand we must wait for regulations or legislation from the Minister for Justice and Equality or await the signing off by the Garda Commissioner to authorise its use. When will this happen?

An Ceann Comhairle: Has such legislation been promised?

The Taoiseach: I will have to communicate with the Deputy in the matter. I do not have a date, but the point made is a serious one. I will have the Minister respond to the Deputy.

Deputy Michael P. Kitt: He can send me a text.

Deputy Frank Feighan: When does the Taoiseach expect the road transport Bill to be published?

Deputy Bernard J. Durkan: On promised legislation, what is the position currently with regard to the introduction to the House of the medical practitioners Bill? Have the heads been approved and if not, when are they likely to be approved? Will the Taoiseach answer the same questions with regard to the criminal law (sexual offences) Bill, also part of promised legislation? The first Bill mentioned goes back to a time when ----

An Ceann Comhairle: That is grand, we do not need a debate.

The Taoiseach: The criminal law (sexual offences) Bill is due next year and the medical practitioners Bill is due this session. The road Bill is due next year also.

Deputy Willie O’Dea: Last week the Taoiseach assured the House that the legislation to provide for a referendum for the abolition of the Seanad would appear during this session. When is that legislation likely to be passed and does the Taoiseach envisage it taking place this year?

Deputy Barry Cowen: When will legislation be brought before the House to give effect to the abolition of town councils?

Deputy John Deasy: With regard to legislation concerning a banking inquiry, some reports indicate this might extend into next year. Will the Taoiseach give us some idea as to when we can expect the banking inquiry to begin?

The Taoiseach: That inquiry will begin at the end of this session. We are not abolishing county councils, but the local government Bill will come before the House in the autumn, before the end of the year. I expect to have the matter concerning the Seanad attended to and cleared by Cabinet next week. I will update Deputy Cowen on that.

24 April 2013

Message from Select Committee

An Ceann Comhairle: The Select Sub-committee on Health has completed its consideration of the Health Service Executive (Governance) Bill 2012 and has made amendments thereto.

Statute of Limitations (Amendment) Bill 2013: Motion

An Ceann Comhairle: I understand it is proposed to discharge the order made last Wednesday referring the Statute of Limitations (Amendment) Bill 2013 to the Select Committee on Health and Children and to refer it instead to the Select Committee on Justice, Defence and Equality. I call on Deputy Ó Caoláin to move the motion of referral.

Deputy Caoimhghín Ó Caoláin: I move:

“That the order of the Dáil of 17 April be discharged and that the Bill be referred to the Select Committee on Justice, Defence and Equality, pursuant to Standing Orders 82A and 118.”

Question put and agreed to.

Estimates for Public Services 2013

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

Vote 11 — Public Expenditure and Reform (Revised Estimate)

That a sum not exceeding €36,364,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for the salaries and expenses of the Office of the Minister for Public Expenditure and Reform, for certain services administered by the Office of the Minister and for the payment of certain grants and grants-in-aid.

Vote 12 — Superannuation and Retired Allowances (Revised Estimate)

That a sum not exceeding €384,600,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for pensions, superannuation, occupational injuries, and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister for Public Expenditure and Reform, fees to medical referees and occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Board; miscellaneous payments, etc.

Vote 13 — Office of Public Works (Revised Estimate)

That a sum not exceeding €374,044,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for

the salaries and expenses of the Office of Public Works; for services administered by that Office including the National Procurement Service, for payment of certain grants and for the recoupment of certain expenditure.

Vote 14 — State Laboratory (Revised Estimate)

That a sum not exceeding €8,119,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for the salaries and expenses of the State Laboratory.

Vote 15 — Secret Service (Revised Estimate)

That a sum not exceeding €1,000,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for Secret Service.

Vote 16 — Valuation Office (Revised Estimate)

That a sum not exceeding €9,121,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for the salaries and expenses of the Valuation Office and certain minor services.

Vote 17 — Public Appointments Service (Revised Estimate)

That a sum not exceeding €6,283,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for the salaries and expenses of the Public Appointments Service.

Vote 18 — Shared Services (Revised Estimate)

That a sum not exceeding €21,019,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for the salaries and expenses of Shared Services.

Vote 19 — Office of the Ombudsman (Revised Estimate)

That a sum not exceeding €7,437,000 be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December, 2013, for the salaries and expenses of the Office of the Ombudsman, the Office of the Commission for Public Service appointments, the Standards in Public Office Commission, the Office of the Information Commissioner and the Office of the Commissioner for Environmental Information.

Like others, I wish to acknowledge the presence in the Visitors Gallery of Amanda McAlister who is shadowing me today and is tasked with finding lots of savings and expenditure reductions. I am delighted she is present in the Visitors Gallery.

I thank the Ceann Comhairle for providing me with the opportunity to move these motions to allow the Revised Estimates to be agreed and the important business of providing public services to continue. As the Taoiseach said last week, the Revised Estimates are sent to the relevant committees for full discussion and are then, as usual, returned to this House. I was disappointed yesterday by the decision of Opposition spokespersons to walk out of the select committee which was discussing all of these Estimates on a line by line fashion as usual. We had devoted some hours to that process.

24 April 2013

As I explained, the Estimates needed to be approved to ensure that some Government services could continue to operate and some Government employees could continue to be paid next week. I do not believe Government services should be shut down because we still have no final agreement on the apportionment of some pay. I made a decision to publish the Estimates, which are based on the implementation of the Labour Relations Commission recommendations, because that is what we anticipated the position would be. The recommendations were a fair and appropriate means of achieving the savings required.

We have agreed to request the chief executive officer of the Labour Relations Commission to make contact with all the parties over the next number of days to establish whether there is a basis for a negotiated settlement to meet the budgetary targets the Government has explained in some detail to the unions must be met and which are written or hard-wired into the budgetary arithmetic for this year. Following that process, any changes required will be reflected in the Estimates as appropriate and presented to the Oireachtas as soon as possible thereafter. That is the normal process. I have to produce Estimates, because people need to be assured the funding is there. If there are adjustments to be made subsequent to negotiations, I will bring those back to the House in the normal way. I gave assurances on this simple and understandable process to the committee yesterday and I give it to the House now.

Vote 18 relates to shared services. In the case of the Revised Estimates for Vote 18, shared services must be agreed in a timely way so as to keep within the statutory rules. As Deputies may know, the Central Fund (Permanent Provisions) Act 1965 limits expenditure to an amount not exceeding four fifths of the sum appropriated the previous year, prior to a Vote by the Houses of the Oireachtas. We are getting to that deadline now. Therefore, I need this Vote for shared services this week. Shared services are a key pillar of the Government's reform programme which allow for the standardisation and integration of processes allowing for greater transparency and accessibility, reduced duplication, elimination of wasteful practices, significant cost reductions and other objectives. In addition, shared services will facilitate the production and availability of accurate management information in real time to inform decision making.

While there has been progress in shared services throughout the public services in recent years, much of this has been on an *ad hoc* basis and considerable scope remains to expand its use on a more strategic basis. I will be happy to go through that in detail in committee. We now have a shared service centre operating in Clonskeagh - PeoplePoint - with 130 staff who provide HR services to 7,000 civil servants since 15 April. PeoplePoint human resource and pensions administration has the potential to achieve savings of approximately €12.5 million per annum when fully stabilised and to reduce staff head count from HR administration by approximately 149. A pension shared service will be integrated with the HR shared service and this is proceeding through the set-up phase. Last week, my colleagues at Cabinet gave their approval to proceed with a single payroll shared service centre. This will be located in three centres - Killarney, Galway and Tullamore - and will achieve savings of €5.6 million per annum when fully operational. These two shared services, servicing HR and payroll in the Civil Service and offices served by civil servants, will realise savings of €18.1 million when fully operational.

The effective management of the public service is of key importance as we continue to develop a leaner and more efficient system. The implementation of the Government's shared service programme offers an opportunity over time to reduce costs and improve efficiency in the performance of key functions. I also believe that a greater emphasis on shared services will be of value in progressing the integration of the public service and providing important and timely information.

I will move briefly through the Votes I seek. Vote 11 is for a sum not exceeding €36.364 million to defray the charge which will come in for payment during the year for the salaries and expenses of the Office of the Minister for Public Expenditure and Reform, for certain services administered by the Office of the Minister and for the payment of grants and grants-in-aid. Vote 12 is for a sum not exceeding €384.6 million to be granted to defray the charge which will come in course of payment during the year ending on the 31st day of December 2013, for pensions, superannuation, occupational injuries and additional and other allowances and gratuities under the Superannuation Acts 1834 to 2004 and sundry other statutes; extra-statutory pensions, allowances and gratuities awarded by the Minister, fees to medical referees, occasional fees to doctors; compensation and other payments in respect of personal injuries; fees to Pensions Board; miscellaneous payments etc.

Vote 13 - the Office of Public Works - is for a sum not exceeding €374.044 million to be granted to defray the charge which will come in course of payment for the Office of Public Works, including the National Procurement Service, for payment of certain grants and for the recoupment of certain expenditure. In Vote 14, for the State Laboratory, I seek a sum not exceeding €8.119 million to defray the charge which will come in course of payment during the year for the salaries and expenses of the State Laboratory. In Vote 15, for the Secret Service, I seek a sum not exceeding €1 million. Vote 16, for the Valuation Office, seeks a sum not exceeding €9.121 million and Vote 17 seeks a sum not exceeding €6.283 million to defray the charge that will arise in the course of the year for the expenses of the Public Appointments Service.

Under Vote 18 - shared services - a sum not exceeding €21.019 million is being provided for. Under Vote 19 - the Office of the Ombudsman - a sum not exceeding €7.437 million is being provided for.

We debated these provisions line by line at a committee yesterday. The point of contention was that 2% of the overall sum relates to apportioned pay savings that I need to find. It would be impossible for me to present Estimates with square brackets around sums. I need to put them in a way that is clear to people. If a different solution can be presented to find €300 million in savings across all the Estimates, I will be happy to make such amendments and revert to Deputies on that basis. I ask the House to bear with the normal process and allow for the business of government to continue. If changes to any pay deal are agreed through negotiation, I will be delighted to be the first to come in here to ask for the approval of the House for such adjustments to be made.

Deputy Sean Fleming: I welcome the opportunity to contribute to this debate. I will deal specifically with some of the points made by the Minister. We are opposing these Estimates. The Minister announced yesterday on behalf of the Government that he has asked the Labour Relations Commission to contact all parties with a view to seeing whether they can come back with some new proposals. I agree with the action taken by the Minister and the Government yesterday. As the Taoiseach indicated, we should wait a couple of weeks to see what comes of this opportunity. The Minister should wait until that period has elapsed and the outcome of the discussions is known before coming back to the House with this proposal. We are opposing these Estimates because of the total disregard the Minister has shown for the decision taken by public sector workers last week. I accept that is not a major part of the Estimates. The Minister has embedded the rejected LRC Croke Park II pay proposals in each line of these Estimates. When he published his draft Estimates on budget day last December, the Croke Park deal was not embedded in each line of them.

24 April 2013

Deputy Brendan Howlin: The sum of money - €300 million - was.

Deputy Sean Fleming: It was. I would have no problem discussing the overall view. I am objecting to the manner in which the Minister has embedded each line of the rejected Croke Park II deal in the Estimates since they were originally published. He could have left it the way he had it before coming back with the details when they are available. He did not need to make a pre-emptive move by embedding each line of the Croke Park deal in this way. He could have presented Estimates of €473 million, in addition to the OPW Vote, here today without embedding the Croke Park figures in them. There was a mechanism for him to do that. We did not participate in yesterday's debate because the Estimates were flawed. I would like to make another important point. It will probably amaze the Minister; he will not believe it. Objectively, the Department of Public Expenditure and Reform has been an absolute failure when it comes to these issues. As a new Department last year, it was the subject of the biggest Supplementary Estimate of any State body - more than €1 billion - last December. That says a lot about the new Department of Public Expenditure and Reform. While it is not the case that all the overruns with regard to shared services were in that Department, the point is that the Minister has overall responsibility for public expenditure.

Deputy Brendan Howlin: Much of that related to the recalibration of PRSI, as the Deputy knows.

Deputy Sean Fleming: I want to deal with the issue of shared services because it reflects the absolute incompetence of the Minister and his Department. The Minister has said he wants to get this Vote through today in order that staff can be paid this week. The Taoiseach said that six times in the House this morning. The Minister has said it on several occasions. Can he imagine any business going into a bank manager today to ask for emergency funds to pay its staff this week?

Deputy Brendan Howlin: Many businesses are doing it every day.

Deputy Sean Fleming: Such a person would be run out the door and told it was no way to run his or her business. This should have been planned weeks and months ahead. The Minister's statement that his Department cannot pay its staff is an absolute case of self-incrimination. He is condemning the way he runs his own Department. He is allowing staff to work up to this Friday even though there is no money in the kitty to pay them. How can any employer run a business in that way? This is an indictment of the way the Minister runs his Department. He has run this to the wire. He knew it could be foreseen. He should have come up with a proposal that did not have the Croke Park II deal embedded in it. The Minister came into this House last December, on the last sitting day of the year, with a Supplementary Estimate for Vote 12, seeking extra money for retired civil servants' superannuation. He said he would not be able to pay pensioners the following Friday. Since the Department of Public Expenditure and Reform was established, it has had a habit of presiding over the biggest set of Supplementary Estimates. It gets its figures wrong to start with. This is the second time the Minister has come here in an emergency situation asking for money today to pay staff tonight so there will be money in their bank accounts on Thursday night.

Deputy Brendan Howlin: The Deputy is talking through his hat.

Deputy Sean Fleming: The Minister knows that the National Treasury Management Agency is sitting on €30 billion in cash all the while.

Deputy Mary Lou McDonald: Hear, hear.

Deputy Sean Fleming: I am not saying it should be used. I am mentioning it in the context of the Minister's statements that we are about to run out of money. That is a nonsense statement for anybody to make when there is €30 billion in cash sitting in the bank account. I am not saying it should be used for these purposes. The Minister has said that if changes are needed as a result of the new discussions on how to save €300 million, he will be happy to be the first person to make such changes. He should have been doing that last week, this week and next week. The Minister or one of his Cabinet colleagues said yesterday that the 1 July date is not definitive as long as €300 million is saved this year. It will not be a big deal if the date is 1 August, as far as the Minister and the troika are concerned, as long as the figures are achieved. The 1 July date is not set in stone. The Minister should not rush these Estimates. It is an indictment of the way the Minister is doing his business that staff who are working today cannot be assured they will be paid on Friday morning. Similarly, the fact that this is the second time the new Department of Public Expenditure has had to seek extra money because it cannot pay its staff is an indictment of how that Department is being run.

Deputy Brendan Howlin: It is the normal way we do business.

Deputy Mary Lou McDonald: The argument for reform within the public sector is unanswerable. I support that. While the shared services initiative is not the be-all and end-all, the rolling-out of this concept makes sense. I support it because it is efficient. The problem with this Estimate will recur as each of the Estimates goes through the relevant committee. The Minister has conceded that the Croke Park cuts are hard-wired into each Estimate. The Minister said he had no option because he could not produce an Estimate with figures in square brackets. Perhaps that is what he should have done. It is not acceptable for him to instruct the LRC to talk to the unions to see whether the basis for an agreement exists while at the same time bringing to the Oireachtas Estimates which have Croke Park II written all over them. What are unions and, more importantly, workers supposed to make of that? It seems to me that the LRC has been sent on a mission to talk to the unions not about how to find more savings in order to raise €300 million, but about how to revive a deal that has been comprehensively rejected by public sector and Civil Service workers.

It is a pity the Minister has gifted this mission to the LRC because I am sure he has heard, as I have, people from within the trade union movement who have suggestions about how €300 million might be found. Taxation measures have been suggested. Stimulus measures have been proposed. If we can decrease the welfare bill by getting people back to work, that will have all sorts of knock-on consequences for the domestic economy and for domestic demand. There is no question that €300 million could be gathered by means of some of the ideas which have been highlighted. I will give a few examples of possible savings in the public service. We have not yet yielded the savings that could be achieved through the use of generic drugs. I have raised with the Minister previously the issue of the small proportion of public sectors workers who are overpaid and overpensioned. There is no question that savings could be made there. That was not the central thrust of Croke Park II, however, and that is why workers rejected it. People on modest incomes who are just about struggling by cannot take another hit.

I remind the Minister that he was part of the process of agreeing a choreography that involved talks and a ballot. He was not forced into that situation - he opted into it. Now that workers have made their decision and the result is known, the Minister should respect the decisive outcome of the ballot. We would be dealing with a different atmosphere today if the Min-

24 April 2013

ister respected the verdict of the workers and was introducing an Estimate that reflects the fact that he cannot count on the €300 million envisaged by Croke Park II, which has been defeated.

12 o'clock

Perhaps he was indicating to us that he genuinely had an open ear and an open mind in respect of where €300 million might be found, but he has exhibited none of that. Instead of a pathway to finding an accommodation, what he is delivering to workers and their unions is a *fait accompli*. People may have voted against Croke Park II but we are writing it into the budgetary mathematics nonetheless. We will send the LRC to talk to them but, really, we have our minds made up. That is not a way to do business with workers or unions. It is also not a way to do business with the Minister's colleagues and peers, the Members of the Dáil, and it is not an appropriate way to go about his business.

I and Sinn Féin will not be party to delivering to workers this kind of *fait accompli* and trying to strong-arm workers into a position where they really have no choice because the Minister, Deputy Brendan Howlin, is going to foist this agreement on them whether they like it or not. With all due respect to the Minister, it makes absolutely no sense for him to ask us, as parliamentarians, to clear this Revised Estimate when he can say in the next breath "Maybe I will come back with a change or maybe I will not". There has to be a radically different view in terms of raising the additional €300 million and I think it can be done. However, I certainly will not support the manner in which the Minister proposes to do it because it will hurt low and middle income workers at the front line and, by extension, it will damage our public services. If the Minister reflected on it and was honest about it, he would recognise this.

The Minister criticised us for walking out of the committee yesterday. We were not prepared to listen to a long diatribe from the Minister, a man who is clearly not minded to listen to anything, who seems to believe he always has it right-----

An Leas-Cheann Comhairle: The Deputy's time is up.

Deputy Mary Lou McDonald: -----and then to be cheer-led by his colleagues who come in and slavishly back whatever crackpot notion he comes up with. The Minister made reference to the private sector. It is absolutely laughable that he or any member of this Government would point to the private sector because they would not last a wet week in that private sector.

An Leas-Cheann Comhairle: The Deputy should conclude.

Deputy Mary Lou McDonald: Thank you. That is the rationale for opposing these Revised Estimates. It is not complicated. All of the Minister's spiel about shared services and paying people is a simple ruse, a Trojan horse even, to sneak in Croke Park II even though the workers have rejected it.

Deputy Stephen S. Donnelly: The question before the House is whether or not we should vote through Revised Estimates for this year that include the Croke Park II formula. On the basis that Croke Park II has been overwhelmingly rejected, I honestly believe this will be seen as an insult by the 290,000 public sector workers. It would be very unhelpful to the ongoing and sensitive negotiations to find an acceptable agreement and it would be a symbol from this Government that says "We do not care for collective bargaining if we do not get the answer we want, and we will carry on regardless".

One substantive reason has been given by both the Minister and the Taoiseach, namely, if a vote is not taken in the next number of days, the funding for the shared services centre ends. I fully support the shared services centre and I would not like to see that happen. Therefore, let us vote through the funding for the shared services centre and that only. I believe public sector workers would appreciate that.

With that done, why would the Government vote through the rest of the spending at this time? The Minister and the Taoiseach have given reasons as to why this might happen. They have both said it is normal procedure and that it can be changed later, and they have both intimated that public servants would understand the situation the Government is in. I do not believe they would understand that, having gone through a democratic process and having overwhelmingly rejected the deal on offer, they would see this deal voted into law by the Government just seven days later.

The public servants to whom I have spoken feel that not only was Croke Park II unfair and unacceptable to them but that, throughout the process, they were condescended to, insulted and bullied. This vote will be seen by many public sector workers as a continuation of that tone and approach. The point is that this problem is very easily solved. There are three things we could do. The first is that the Minister could withdraw today's vote on the expenditure for his Department. The second is that he could bring through a vote tomorrow, which I would fully support, for the shared services centre only. The third is that this would give time for the ongoing and very sensitive negotiations on the target of €300 million, a target I accept. However, I do not accept that the way to do it is to target pay and pensions. I believe there is vast waste in the public sector that should be cut before going after pay and pensions, and I believe that is one of the reasons the deal was rejected.

On the basis that the issue we have before us today is an easily solved problem, and that this vote will be seen by public sector workers as a deeply disrespectful snub from this Government, if the Minister and the Government proceed with this vote, one can only conclude that this is actually part of an ongoing hostile negotiation. As such, Dáil Éireann should firmly and roundly reject it.

Question put:

<i>The Dáil divided: Tá, 78; Níl, 50.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Breen, Pat.</i>	<i>Boyd Barrett, Richard.</i>
<i>Bruton, Richard.</i>	<i>Broughan, Thomas P.</i>
<i>Burton, Joan.</i>	<i>Calleary, Dara.</i>
<i>Butler, Ray.</i>	<i>Collins, Joan.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Niall.</i>
<i>Byrne, Catherine.</i>	<i>Colreavy, Michael.</i>
<i>Byrne, Eric.</i>	<i>Cowen, Barry.</i>
<i>Carey, Joe.</i>	<i>Crowe, Seán.</i>
<i>Coffey, Paudie.</i>	<i>Daly, Clare.</i>
<i>Collins, Áine.</i>	<i>Doherty, Pearse.</i>
<i>Conaghan, Michael.</i>	<i>Donnelly, Stephen S.</i>
<i>Conlan, Seán.</i>	<i>Dooley, Timmy.</i>

<i>Connaughton, Paul J.</i>	<i>Ellis, Dessie.</i>
<i>Conway, Ciara.</i>	<i>Ferris, Martin.</i>
<i>Coonan, Noel.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Creed, Michael.</i>	<i>Fleming, Sean.</i>
<i>Daly, Jim.</i>	<i>Fleming, Tom.</i>
<i>Deasy, John.</i>	<i>Grealish, Noel.</i>
<i>Deenihan, Jimmy.</i>	<i>Halligan, John.</i>
<i>Deering, Pat.</i>	<i>Healy, Seamus.</i>
<i>Doherty, Regina.</i>	<i>Healy-Rae, Michael.</i>
<i>Donohoe, Paschal.</i>	<i>Higgins, Joe.</i>
<i>Durkan, Bernard J.</i>	<i>Kelleher, Billy.</i>
<i>English, Damien.</i>	<i>Kitt, Michael P.</i>
<i>Farrell, Alan.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Feighan, Frank.</i>	<i>McConalogue, Charlie.</i>
<i>Ferris, Anne.</i>	<i>McDonald, Mary Lou.</i>
<i>Fitzpatrick, Peter.</i>	<i>McGrath, Finian.</i>
<i>Flanagan, Charles.</i>	<i>McGrath, Mattie.</i>
<i>Gilmore, Eamon.</i>	<i>McGrath, Michael.</i>
<i>Griffin, Brendan.</i>	<i>McLellan, Sandra.</i>
<i>Harrington, Noel.</i>	<i>Martin, Micheál.</i>
<i>Harris, Simon.</i>	<i>Moynihan, Michael.</i>
<i>Hayes, Tom.</i>	<i>Murphy, Catherine.</i>
<i>Heydon, Martin.</i>	<i>Naughten, Denis.</i>
<i>Hogan, Phil.</i>	<i>Nulty, Patrick.</i>
<i>Howlin, Brendan.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Humphreys, Heather.</i>	<i>Ó Cuív, Éamon.</i>
<i>Humphreys, Kevin.</i>	<i>Ó Fearghail, Seán.</i>
<i>Keating, Derek.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Kehoe, Paul.</i>	<i>O'Brien, Jonathan.</i>
<i>Kelly, Alan.</i>	<i>O'Dea, Willie.</i>
<i>Kenny, Seán.</i>	<i>O'Sullivan, Maureen.</i>
<i>Kyne, Seán.</i>	<i>Pringle, Thomas.</i>
<i>Lawlor, Anthony.</i>	<i>Shortall, Róisín.</i>
<i>Lyons, John.</i>	<i>Smith, Brendan.</i>
<i>McEntee, Helen.</i>	<i>Stanley, Brian.</i>
<i>McGinley, Dinny.</i>	<i>Tóibín, Peadar.</i>
<i>McHugh, Joe.</i>	<i>Troy, Robert.</i>
<i>McLoughlin, Tony.</i>	<i>Wallace, Mick.</i>
<i>McNamara, Michael.</i>	
<i>Maloney, Eamonn.</i>	
<i>Mathews, Peter.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	

<i>Mulherin, Michelle.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Mahony, John.</i>	
<i>O'Sullivan, Jan.</i>	
<i>Penrose, Willie.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Quinn, Ruairí.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Shatter, Alan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>Varadkar, Leo.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

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

Question declared carried.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Paudie Coffey - the need for funding of rural development and Leader programmes and the future for these development partnerships; (2) Deputy Simon Harris - the need for a review of the rental accommodation scheme; (3) Deputy Pat Deering - the implications of proposed cuts to Carlow regional youth work services; (4) Deputy Billy Kelleher - the need for supports to be given to persons suffering from narcolepsy and other medical complica-

24 April 2013

tions following vaccination with pandemrix; (5) Deputy Pádraig Mac Lochlainn - the proposed closure of Gaelcholáiste Chineál Eoghain, Buncrana, County Donegal; (6) Deputy Caoimhghín Ó Caoláin - changes in the calculation criteria in respect of eligibility for a medical card; (7) Deputy Derek Nolan - the impact of recent Central Bank of Ireland guidelines on the ability of credit unions to lend short-term finance to their members; (8) Deputy Michael McNamara - the regulation of small food businesses - a barrier to growth and employment; (9) Deputy Brian Stanley - the implications of the HSE report on Shaen and Abbeyleix public nursing homes, County Laois; (10) Deputy Thomas P. Broughan - the introduction of parking charges at Howth Harbour, Dublin; (11) Deputy Noel Harrington - the need to extend, in respect of primary schools on offshore islands, the qualifying date for minimum enrolment of eight pupils from 30 September 2012 to 30 April 2013; (12) Deputy Michael Healy-Rae - the need to put a ferry in place to transport livestock to and from Dursey Island, County Cork; (13) Deputy Barry Cowen - the delay in the construction of new accommodation for Scoil Bhríde, Edenderry, and Gaelscoil Eadon Doire, County Offaly; (14) Deputy Tom Hayes - the need to include south Tipperary in the final phase for the provision of high speed broadband; (15) Deputy John O'Mahony - the need to locate a passport office in the west of Ireland; (16) Deputy Willie O'Dea - the need to discuss the OECD report on the Irish pension system commissioned by the Minister for Social Protection; (17) Deputy Mick Wallace - the auditing of school building projects; (18) Deputy Brendan Smith - the US Supreme Court decision to release the Boston College Belfast oral history project archive; (19) Deputy Richard Boyd Barrett - the plan to downgrade accident and emergency services at Loughlinstown hospital, County Dublin; and (20) Deputy Clare Daly - the implications of the public sector recruitment embargo on the closure of Fingal County Council libraries.

The matters raised by Deputies Paudie Coffey, Derek Nolan, Willie O'Dea and Richard Boyd Barrett, have been selected for discussion.

Message from Select Committee

An Leas-Cheann Comhairle: The Select Committee on Justice, Defence and Equality has completed its consideration of the Defence Forces (Second World War Amnesty and Immunity) Bill 2012 [Seanad] and has made no amendment thereto.

Health (Pricing and Supply of Medical Goods) Bill 2012 [Seanad]: Order for Report Stage

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

Question put and agreed to.

Health (Pricing and Supply of Medical Goods) Bill 2012 [Seanad]: Report Stage

An Leas-Cheann Comhairle: Amendments 1 to 3, inclusive, are related and may be discussed together.

Deputy Catherine Murphy: I move amendment No. 1:

In page 10, between lines 34 and 35, to insert the following:

““non-interchangeable medicinal product” means a medicinal product which is not interchangeable with any other medicinal product for prescription purposes in the opinion of the Irish Medicines Board in accordance with the provisions of *section 5* of this Act;”.

Most of us would support a reduction in the cost of drugs. The move towards the use of generic drugs is a very good idea and it has been a long time coming.

My amendment has in mind conditions such as epilepsy where the move towards the use of generic drugs is a false economy. People with epilepsy may require lengthy treatment before their condition is stabilised. I know quite a number of people with epilepsy. It is not a benign condition. I know of a woman with epilepsy who nearly died recently. She is attempting to stabilise her condition. She has two children aged nine and 11 years. There could be repercussions for her if her condition is not stabilised. I recently met a man with epilepsy who lost his job as a result of losing his driving licence. He is now trying to meet his mortgage repayments. Trying to get his condition stabilised was a big deal. I also know of an 18 year old who developed epilepsy in her leaving certificate year which had an impact on the exam and on her life opportunities. It meant the loss of her independence. Finding the right concoction of drugs is critical to stabilising the condition and preventing breakthrough seizures; it is not something that should be played with. The use of generic drugs can be a false economy in this regard. In Northern Ireland, certain drugs are not permitted to be substituted. There can be very small differences between drugs and the dosages may need to be ramped up to achieve the desired level that will work for the patient. In some cases, patients may not be prescribed their drugs by a consultant. It cannot be presumed that pharmacists will second guess what is contained in each component. Small amounts or variations can make a difference.

A person's epilepsy may be stable for two years but a breakthrough seizure may result in the loss of a driving licence for a year which will have an impact on employment. Physical injuries such as a fractured skull or broken teeth can result from seizures. The Moran report specifically recommended that treatment for epilepsy be excluded from generic substitution. This is the case in the United Kingdom and in other EU countries. I have concerns about the ability of the Irish Medicines Board to properly evaluate or monitor what is being substituted. Breakthrough seizures can have all sorts of impacts on people's lives. General practitioners write the prescriptions in many cases. Without specialist oversight we may well cause problems for ourselves without any savings to the State in the longer term.

I appeal to the Minister of State in this regard. Generic substitution is long overdue but it may be counter-productive in some areas and the treatment of epilepsy is one such area. It makes sense for the Government to step back. I make this appeal on behalf of 40,000 people. I refer to an Australian survey which found that quite a number of people believed they had experienced some form of discrimination in the workplace because they had epilepsy. Success in the good maintenance of epilepsy has been the good news story of the past decade. Let us not put that at risk. It is very difficult to achieve the correct maintenance treatment but this is what gives people back their independence. This should not be put at risk. The Bill has some good provisions and I do not wish to vote against it but this provision must be changed.

Deputy Billy Kelleher: I support what Deputy Murphy has said. We have met with various

organisations which represent and advocate on behalf of people with epilepsy. We have met individuals who have epilepsy and for whom, as Deputy Murphy pointed out, huge advances have been made to manage the condition, which helps them to reach their full potential in work and life generally. Clearly, the Bill's provisions in this regard represent a retrograde step.

Most Deputies welcome the Bill and recognise the need to move to generic substitution, where possible, to reduce the burden on the taxpayer. It is only in this context that a grouping has come to us to advocate and to ask us to plead with the Government to consider their concerns about interchangeable medicines. Mr. Norman Delanty and other eminent consultants in the area have said this is an issue of major concern. He set out stories on the medical and scientific side and pointed out the impact on people who are experiencing concern and fear. Having stabilised and managed their condition, a possible change of medication means they face going back to a situation in which seizures may occur. They do not know what will happen. In the context of the Bill and the support for its aims in every other respect, this is the one issue of huge concern. I urge the Minister of State, Deputy Alex White, to consider the amendments in that context to ensure that people with epilepsy are not put in a position in which they cannot trust that they will receive the drugs they always got which allowed them to continue to manage their conditions.

Deputy Murphy has spoken for all of us in highlighting the issue. When we met representative organisations and individuals, what was striking was the fear. If the legislation is passed without these amendments, people will not be able to trust that the medication they are prescribed is the medication that has always managed their condition. The Minister of State knows what we are talking about and we urge him to look at the amendments. This is our last chance to make the provision. We have advocated for the amendment on Committee Stage and the issue was highlighted in speeches on Second Stage. The people affected have been very genuine in their lobbying and discussions with Members. Given that eminent consultants have intervened for no other reason than concern for patients, we urge the Minister of State to accept the proposal by way of whichever amendment is deemed most suitable. The thrust of the amendments should be accepted and I cannot see any reason it would not be. There is no concern about generic drug substitution in other areas. People may have views but there is no strong scientific evidence or medical evidence that substitution will cause problems. In the case of anti-epilepsy drugs, there is a body of evidence. The issue has raised its head internationally and exemptions have been made for anti-epilepsy drugs in legislation in other countries. People are not just advocating in Ireland - there is concern internationally that the therapeutic index is too narrow for anti-epileptic drugs. To change from one drug to another may have an impact on a patient's ability to lead a normal life.

I urge the Minister of State to accept the amendments.

Deputy Caoimhghín Ó Caoláin: I support the three amendments in the grouping. It is arguable that others could be grouped with them. I note the single distinction between amendments Nos. 1 to 3, inclusive, and amendments Nos. 4 and 18 is that the latter are particular to anti-epilepsy drugs while the former are non-specific about interchangeable and non-interchangeable medicines. While it has been pointed out that the critical focus of our concerns is anti-epilepsy drugs, there may be other areas of concern, about which we do not currently have knowledge, in which there will need to be a listing of non-interchangeable medicines.

There is a sound and practical case for making amendment No. 1 to include in the Bill a definition of "non-interchangeable medicinal products". It is a reasonable proposition for

which the Bill, as presented on Report Stage, has not provided. I support the proposition. Deputy Murphy's wording fits my understanding and that of Members across the House of how non-interchangeable medicines should be defined. Amendments Nos. 2 and 3 are proposed in the interests of transparency. The non-interchangeable products should be listed as well as the interchangeable ones, for the latter of which provision is made. It is critical to list non-interchangeable products also as patients have an entitlement to the fullest information possible. There is also a responsibility on the State and its agencies - in this instance the Irish Medicines Board - to provide all possible clarity on the suitability or otherwise of substitution. As emphasised in amendment No. 4, the efficacy and safety of any given alternative should be clear. I hope the Minister of State will accept the rationale behind each of the three amendments being discussed together. I await hearing his reply before offering any further comment.

Deputy Róisín Shortall: I support the Bill fully and commend the officials who have done so much work on it over so many years. It is finally wending its way slowly through the Houses of the Oireachtas. I am very aware of the many obstacles which have been put in its way over a number of years. It would be worthwhile to examine those obstacles more closely. The legislation is a welcome contribution to tackling the unacceptably high drugs bill in the State and should benefit the taxpayer and consumers. While I support the Bill generally, I also support the amendments proposed to safeguard the interests of people who suffer from epilepsy.

Like other Members, I have been contacted by representatives of people who have epilepsy to express their concern about the legislation. While there are certain safeguards in place and it will be open to a general practitioner to write "do not substitute" on a prescription, the Bill is not safe enough as far as people who suffer from epilepsy are concerned. It has been brought to my attention that some groups involved are aware of cases - mainly in the context of hospital prescribing - where unsafe generic substitution is already happening. I recognise the efforts the Irish Medicines Board has made to provide an assurance. Nobody doubts its bona fides and good work and there is no question of the board sanctioning deliberately an unsafe practice. However, the concern is that the legislation as drafted leaves open the possibility of unsafe substitute medicines being prescribed for people who suffer from epilepsy. That has very serious implications. For the IMB to say it does not intend to do that is inadequate in the circumstances. There have already been unsafe prescribing patterns within hospitals. It is quite possible it could be repeated in GP surgeries. GPs operate as independent practitioners and the Department or the HSE does not have much of a handle on detailed prescribing patterns by GPs. It is reasonable to seek the safeguards requested and provided for in these amendments. I note the comments of the Minister of State on Committee Stage but it is necessary to go further. I ask him to reconsider his position in respect of the amendments. It is not currently safe to substitute generic drugs for AEDs for people with epilepsy. That is the bottom line and it is a legitimate fear people have. Unless the practice is specifically exempted in the legislation, it is quite possible it could happen in certain circumstances. I urge the Minister of State to rethink this.

He could go much further and give an assurance to people with epilepsy by stating clearly that no person suffering from epilepsy will be subject to generic substitution of the medications where it is unsafe to do so. That is the least the Minister of State should do. It will also be helpful, from the point of view of giving public reassurance, if the Minister of State outlined the implications for the IMB should it sanction any unsafe practice. That would be an important contribution to the debate. The only real safeguard that can be put in place is adopting the approach proposed in the amendments. I urge the Minister of State to consider them.

Deputy Denis Naughten: I support the amendments tabled. We debated this in detail on

24 April 2013

Committee Stage. The Minister of State knows we have received much representation across our constituencies and across the country. This comes from people with epilepsy or their families and concerns generic substitution. For 95.5% of the population, generic substitution is not an issue. It concerns only a small cohort of people, as has been articulated earlier. This is the only group that has articulated specific concerns regarding generic substitution. There is a genuine fear among people with epilepsy regarding substitution of AEDs. On Committee Stage I pointed out that a substantial amount of money is spent on AEDs on an annual basis. It amounts to some €75 million, of which €40 million is prescribed almost exclusively to treat neuropathic pain. Those with epilepsy and their advocates have no disagreement with generic substitution being used for that purpose. The issue concerns medicine specifically prescribed to prevent seizures. The Minister of State is putting the onus on the individual suffering from epilepsy.

The vast majority of people with epilepsy can function fully in society. An example is the late Joe Doyle, who was a Member of this House and the Upper House. However, a certain cohort have other illnesses or disabilities. They may have learning difficulties and may be reliant on elderly parents to collect their prescriptions and ensure they take it. We are now relying on GPs to make sure they put the “do not substitute” instruction on the prescription. In 99.9% of cases that will happen but anyone who works in the medical profession knows that GPs sometimes make errors, usually on repeat prescriptions. Who is responsible if a GP does not specifically include the “do not substitute” instruction on a repeat prescription and the person with epilepsy does not realise that the medicine has been substituted and it leads to an adverse reaction?

We should not introduce legislation that will cause unnecessary concern. The view of the Minister of State is that we will not see generic substitution of AEDs for people being treated for epilepsy. I do not think the IMB will introduce such a measure. In practical terms, GPs will include the “do not substitute” instruction in case there is a possibility that it will be substituted. We seek a safety net to ensure that anyone with epilepsy can go in with confidence, have the prescription refilled and ensure they receive the exact same medicine.

In correspondence with the committee, the IMB made the point that interchangeable medicines are those that have the same quality of and quantitative composition in terms of active substances. The difficulty with AEDs is that, even when these criteria have been met, there can still be a problem for someone with epilepsy. I was at the Science Gallery in Trinity College in the past couple of weeks, since our discussion on Committee Stage. I heard a presentation on thalidomide and it referred to the wrong stereoisomers included in the medicine. If its mirror image had been used, there would not have been the huge adverse reaction to it. In that case, quantitatively and qualitatively, it was the exact same medicine at the time. Thankfully, medicine has progressed significantly since that and we would hope not to see a replication of it. However, we want to ensure that all the checks and balances are in place and we look to dispel the fear in the community of people with epilepsy and their advocates.

I ask the Minister of State to examine the amendment. In practical terms, I do not think it will happen anyway. Why not put a belt and braces approach to ensure the legislation is watertight so that people with epilepsy have the confidence to pick up a prescription and ensure the prescription is filled at the pharmacy with the exact same medicine as heretofore? People can then take the medicine and be sure they will not have an adverse reaction.

Minister of State at the Department of Health(Deputy Alex White): As Deputy Caoimhghín Ó Caoláin identified, the amendments in the next group deal more specifically with

AEDs but we have started the debate in this group. The specifics of AEDs is more germane to the next group but I will deal with the issues raised in this group of amendments and again when dealing with the next group. We are dealing with amendments Nos. 1 to 3 and they seek to introduce a new definition of a non-interchangeable medicinal product in the Bill. A non-interchangeable medicinal product is defined in the amendments as a medicinal product that is not interchangeable with any other medicinal product as provided for under section 5 of the Bill. The framework of the Bill provides that the IMB establishes and maintains a positive list of interchangeable medicinal products under the provisions of sections 4 and 5 of the Bill. This approach is consistent with the recommendations set out in the Department of Health-HSE report entitled, Proposed Model of Reference Pricing and Generic Substitution, or the so-called Moran report of 2010.

While some countries maintain a negative list of interchangeable medicinal products, I do not consider it appropriate to maintain both a positive and a negative list in this Bill, which is what is proposed here. A positive list means that only products on this list may be substituted. Some countries have negative lists, that is, the substitution of all medicinal products permitted with the exception of specified medicinal products. A positive list of interchangeable medicinal products is considered more desirable from a patient safety perspective and in those circumstances, I do not propose to accept these amendments.

I thank Deputies Murphy and Shortall for their overall support for what this Bill seeks to achieve and I very carefully note it. I agree with what Deputy Murphy and others have said about the concerns people with epilepsy have in regard to their medicines. As politicians, we have all received representations and I have met members of the Irish Epilepsy Association. I have a personal knowledge of this area as people close to me have had epilepsy. I have an appreciation of what has been said about the implications for people and their medicines and the necessity for and importance of stability, which Deputy Murphy rightly pointed out.

Deputy Naughten and others asked me to genuinely consider this issue, which I have done. I have thought very carefully about it, as a Minister should, have met representatives of the Irish Epilepsy Association and have discussed it on a number of occasions with officials. I have gone through it very carefully and assiduously.

I emphasise the point, as I did on the last occasion, that we are not substituting medicines in this exercise. What I am asking the House to do is to agree to a statutory regime to be put in place to enable the responsible body to consider whether it should substitute medicines in particular circumstances. It is very important we remember that distinction. I do not have to remind Members of this House of that, and I do not want anybody to be offended that I make the point in those blunt terms. We are not being asked to substitute or otherwise anything in regard to particular medicines; we are being asked to put in place a statutory regime.

The expert body, the Irish Medicines Board in this instance, should have the level of trust not just from this House but publicly to do what it is required to do. It must follow - I refer to Deputy Shortall's question about guarantees - the very rigorous requirements set out in the Bill which it must honour, apply and have regard to if it is to consider the substituting of any medicine. The answer to the question about guarantees is what the House is doing in this legislation - that is, it is putting in place these rigorous requirements on the Irish Medicines Board, to which it must have regard. It is not a question that it may or it might have regard to them; it must have regard to these criteria which are quite clear and rigorous. I am asking the House to agree that they will be set out in legislation.

Deputy Naughten said that will not happen. It may not happen but it is a matter for the Irish Medicines Board - the people who are expert and who must carry out this work in the context of the requirements set out in the Bill - to make that decision. That is what I respectfully ask the House to acknowledge and agree to, that is, that it should be a matter for the Irish Medicines Board to consider this. All we are being asked to do is to put in place a statutory regime. The guarantee of and the requirement for safety are adequately dealt with in what we are asking the House to agree to in the Bill in terms of the various standards and criteria which have to be applied.

I think Deputy Murphy raised the question of the UK. I can advise the House that there is no official list of medicines considered unsuitable for generic prescribing in the UK but the national prescribing centre there makes the following comments regarding anti-epileptic medication. It states that loss of seizure control has been reported in patients after switching brands of epileptic medicines and that continuity of the same brand or the same generic preparation is recommended. Deputy Murphy mentioned that continuity is extremely important.

I mentioned the Moran report about which we should be absolutely clear. That report referred to medicines and types of medicines which, in general, would not be regarded as interchangeable. Appendix D to the report states: "General circumstances where medicines will not be regarded as interchangeable (on the basis of current evidence and manufacturing standards) include the following". It provides an extensive list, which I will not go through but which includes anti-epileptic medicines. The report refers to medicines and the types of medicines which, in general, will not be regarded as interchangeable. The report does not a call for a statutory exclusion of a medicine or group of medicines.

I fully appreciate the points Deputies raised and the concerns they have but the job we are being asked to do is to set out a statutory framework. Let us put in place a statutory framework and rely on the Irish Medicines Board to carry out the task required of it within the context of the rigorous criteria set out in the Bill.

Deputy Catherine Murphy: I am really disappointed the Minister of State will not accept these amendments. The object, which we all want, is to get good value for the health service but one must look at the totality of this. I mention the impact on the State if it runs into difficulty. European countries have specifically excluded epilepsy and treated it differently. The Moran report recommended excluding it. We should consider the prospect of somebody losing his or her job and becoming dependent on the State, hospital treatment, risk to life, loss of independence because of not being able to drive and the side effects people experience when they change medicines in that they sometimes require medicines to offset the side effects of the new drug. Certainty is absolutely critical.

There is not even a saving to the State - in fact, it could cost the State. It does not achieve what it sets out to achieve. Most general practitioners would be unaware that they should write on a prescription that a substitution should not be provided, although this debate has probably been helpful from that point of view. The one way to achieve certainty is to exclude epilepsy drugs from this generic initiative. That would give the certainty all of us on this side of the House seek. It makes financial sense in terms of society's response to managing a condition which is possible to manage in most situations.

Deputy Billy Kelleher: I too am surprised and disappointed. The Minister of State's response is an indication in itself as to why he should accept these amendments. People with

epilepsy need continuity and certainty. There is no better way than to give them continuity and certainty and peace of mind than by accepting one of these amendments. While the Minister of State was replying, I read an e-mail from somebody who genuinely and passionately has huge concerns, which are not baseless. They are based on actual medical and scientific evidence.

1 o'clock

Other countries and the Moran report have recommended that there be an exemption in regard to interchangeability.

Deputy Alex White: The report does not recommend that.

Deputy Billy Kelleher: Yes, it does. It states quite clearly that AEDs should not be subject to generic substitution or change. If there is to be interchangeability and substitutions, it is quite clear there will be an impact on people's lives and quality of life. They could develop seizures. As was said by many, fear alone creates considerable anxiety. In the context of the overall medical budget, what is proposed in the Bill in the context of AEDs will not save money because it is recommended that a patient should not change medicine once the correct drug is found. There will not be many changes but what I propose would give absolute certainty to people who suffer from epilepsy.

Even at this late stage, I ask the Minister of State to understand why we are pressing these amendments. We are doing so solely to give certainty to many people who have great concerns about this matter. I refer not only to people with epilepsy, but to eminent consultants who deal with it daily. The latter are pleading that what we propose be accepted.

Deputy Caoimhghín Ó Caoláin: On Second Stage, other Members and I confirmed our welcome of the intent of this legislation. This welcome did not need to be repeated in our contributions at the outset of Report Stage. However, the concerns we expressed on Committee Stage and now again on Report Stage are real and substantive. They are not our concerns in the first instance; they are the concerns of those who will be directly affected by the change. Those fears are real and substantial.

We are not being asked to substitute; that is not the task before us but, as legislators, we have a duty to provide the greatest protections possible. We do so across a range of other areas from time to time. We build into legislation clear direction as regard to the legislators' wish. We do not leave legislation to the widest possible interpretation, nor do we kick the ball to somebody else to make a decision. The courts interpret our work almost daily but legislators always endeavour to give the clearest direction possible. We have concerns about AEDs. I am certainly concerned that we are not reflecting the real fears that have been expressed to us. As I will argue in respect of amendments Nos. 4 and 18, these fears are absolutely justified based on the experience of epilepsy sufferers whose medication has been already substituted by pharmacists mindful of the change but unaware that it had not already come into play.

Deputy Róisín Shortall: The Minister of State's response is disappointing. These concerns are not vexatious or frivolous in any way. As other Members have stated, there is not a queue of people objecting to generic substitution. The group to whom we refer is the only group objecting. It is doing so on very good grounds.

Does the Minister of State accept that it is not currently safe to substitute generic drugs for AEDs? If so, does the Department not have an onus to put in place the kinds of safeguards that

are required? In the absence of those safeguards, one is depending on the individual patient's full awareness of his or her condition and the dangers associated with generic substitution. The patient would have to be very alert to the dangers associated with prescribed medications. One is also depending on all general practitioners being fully aware of the circumstances. That is not necessarily the case. We should also bear in mind locums, hospital prescribers and pharmacists. Everybody along the chain needs to be fully aware of the inherent or very real dangers of generic substitution of AEDs for people with epilepsy. That is a big ask. I do not have confidence that there is sufficient awareness throughout the prescribing chain.

Why is the Minister of State not prepared to include in the legislation the requested safeguards? He has not provided an explanation for that. While in the majority of cases generic medicines are absolutely safe, they are not in the case of AEDs. While medications may be perfectly safe for people with certain conditions, it does not follow that they are safe for people with every condition for which they are prescribed. Does the Minister of State accept the basic point that it is not currently safe to substitute generic medicines for AEDs? If he accepts this, why is he not prepared to provide the safeguards?

Deputy Denis Naughten: I will return to the point I made earlier. A young lady from Roscommon who contacted me in the past 24 hours is very fearful that her medicine may be substituted. Based on the criteria of the Irish Medicines Board – the Minister is correct that there are many checks and balances – and the recommendations in the Moran report, which states AEDs and a number of other medicines should not be substituted based on current medical evidence, there will not be any deliberate intention to introduce generic substitution for AEDs. If that is the case – I genuinely believe it is – why are we exposing individuals who require AEDs to the risks associated with the prescribing change?

The debate on the Moran report concerns whether there should be a statutory footing. The argument has been made by Epilepsy Ireland that placement on a statutory footing would ensure there will be no risks along the prescribing chain. Not only would there be the checks and balances, there also would be provision for the general practitioner to stipulate that there should be no substitution in regard to the prescription. The pharmacist, under section 50, has discretion not to dispense. Surely, therefore, rather than allowing a mistake to happen somewhere along the prescribing chain, would it not be far more advantageous to make a statutory provision specifically in regard to AEDs prescribed for the purpose of treating epilepsy? This would provide the clarity that is required and get rid of the unnecessary fear that is currently hanging over people who rely on AEDs to manage their epilepsy daily. The Government should deal with this issue once and for all. It should provide certainty and confidence in the legislation so we can all endorse its passage.

Deputy Alex White: The fear that Deputy Naughten talked about is the fear of something that may happen in the future. The fact is that we are giving direction. Deputy Ó Caoláin should note that we will be giving direction in the legislation, if it is passed, because we are setting out the criteria that the Irish Medicines Board will be required to follow.

We are giving a direction in that regard.

On the question of safety, interchangeability and the experience overseas, there are six main classes of anti-epileptic drugs, AEDs, and a number of medicines in each of these classes. The Irish Medicines Board has reviewed the policy on interchangeability of AEDs in a number of countries, including Denmark, Sweden, the United Kingdom and the Netherlands. Some AEDs

are listed as interchangeable in some of these countries but not in others. The board points out that where a medicine is not listed on a country's website, it has no further information on it. However, there may be a number of reasons for a medicine not being listed, including that it is not authorised in the country or that the list only contains medicines which are subject to reimbursement. In addition, there may be practise guidelines in operation in the country of which the board is unaware. For example, in the case of the Netherlands the board advises that there is automatic substitution for an AED.

The Moran report was mentioned a number of times. It is important to point out again that the report does not contain a recommendation that there be a statutory exception made for AEDs. That is not so. The Irish Medicine Board's commentary in the report which I have read and will read again if I have the time, although I probably will not, is on the propriety or otherwise of medicines being interchanged, which is the type of issue with which the board will have to deal when it arises. The report states:

...General circumstances where medicines will not be regarded as interchangeable (on the basis of current evidence and manufacturing standards) include the following:

1. Where there is a difference in bioavailability between brands of the same medicines, particularly if the medicine has a narrow therapeutic index. Changing preparations may result in sub-therapeutic or toxic doses. [Products in this group include anti-epileptic and other drugs.]

2. Where modified release preparations are not interchangeable...

In its commentary the Irish Medicines Board lists the types of drugs which in its view will not generally be regarded as interchangeable. I have no doubt that the board will have regard to the literature, experience and expertise available in this area, as well as to the criteria set out in the Bill, which also draws from expert opinion.

Deputy Catherine Murphy: Where a person develops epilepsy and is treated with a generic drug which works for him or her, what is proposed is fine. What is at issue is the interchangeability of drugs. Many people with epilepsy have not seen a consultant and are managed by a general practitioner who may not have the range of knowledge of a specialist in the field. I take issue not with the Irish Medicines Board approving particular types of drugs for use but with the interchangeability of drugs. We are giving far too much responsibility to pharmacists and general practitioners in terms of the requirement to write particular words on prescriptions. This is risky. What if the Minister of State is wrong? What if we are giving them too much responsibility? What we are seeking is certainty in this regard.

Amendment put:

<i>The Dáil divided: Tá, 46; Níl, 77.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Broughan, Thomas P.</i>	<i>Bannon, James.</i>
<i>Calleary, Dara.</i>	<i>Breen, Pat.</i>
<i>Collins, Joan.</i>	<i>Burton, Joan.</i>
<i>Collins, Niall.</i>	<i>Butler, Ray.</i>
<i>Colreavy, Michael.</i>	<i>Buttimer, Jerry.</i>

<i>Crowe, Seán.</i>	<i>Byrne, Catherine.</i>
<i>Daly, Clare.</i>	<i>Byrne, Eric.</i>
<i>Doherty, Pearse.</i>	<i>Carey, Joe.</i>
<i>Donnelly, Stephen S.</i>	<i>Coffey, Paudie.</i>
<i>Ellis, Dessie.</i>	<i>Collins, Áine.</i>
<i>Ferris, Martin.</i>	<i>Conaghan, Michael.</i>
<i>Flanagan, Luke 'Ming'.</i>	<i>Conlan, Seán.</i>
<i>Fleming, Sean.</i>	<i>Connaughton, Paul J.</i>
<i>Fleming, Tom.</i>	<i>Conway, Ciara.</i>
<i>Grealish, Noel.</i>	<i>Coonan, Noel.</i>
<i>Halligan, John.</i>	<i>Creed, Michael.</i>
<i>Healy, Seamus.</i>	<i>Daly, Jim.</i>
<i>Healy-Rae, Michael.</i>	<i>Deasy, John.</i>
<i>Kelleher, Billy.</i>	<i>Deering, Pat.</i>
<i>Kitt, Michael P.</i>	<i>Doherty, Regina.</i>
<i>McConalogue, Charlie.</i>	<i>Donohoe, Paschal.</i>
<i>McDonald, Mary Lou.</i>	<i>Dowds, Robert.</i>
<i>McGrath, Finian.</i>	<i>Durkan, Bernard J.</i>
<i>McGrath, Mattie.</i>	<i>Farrell, Alan.</i>
<i>McGrath, Michael.</i>	<i>Feighan, Frank.</i>
<i>McLellan, Sandra.</i>	<i>Ferris, Anne.</i>
<i>Martin, Micheál.</i>	<i>Fitzpatrick, Peter.</i>
<i>Moynihan, Michael.</i>	<i>Flanagan, Charles.</i>
<i>Murphy, Catherine.</i>	<i>Gilmore, Eamon.</i>
<i>Naughten, Denis.</i>	<i>Griffin, Brendan.</i>
<i>Nulty, Patrick.</i>	<i>Harrington, Noel.</i>
<i>Ó Caoláin, Caoimhghín.</i>	<i>Harris, Simon.</i>
<i>Ó Cuív, Éamon.</i>	<i>Hayes, Brian.</i>
<i>Ó Fearghail, Seán.</i>	<i>Hayes, Tom.</i>
<i>Ó Snodaigh, Aengus.</i>	<i>Heydon, Martin.</i>
<i>O'Brien, Jonathan.</i>	<i>Hogan, Phil.</i>
<i>O'Dea, Willie.</i>	<i>Humphreys, Heather.</i>
<i>O'Sullivan, Maureen.</i>	<i>Humphreys, Kevin.</i>
<i>Pringle, Thomas.</i>	<i>Keating, Derek.</i>
<i>Ross, Shane.</i>	<i>Kelly, Alan.</i>
<i>Shortall, Róisín.</i>	<i>Kenny, Seán.</i>
<i>Smith, Brendan.</i>	<i>Kyne, Seán.</i>
<i>Stanley, Brian.</i>	<i>Lawlor, Anthony.</i>
<i>Tóibín, Peadar.</i>	<i>Lynch, Kathleen.</i>
<i>Troy, Robert.</i>	<i>Lyons, John.</i>
<i>Wallace, Mick.</i>	<i>McEntee, Helen.</i>
	<i>McGinley, Dinny.</i>
	<i>McLoughlin, Tony.</i>

	<i>McNamara, Michael.</i>
	<i>Maloney, Eamonn.</i>
	<i>Mathews, Peter.</i>
	<i>Mitchell, Olivia.</i>
	<i>Mitchell O'Connor, Mary.</i>
	<i>Mulherin, Michelle.</i>
	<i>Nash, Gerald.</i>
	<i>Neville, Dan.</i>
	<i>Nolan, Derek.</i>
	<i>Ó Riordáin, Aodhán.</i>
	<i>O'Donnell, Kieran.</i>
	<i>O'Donovan, Patrick.</i>
	<i>O'Mahony, John.</i>
	<i>O'Sullivan, Jan.</i>
	<i>Penrose, Willie.</i>
	<i>Perry, John.</i>
	<i>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Quinn, Ruairí.</i>
	<i>Ring, Michael.</i>
	<i>Ryan, Brendan.</i>
	<i>Shatter, Alan.</i>
	<i>Spring, Arthur.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanton, David.</i>
	<i>Timmins, Billy.</i>
	<i>Tuffy, Joanna.</i>
	<i>Varadkar, Leo.</i>
	<i>White, Alex.</i>

Tellers: Tá, Deputies Catherine Murphy and Seán Ó Feargháil; Níl, Deputies Joe Carey and Emmet Stagg.

Amendment declared lost.

An Ceann Comhairle: Amendment No. 2 has already been discussed with amendment No. 1.

Deputy Billy Kelleher: Can I discuss it further?

An Ceann Comhairle: Of course, the Deputy can.

Deputy Billy Kelleher: I move amendment No. 2:

24 April 2013

In page 13, between lines 14 and 15, to insert the following:

“(2) The Board shall, as soon as is practicable after the commencement of this section, establish and publish on its Internet website, and maintain, a list (in this Act referred to as the “List of non-Interchangeable Medicinal Products”), in such form as it thinks fit, of groups of medicinal products in respect of which it is satisfied, in accordance with *section 5*, as respects each such group, that all the medicinal products which fall within the group are, for prescription purposes, not interchangeable with each other.”.

An Ceann Comhairle: The Deputy will have to wait until we resume after lunch to discuss the amendment further.

Debate adjourned.

Sitting suspended at 1.30 p.m. and resumed at 2.30 p.m.

Ceisteanna - Questions

Priority Questions

Exceptional Needs Payments

1. **Deputy Willie O’Dea** asked the Minister for Social Protection the total amount of savings that she expects to achieve from the abolition of exceptional needs payments for religious ceremonies; the number who received such payments in 2010, 2011, 2012 and to date in 2013; and if she will make a statement on the matter. [19152/13]

Minister for Social Protection (Deputy Joan Burton): Under the supplementary welfare allowance, SWA, scheme, the Department may make a single exceptional needs payment, ENP, to help meet essential, once-off and unforeseen expenditure which a person could not reasonably be expected to meet out of their weekly income. The Department provides money for clothing for adults and children in exceptional circumstances. The Government has provided €47.6 million for the exceptional needs payment scheme in 2013. The special payments are payable at the discretion of the officers administering the scheme taking into account the requirements of the legislation and all the relevant circumstances of the case in order to ensure that the payments are targeted at those most in need of assistance.

A review of the guidelines on exceptional needs payments was carried out for the Department by a working group made up of community welfare service staff. One of the recommendations from the review was to address the different approaches taken, in different areas, in relation to the payment of exceptional needs payment in respect of religious ceremonies, mainly communions and confirmations, and to ensure that the SWA scheme is responding to financial need rather than to meet expected and foreseeable costs associated with such occasions. In 2011, only 25 payments for religious ceremonies issued in the north west of the country with more than 5,600 payments having issued in the eastern region, including Dublin. Average payments also differed for this period and ranged from between €189 in the north east to over €300

in the east of the country.

The working group recommended that payment of the allowance specifically in respect of religious ceremonies should cease. This recommendation has been implemented by the Department and it is expected that this measure will achieve annual savings of €1.5 million.

This recommendation does not affect the discretion available to officers administering the scheme in issuing an exceptional needs payment to assist an individual or household in a particular hardship situation which may arise. In 2013 to date, the Department has assisted some 600 families with costs towards children's clothing under the exceptional needs payment scheme at a cost of approximately €60,000.

The number of payments and amounts paid in respect of religious ceremonies in the years 2010 to 2012 is provided in the following table.

Year	Number of Payments	Amount
2010	12,660	€3.25m
2011	13,970	€3.42m
2012	12,460	€1.50m

Deputy Willie O'Dea: The relevant figure given by the Minister is €1.5 million. This is the amount the Government will save by depriving 14,000 families, many of whom are living in destitution, others on the verge of destitution, of this particular payment, out of a total budget of €56,472 million. I put it to the Minister that it is disingenuous to say people can have access to the exceptional needs payment in view of the fact that the Government slashed the it last year by €6 million in the budget. The Minister mentioned a figure of €46 million but failed to mention that the amount was €52 million the previous year. The reduction took place at a time when the newspapers carried reports of community welfare officers referring their clients to the Society of St. Vincent de Paul and other charities. While the Minister has made various references to lavish payments and dresses costing €300, etc., will she agree that the cap introduced last year of just over €100 per family does not allow for this type of lavish expenditure? Will the Minister review the exceptional needs payment budget with a view to increasing it or has she any intention of restoring the payment?

Deputy Joan Burton: When the former staff of the HSE, the community welfare officers, came into the Department of Social Protection about a year and a half ago, they made many comments on how they could spend scarce money to the best advantage of people in need, both individuals and families. They came up with this proposal and pointed out that in the north west - Donegal, Sligo and Leitrim - such payments were almost unknown. Payments were made in exceptional cases where there was an unforeseen need in the family whereas in the east, particularly in the Dublin area, the average payment per child had increased to €300. They recommended that we review the payment and ultimately phase it out so as to provide for unforeseen needs. In respect of a number of events, people are aware of them in advance. We are spending almost €50 million on exceptional needs this year. The Deputy can sniff at €50 million and throw his hands up at it but the fact is that the party of which the Deputy is a member left this country in a state of such economic difficulty-----

Deputy Willie O'Dea: The Minister is giving a history lesson. She did not say much about that during the election campaign when she promised the sun, moon and stars.

24 April 2013

An Leas-Cheann Comhairle: The Minister to conclude, please.

Deputy Joan Burton: -----that we had to find savings because we were relying on others.

Deputy Willie O’Dea: Among the poorest of the poor.

Deputy Joan Burton: No.

Deputy Willie O’Dea: Is that Labour Party policy?

Deputy Joan Burton: The fact is we have maintained spending on social welfare at €20.3 billion. We have done that in the face of the enormous difficulties in which the Fianna Fáil Party left the country.

Deputy Willie O’Dea: The community welfare officers advised the Minister how to spend scarce money. She was not too worried about scarce money while on this side of the House when she could find money for everything under sun. It is a mean cut and it should be reversed. Why did the Minister wait until the eve of first holy communion and confirmation, with the result that people did not have the chance to plan ahead? She spoke about expenditure coming to an average payment of €300 in the east and nothing in the north west. The fact remains that since last year the cap was €110. Will the Minister agree with me that no one can be particularly lavish with €110? She has made a statement that people can shop around and buy clothes at a reasonable price. They might be reasonably priced for the likes of the Minister, but they are not for the people whom the Labour Party was supposed to and elected to represent. These prices are out of their range and the Minister is out of touch.

Deputy Joan Burton: It is difficult to find money in the challenging economic situation left to us by the Deputy’s party.

Deputy Willie O’Dea: A situation in which the Minister was more than willing to take over.

Deputy Joan Burton: However, I have found nearly €50 million for special needs payments. The Deputy can scoff all he likes.

Deputy Willie O’Dea: The Minister has slashed special needs payments.

An Leas-Cheann Comhairle: Please, Deputy.

Deputy Joan Burton: The Deputy has a cheek.

Deputy Willie O’Dea: The Minister is a joke. She has some neck.

Deputy Joan Burton: Fianna Fáil-----

Deputy Willie O’Dea: Protect child benefit - vote Labour.

An Leas-Cheann Comhairle: Please, Deputy.

Deputy Joan Burton: This year the Department of Social Protection will spend €20.3 billion. That is a figure with a lot of noughts in case Deputy Willie O’Dea had not noticed.

Deputy Willie O’Dea: I understand that.

Deputy Joan Burton: It comes from hard-working taxpayers’ tax and PRSI payments.

Deputy Willie O’Dea: The Minister was not too worried about spending hard-working taxpayers’ money when she was on this side of the House.

Deputy Joan Burton: I will not apologise to the Deputy for having to make a decision to target that budget of €20.3 billion as best I can among older people, parents with children-----

Deputy Willie O’Dea: Did the Government target the rich? Why did it not target those earning over €100,000?

Deputy Joan Burton: -----and the 250,000 people who, unfortunately, lost their jobs owing to Fianna Fáil’s policies after 2008.

Deputy Willie O’Dea: The Government’s solution is to crush the poor. Is that Labour Party policy?

An Leas-Cheann Comhairle: Please, Deputy.

Deputy Joan Burton: We are getting people back to work.

Deputy Willie O’Dea: Get off the stage.

Deputy Joan Burton: Some 250,000 jobs were lost under Fianna Fáil.

Deputy Willie O’Dea: On a point of order, how many people has the Government got back to work?

An Leas-Cheann Comhairle: That is not a point of order.

Deputy Joan Burton: On the other hand, we are getting people back to work. Under Fianna Fáil, 250,000 jobs were lost.

Deputy Willie O’Dea: The Minister is a bluffer. The unemployment rate is the same.

Deputy Joan Burton: For the first time since 2008, we have got considerable numbers of people back to work.

An Leas-Cheann Comhairle: I ask the Minister to move on to Parliamentary Question No. 2.

Deputy Willie O’Dea: How many are back in employment?

Deputy Joan Burton: The Deputy has his legacy and has to live with it.

Deputy Willie O’Dea: Tell that to the Minister’s friends in the media.

Deputy Joan Burton: May I move on to the next question?

Deputy Willie O’Dea: Labour Party members might be fooled into believing that, but no one else is.

Deputy Alan Farrell: Come on, a Leas-Cheann Comhairle.

An Leas-Cheann Comhairle: I ask Deputy Willie O’Dea to stop, please.

Deputy Joan Burton: I will wait until he finishes. If he likes, I will sit down and let him

24 April 2013

rant about Fianna Fáil. Perhaps he wants to apologise. His apology is long overdue and I have not heard it from him yet. He should apologise to taxpayers and hard-working people.

Deputy Willie O’Dea: Protect child benefit - vote Labour.

An Leas-Cheann Comhairle: Please, Deputy.

Deputy Joan Burton: He is getting excited because the Ard-Fheis is near.

Deputy Willie O’Dea: It would take a lot more than the Minister to excite me.

Social Welfare Code

2. **Deputy Aengus Ó Snodaigh** asked the Minister for Social Protection the reason retained firefighters who are entitled to social welfare payments when they are not working in other employment are still having payments withheld from them. [19161/13]

(Deputy Joan Burton): Retained firefighters are entitled to a jobseeker’s payment in respect of days they are engaged in firefighting or training. They are, however, required to satisfy the statutory conditions for the receipt of a jobseeker’s payment of being available for and genuinely seeking work. A working group has reported to me and I am pleased to inform the House that I have decided to advance provision within the jobseeker’s schemes to cater for these workers. In arriving at this decision I have been particularly mindful of the vital service they provide, particularly in rural communities where the fire service is almost exclusively staffed by retained personnel.

Legislation in this area is being drafted for inclusion, as approved by the Government, in the forthcoming Social Welfare and Pensions Bill 2013. For this reason, I will not go into the specifics of the planned provisions. However, it is my intention that the legislation will allow retained firefighters reasonable and a fair level of access to the schemes in the future. The legislation will take effect from commencement of the relevant provisions of the Bill.

I thank all Deputies and Senators who have been in contact with me on this issue for their patience and forbearance, as well as my colleague, the Minister for the Environment, Community and Local Government, for his input. I intend to write to relevant Members in the near future outlining my proposals in more detail.

Deputy Aengus Ó Snodaigh: It is welcome news that progress has been made in this area and I hope we will see the detail of the arrangement soon. It was a very simple anomaly. On the one hand, the Department wanted to comply with its rules and regulations, but, on the other, this vital service was being undermined by social welfare inspectors and the social welfare appeals office. Is it the Minister intention to make this change as soon as possible? Will she inform social welfare inspectors and the social welfare appeals office to put the various cases in question on hold? In the cases in which recipients took a case to appeal and lost, will they be re-examined?

Deputy Joan Burton: The practice regarding retained firefighters has its roots in an administrative decision in 1972 to disregard any day of firefighting or training when determining their entitlement to jobseeker’s benefit or allowance. There was the proximity rule for those living close to the fire station. When this matter was brought to my attention several months after I

had taken office, I sought to ensure such an unsatisfactory arrangement would be brought to an end. To achieve this, I had to have regard to both the integrity of the social welfare system and the fact that special arrangements had operated for firefighters since the 1970s. I have the Government's approval to place these arrangements on a sound legislative footing and the specifics are being worked through. The legislation in question will have to be drafted and sent to the Attorney General's office and the Parliamentary Counsel. I have sought the Government's approval in this regard because I believe the social good of maintaining this service for the safety and protection of citizens justifies the special arrangements in place. I am satisfied the right outcomes will be achieved with the planned legislation.

Deputy Aengus Ó Snodaigh: I hope this decision will not impact negatively on the 800 firefighters who avail of the scheme in question. I hope they will be employed in the future rather than being dependent on this payment.

Jobs Protection

3. **Deputy Richard Boyd Barrett** asked the Minister for Social Protection if her attention has been drawn to the situation in the Dún Laoghaire Rathdown County Council owned Ballyogan recycling depot, where a number of persons have been taken on to the JobBridge scheme which has resulted in other workers being displaced; and if she will make a statement on the matter. [19151/13]

(Deputy Joan Burton): The Department is in receipt of a complaint regarding the issue raised by the Deputy and is currently examining the matter.

All allegations are taken extremely seriously; displacement of existing workers by JobBridge interns is not allowed under the terms and conditions of the JobBridge scheme, is a flagrant abuse of the scheme and is not a practice that can be condoned. Any host organisation which is found to be displacing paid staff in contravention of the scheme rules will be barred from further access to the scheme. In addition, all existing internships with the host organisation will cease.

I understand that the facility referred to in the question is operated by a private firm operating under contract with the local authority.

The complaint made is currently being investigated by the Department and I am advised that an investigating officer has been in contact with both the individual who raised the complaint and with the host organisation. I expect a report on the matter to be finalised shortly.

The whole purpose of JobBridge is to encourage job creation and to incentivise employers to offer opportunities to unemployed people. It runs counter to the logic of the scheme that it should be used to displace existing employees onto the live register and I will not tolerate such behaviour. In fact, the scheme has been designed and is operated with a number of controls designed to minimise the risk of such behaviour. The host organisation may not provide an internship under the scheme to an individual with whom they have an existing employment relationship. The host organisation cannot advertise internships if it has paid employment vacancies in the area of activity in which the internship is offered. The total number of internships that may be availed of by a host organisation is limited to one in ten of its workforce or, in the case of very large employers, an absolute limit of 200 staff. Organisations must abide by a

24 April 2013

six-month cooling-off period between internships; in other words, an organisation cannot roll over internships on a continuous basis. This limits the ability of an internship to substitute for a permanent role. The host organisation must provide coaching and mentoring. All applications from host organisations to advertise internships are reviewed and assessed under the criteria set by the Department's national contact centre in Edenderry.

We intensively monitor internships. Since JobBridge was launched, 1,700 monitoring visits have been conducted. All complaints are taken up. In a period in which we had approximately 13,500 people on internships, we received some 275 complaints, and 15 host organisations that were found to have breached the scheme have been excluded from further participation.

Additional information not given on the floor of the House

I am satisfied that the design of the scheme, together with the intensive monitoring regime operated by the Department, minimises the level of displacement and acts to protect the interests of host organisations, interns and the wider labour market.

Deputy Richard Boyd Barrett: When JobBridge was introduced some of us were sceptical about the claims the Government made for it and believed that, against a wider background of austerity and cuts that were crippling employment prospects, this scheme could be abused by employers to displace existing jobs. The instance I have cited for the Minister is a serious example of those fears being realised. I refer to a private company that is employed by one of our councils, Dún Laoghaire Rathdown County Council, with a major contract for waste collection in the county. One week it has people working for it whom it has to pay; the next week, those people are gone and replaced with so-called interns that the State is paying for, subsidising a private company.

An Leas-Cheann Comhairle: Will the Deputy ask a question?

Deputy Richard Boyd Barrett: One of the employees, Brian, stated:

I was working in Ballyogan for one year and 11 months and I was told on Wednesday, 27 March that I would no longer be needed on 1 April. Now there is an intern doing my job. This intern is being paid from the Department of Social Protection and I had to sign on too, costing the State an extra €238 every week while Oxigen are laughing all the way to the bank.

That is a very serious example of abuse of the scheme, and there is widespread anecdotal evidence of that.

An Leas-Cheann Comhairle: Deputy, I want to call the Minister and then I will come back to you. Do you want to ask another supplementary question after this one? We have only six minutes for this question.

Deputy Richard Boyd Barrett: What does the Minister intend to do about that, and what measures will she put in place to ensure it cannot happen again?

Deputy Joan Burton: I have just outlined for the Deputy an extensive set of measures that are in place. In view of the fact that more than 13,000 people who have taken part in JobBridge, the number of complaints received have been extremely low in number. Where we have found that there is good cause to the complaint, as I told the Deputy, 15 host organisations have been excluded from further participation in JobBridge as a consequence of those control activities.

We have a series of monitoring visits in place. More than 1,700 monitoring visits have taken place so far to different organisations that have hosted JobBridge internships.

More importantly, we asked Indecon consultants to conduct very detailed research into the outcome of JobBridge, and the good news, which I am sure the Deputy will want to hear, is that over 60% of the people who acquired a JobBridge internship have gone on to secure further employment. That is a placement rate far in excess of most schemes seeking to provide employment for people who have been out of the workforce for a long period of time or who have acquired qualifications. Unfortunately, some of the people on the JobBridge schemes have been extraordinarily qualified, bright graduates who, because of the current state of the labour market, have found it difficult to get a first job or experience in their particular field. The feedback from a significant number of people who have taken on an internship and also from the employers that have hosted the internships has been for the most part extremely positive.

Deputy Richard Boyd Barrett: The person I quoted complained to the Department of Social Protection on 21 March. It is now 24 April. The Minister says she is considering the complaint made. How long does it take to consider this matter and adjudicate on it? It appears to me to be a cut and dried case of abuse by, I repeat, a company that has a major contract with a local authority and is profiting from the contract that has been given to it by a public authority. There have been many other instances that I know have been cited to the Minister, including the use of interns for checkout jobs in Donegal and jobs in SuperValu. I understand Deputy Halligan mentioned to the Minister furniture firms in Waterford that close down one week, make people redundant, tell them to depend on the insolvency service to get their redundancy payment and reopen the next week doing the same job with interns in the jobs of the employees they had let go.

An Leas-Cheann Comhairle: I have to call the Minister.

Deputy Richard Boyd Barrett: More needs to be done to monitor this scheme. Will there be prosecutions of firms that have abused the scheme?

Deputy Joan Burton: I want to reassure the Deputy that we have an extensive system of monitoring in place, which the Deputy will find on the JobBridge site. I do not want to comment on the detail of the case, although the Deputy has made many allegations. I have asked an official of the Department to examine the complaints that have been made. We have had to go back to the organisation about which the Deputy has made the allegations.

Deputy Richard Boyd Barrett: They all came from employees.

Deputy Joan Burton: Even in Trotskyite politics it is possible-----

Deputy Richard Boyd Barrett: It has nothing to do with Trotsky. It is about four people who lost their jobs.

An Leas-Cheann Comhairle: Deputy, the person in possession should be allowed to finish.

Deputy Richard Boyd Barrett: The Minister should have some respect for them.

Deputy Joan Burton: I have every respect for them. That is why we have had 13,000 people successfully taking part in this scheme. As I told the Deputy, where allegations are made we take them extremely seriously. We are taking what the Deputy said extremely seriously but he must appreciate that we have to investigate whether the complaint is well-founded.

24 April 2013

Deputy Richard Boyd Barrett: Talk to the employees.

Deputy Joan Burton: The Deputy has a letter from an individual. It concerns a company which, as he said, is in some kind of contractual relationship with Dún Laoghaire-Rathdown County Council. It is appropriate to give an opportunity for the matter to be examined. I do not want to say anything else about the specific case, for reasons I believe the Deputy would appreciate.

Disability Allowance Payments

4. **Deputy Willie O’Dea** asked the Minister for Social Protection her plans for the future of the domiciliary care allowance and the disability allowance in view of the advisory group on social welfare and taxation; and if she will make a statement on the matter. [19153/13]

(Deputy Joan Burton): At the outset I want to put on record that the Government fully recognises that the domiciliary care allowance, DCA, scheme represents a very important support to parents and guardians who live with and care for children with a disability. Likewise, the disability allowance, DA, represents an important income support to people who are unfit for work. In this context I am pleased that two important reports have been published in recent times.

DCA is now being paid in respect of 26,000 children, an increase of more than 3,000 since the Department took over responsibility for the scheme from the HSE in April 2009. Spending on the scheme and the respite care grant, which is automatically paid to all recipients, has increased from €138 million to €145 million between 2010 and 2012. In 2012, DA was being paid in respect of 120,000 customers at a cost of €1.09 billion.

3 o’clock

The second report of the advisory group on tax and social welfare on the issue of the 2012 budget proposals regarding domiciliary allowance and domiciliary care allowance, DCA, was published by Government on 10 April 2013. At the same time, the report of the review group on the operation of the DCA scheme was also published. These reports make a number of policy recommendations which make a valuable contribution to the policy debate in regard to young people with disabilities.

My colleagues in government and I will consider these findings, taking into account future developments in terms of the budgetary and fiscal situation as well as other work under way. The advisory group is currently examining the issue of working age supports and, as part of this work, the group will consider the appropriate payment rates and the equitable treatment of all people of working age.

An Leas-Cheann Comhairle: Thank you Minister.

Deputy Joan Burton: Just let me say, a wide group of interested organisations were represented, including the Carers Association, Down Syndrome Ireland, Irish Autism Action, Special Needs Parents Association, Inclusion Ireland, the Midlands Regional Forum of People with Disabilities, and parent representatives of the DCA Warriors group. They have all been consulted extensively and involved in the report.

Additional information not given on the floor of the House

The DCA review group included representatives from a number of Departments, the National Disability Authority, representatives from the NGO umbrella group representing the Carers Association, Downs Syndrome Ireland, Irish Autism Action, Special Needs Parents Association, Inclusion Ireland, the Midlands Regional Forum of People with Disabilities, and parent representatives in the DCA Warriors group. The administrative recommendations made in the review report will result in an improvement in the level of service provided to our customers and will assist in ensuring that those people who meet the qualifying conditions for the payment receive it in a timely manner. It is my intention that the administrative improvements will be implemented quickly.

Since the report has been published, work is already under way to put the implementation group in place. Forms and communications are being reviewed and in addition, the technical changes necessary to support the new administrative processes have been defined and are included in a tender to go to the market within the next few weeks.

Deputy Willie O’Dea: There are very strong commitments to the disabled in the manifestos of both Government parties to the disabled. There are also strong commitments in the programme for Government. However, since the Government has taken office, we have seen the disability awareness initiative reduced by 72% and the Department of Education and Skills has reduced funding for students with disabilities by 20%. I could mention also the respite care grant, the mobility allowance and funding for adaptation of houses for the disabled, which has been reduced by 40%. I could go on and on.

Last year, the proposal was mooted in the budget to remove the right to apply for disability allowance from people in receipt of domiciliary care allowance, once they reached the age of 16. That would have resulted in a 59% drop in income for people who qualify for disability allowance at age 16 between the ages of 16 and 18 and would amount to a drop of 42% for 18 to 21 year olds. Is this proposal back on the agenda or can we reassure the people who have been contacting us about this, parents of children with cerebral palsy and extreme autism etc. that it is firmly off the agenda?

Deputy Joan Burton: If the Deputy is familiar with parents who have children with a disability, he will understand there are a number of different issues that arise.

Deputy Willie O’Dea: I am.

Deputy Joan Burton: The issue of income support is extremely important, but so is the issue that children with a disability should be facilitated to remain in education and training, particularly as teenagers, and then, hopefully, move on to employment. We must consider how best to spend funding for families with children with a disability and how to provide services and for good quality training and educational opportunities that will give those children a good chance of participation in the labour force, whether part-time or full-time.

The work and contributions of the organisations I listed in my response, representing families and children with disabilities, was particularly valuable. Based on their advice, we are currently in the process of updating the different systems. For instance, people now get three months notice of any kind of review and a further period of two months before implementation. We have also taken advice from people who have made submissions to the review group with regard to the design of the systems and their application. I am very grateful the organisations

24 April 2013

involved have contributed their expertise and knowledge to the Department. We will continue to commit to significant funding, but with the object of enhancing both income and services, including education and training of the best quality we can provide.

Deputy Willie O’Dea: The reasoning underlying the report’s primary suggestion is that the receipt of disability allowance at the age of 16 would encourage people to leave school and become full-time participants of the social welfare system. There is not a shred of evidence to support that. All the anecdotal evidence available to me points in the opposite direction. What sort of committee would come up with a suggestion that people with cerebral palsy or spina bifida in receipt of domiciliary care allowance will suddenly leave the education system? Many of them would be leaving the education system anyway at 16.

When the Government decided to withdraw this proposal last year, the Taoiseach said the “Government did not get it right”. He also said: “This is a case where the Government has listened”. If this proposal was not right last year, how is it right now? Has the Government stopped listening?

Deputy Joan Burton: I welcome the contribution of the Deputy to the debate and Fianna Fáil’s interest in this area.

Deputy Willie O’Dea: We never proposed a change in this regard.

Deputy Joan Burton: I hope Fianna Fáil continues to take an interest in this area. I do not know how aware of the situation the Deputy is or how familiar he is with it. The issue for many parents of children with a disability is that although, thankfully, these children are very integrated into education, particularly in their early years, many children with different levels of disability would like to continue to be involved in training and education. Many of them also want to be able to take part in paid employment.

As a society, it should be our ambition not simply to provide income support for families and individuals with a disability, but to provide structures which provide for services that allow people to participate fully in society as adults to the extent they wish and for which they have the capacity.

Deputy Willie O’Dea: How will this proposal bring that about? That has nothing to do with my question.

Deputy Joan Burton: We must look at the question of people’s abilities rather than, as the Deputy is doing, talking in terms of the person’s disability.

Deputy Willie O’Dea: I am talking on behalf of parents.

Deputy Joan Burton: I would like to invite Fianna Fáil to start looking at ability as well as disability.

Deputy Willie O’Dea: How does the Minister’s proposal do that? She cannot give any reassurance in that regard.

Dáil Éireann
Job Initiatives

5. **Deputy Aengus Ó Snodaigh** asked the Minister for Social Protection the reason a jobs club service funded by FÁS has been withdrawn from Bawnogue, Clondalkin, Dublin; and the reason jobs club workers have not been paid for weeks worked or being offered enhanced redundancy as would be the norm in such circumstances. [19162/13]

(Deputy Joan Burton): Jobs clubs provide a valuable service to supplement the Department's own employment services, particularly with regard to the provision of job search and CV preparation workshops for unemployed people. Jobs clubs accepted approximately 14,000 referrals of individual jobseekers from the Department in 2012. In addition, they provided a walk-in resource service to people in their community. The annual budget for the support of jobs clubs in 2013 is €6 million, an increase of 5% on the 2012 allocation. I have had the opportunity to visit a number of jobs clubs and believe well run jobs clubs have an important role to play. I commend a number of the jobs clubs I have had the honour to visit.

The Department has annual contracts for the provision of jobs club services with over 40 companies. Each contract is reviewed on an annual basis. As part of the review process, the Department undertakes a structured appraisal of that provider's performance with each element of provider performance being scored against a common rating scale used to assess all jobs clubs. The elements scored include conformance with good corporate governance and achievement of service and progression outcomes.

Following an evaluation of Bawnogue Unemployed Group Limited, the Department did not believe it could justify the renewal of the contract. It notified Bawnogue Unemployment Group Limited of this decision in January 2013. The annual contract with Bawnogue Unemployed Group Limited subsequently expired on 29 March 2013. It was fully funded by the Department up to that date. The Department is considering alternative arrangements for the provision of jobs club services in the area. It is delivering employment services in the area through the local employment service's Bawnogue office and the Department's employment service office in Clondalkin. As the Department is not the employer, salaries and redundancy payments are matters for the company to address. Obviously, statutory redundancy payments are handled by the Department.

Additional information not given on the floor of the House

If a company or employer is unable to pay statutory redundancy to its employees, it is open to them to avail of the Department's redundancy and insolvency payments scheme, details of which are available on the Department's website. The Department is committed to the provision of quality jobs club services. It will continue to evaluate jobs clubs to ensure the funds disbursed to fund their services are properly and effectively discharged to provide effective services to jobseekers and facilitate the continuous improvement of the service.

Deputy Aengus Ó Snodaigh: The vital part of the Minister's reply was her reference to the State not being the employer in this case. I remind her that the State often sets the terms, conditions and rates of pay in jobs clubs and most other community employment schemes. Will the Minister examine the case of Bawnogue Unemployed Group Limited? The Bawnogue area needs a service of this nature because it has a high level of unemployment. I will not say whether it needs the existing service or another service. A service urgently needs to be provided by Intreo or some other agency. The Department needs to address an issue that has arisen in this

24 April 2013

context. One of the group's workers, Martin Walsh, has been occupying its premises because he has not been given the enhanced redundancy he deserves. That needs to be addressed. Some of the workers at the DBD jobs club in Bawnogue have not been paid. Can the Minister give a guarantee that a jobs club service, or its equivalent, will be in place in this part of Clondalkin within weeks if not days? It is needed in light of the huge job of work this group has done over the years.

Deputy Joan Burton: As the Deputy knows, I am very familiar with the Bawnogue area. I am aware that there is a significant unemployment problem in Bawnogue and other parts of the greater Clondalkin area. At the moment, the local employment service and the Department's office in Clondalkin are providing services to people in the area who are seeking to get back to work. I will revert to the Deputy when our examination of the situation has been completed. I understand that two people were working under the most recent contract at Bawnogue Unemployed Group Limited and that the total value of the annual contract was €115,000.

Returning to the contractual situation, I should mention that a number of the organisations that provide services to the Department of Social Protection and other Departments, including the organisation in this case, are private limited companies. The responsibility of the Department relates to statutory redundancy. If the company that was employing these two people was unable to meet its redundancy commitments, the Department of Social Protection would cover that under the insolvency arrangements. I am not familiar with the details of this case. The Deputy might like to provide them to me privately. We hope to have another service provided quite soon.

Deputy Aengus Ó Snodaigh: I thank the Minister for assuring me that another service will be provided quite soon. The State sets and evaluates the framework for pay, hours and everything else in the case of organisations which are funded in this way. When it withdraws that money and two jobs are lost as a consequence, the role it plays must involve more than providing statutory funding. This issue is coming up more frequently. It came up when community development projects were being squeezed. The State told these companies to become limited companies in the first place.

Deputy Joan Burton: I do not particularly want to discuss private affairs in public.

Deputy Aengus Ó Snodaigh: I understand.

Deputy Joan Burton: If the Deputy wants to advise me of any other circumstances, I will be happy to hear from him. Many economists are quite critical of jobs clubs, community employment schemes and other efforts to help people back to work and to provide services in communities. In fact, most of the reports on jobs clubs are very positive. The Department has an annual review process. It was decided not to renew the annual payment of €115,000 in respect of the Bawnogue service, unfortunately, following an objective review of the service that was carried out on the basis of certain criteria.

As I mentioned, I have increased the overall budget for jobs clubs this year. They are very helpful for people in areas like CV preparation. As the Deputy knows, if one has been working for 15 years, one will not have drawn up a CV for 15 years. Jobs clubs allow people to meet other people who may unfortunately have become unemployed, to get to know people who are going back to work and to make contacts. All of that jobs club activity has certainly been very positive. I will revert to the Deputy on this individual case.

Other Questions

Rented Dwellings Register

6. **Deputy Richard Boyd Barrett** asked the Minister for Social Protection if she is considering revising the rent caps in urban areas in view of the recent reports that rents are increasing in urban areas; and if she will make a statement on the matter. [18803/13]

8. **Deputy Bernard J. Durkan** asked the Minister for Social Protection if any consideration will be given to increasing the maximum level of rent in respect of which rent support will be offered with particular reference to the need to address local market issues throughout North Kildare; if her attention has been drawn to the discrepancy in rent levels throughout the county due to market forces which in turn impact on persons on local authority housing lists who have to rely on private rented accommodation in lieu of local authority housing; and if she will make a statement on the matter. [18933/13]

Deputy Joan Burton: I propose to take Questions Nos. 6 and 8 together.

The Government has provided more than €403 million in 2013 for over 86,000 rent supplement recipients. The purpose of the rent supplement scheme is to provide short-term support to eligible people living in private rented accommodation. It should not act as an alternative to the other social housing schemes operated by the Exchequer. It is essential that State support for rents are kept under review and do not distort the market in a way that could increase rent prices for other people, such as low-paid workers and students. Analysis shows that there are properties available within the maximum rent limits for rent supplement recipients in County Kildare. The number of rental properties available in north Kildare is somewhat lower than the numbers available in the rest of the country. This has an impact on the number of accommodation units available for rent supplement purposes. According to the latest figures, there are 4,400 rent supplement recipients in County Kildare, over 1,000 of whom reside in the Leixlip, Kilcock, Maynooth and Celbridge areas of north Kildare. This indicates that it is possible to secure accommodation in such locations under the current rent limits. An analysis of recent reports has shown that rents have increased in Dublin, Cork and Galway, with rental asking rates falling in other cities and in rural areas. I gave a previous commitment to complete a review of maximum rent limits by the end of June. The officials have done a great deal of work on this. I am pleased to say I am confident that the review will be finished by the end of May, with new rent limits in place by early June.

Deputy Richard Boyd Barrett: We have finally heard some good news.

Deputy Joan Burton: Can I bottle that comment?

Deputy Richard Boyd Barrett: I hope it really is good news. I am glad the rent limits are being reviewed. It could not have come a moment too soon. I ask the Minister to consider a random sample from *daft.ie* of rents in the south Dublin area. In the case of bedsits, there is not

24 April 2013

a single rental property in south Dublin that is available today under or on the cap the Minister is proposing. This is causing havoc for people. I hope the Minister will take a lead from the local authorities in this regard. There seems to be an acknowledgement that, for example, while the rent cap for a couple with two children is €925, local authorities that are doing deals with landlords under RAS are actually agreeing to pay between €1,050 and €1,300 because they understand that the caps are utterly unrealistic.

Will the Minister in her review take into account the fact that deals are being done under the rent caps? This means she should not conclude that there are many properties available at rents lower than the caps. Just this week I heard about the case of a couple, Emma and Keith, whose two children live with their father, but the father is deemed not to exist in terms of accessing rent allowance so they are paying €1,200 in rent despite receiving rent allowance which is capped at just €950. They have to cobble together the rest out of their social welfare payments. In her review, the Minister needs to consider the fact that, in reality, a large number of people are being forced to cobble together money to pay rent which is far higher than the caps. That is not acceptable.

Deputy Joan Burton: I acknowledge the Deputy's analysis of an increase in rents in south County Dublin. The Department constantly checks all of the available information ranging from that on *www.daft.ie* to information we have available to us from organisations such as the Society of St. Vincent de Paul, as well as the information available to community welfare officers who work in the area.

I want to stress again that we are spending a great deal of money on rent allowance for what was meant to be a short-term scheme. While we will have this review carried out by early June, we know there are parts of the country in which rents are still falling. We have to be careful, in a scenario in which the Department of Social Protection is responsible for renting somewhat more than 36% of all private rental accommodation in Ireland, that we do not drive rents up, particularly for workers on low wages and those such as students who commonly rent. It is for this reason that, with regard to people in long-term rented accommodation, I have been involved with the Minister for the Environment, Community and Local Government in plans to move the rent allowance scheme from my Department to that Department. The Department of the Environment, Community and Local Government has introduced proposals for a new housing allowance payment which will be paid by that Department.

I am sure the Deputy is aware of the current problem whereby, if a person on rent allowance gets a job, he or she risks losing all rent support. That is something we can only effectively change if we can move long-term renters to the Department of the Environment, Community and Local Government and have a similar scheme to that applying to differential rent in a local authority house. If somebody gets a job, he or she can calculate that the rent will be, say, 15% to 20% of his or her income, and will know that he or she will not be charged a huge amount extra. It is a complex area and we are working to reform it.

Deputy Bernard J. Durkan: I thank the Minister for her extensive reply and in particular for the review that is taking place, which she indicated in reply to a previous question. I also thank her for her understanding of the situation, which is becoming precarious for many people in north Kildare, where private rents are higher than they are in most parts of Dublin by virtue of competition. As the Minister has just acknowledged, this results in serious hardship for those who are caught in a poverty trap and cannot go to work because they are dependent on rent support. They are on the local authority housing list and are in receipt of rent support in lieu of

local authority housing, a situation the Minister understands exactly.

The ideal situation is to transfer responsibility to the Minister for the Environment, Community and Local Government, whose responsibility it is to meet the housing needs of the community. In the absence of that, I ask that the Minister for Social Protection try to ensure those who are under the greatest pressure in terms of rent support are at least acknowledged in the short term. If necessary, she should apply a deadline for the situation to change over.

On a point that has been the subject of other parliamentary questions, I particularly ask that she consult with her colleagues in the Department of the Environment, Community and Local Government to try to ensure that a major capital housing programme is initiated. Some 100,000 families are on local authority housing lists, 8,500 of those in County Kildare alone. Critics will say they only want the rent support. However, they do not have a house of their own or anywhere to go, and they have no means of housing themselves and their families other than through the rent support system.

Deputy Joan Burton: I have spoken on a number of occasions recently about my own view that we should have a housing stimulus programme, which would address some of the issues Deputy Durkan has raised but would also help get people back to work. We have a difficulty in certain areas where there is a shortage of housing. The previous Government abandoned the building of council housing because, I suppose, at the time Fianna Fáil was encouraging everybody to take out a mortgage. We have inherited a situation in which we need to move long-term rent supplementation for tenants to the local authorities. As I said, I have had intensive consultations with both the Minister of State with responsibility for housing and the Minister for the Environment, Community and Local Government. In certain areas, particularly where there has been an influx of foreign direct investment - north Kildare has done very well in that regard, as have parts of south and south-east Dublin - there is a lot of competition for very scarce accommodation. In addition, the recent changes in regard to bedsit accommodation have affected availability, although for a good reason - namely, to improve standards in what people used to call bedsits.

I concur with the Deputy's sentiments. When I have met the Deputies from Kildare and when the survey is completed, I will speak about this in the House again.

Deputy Richard Boyd Barrett: I agree it is an improvement to move rent supplementation to local government, for all of the reasons outlined by the Minister, particularly in terms of people seeking employment. I agree also that the long-term solution to this, or even the medium-term solution, is a major social housing programme, which would be better value for everybody and would far better secure the wants and aspirations of people for a secure roof over their heads. I hope the Minister will announce that we are to move away from the disastrous Fianna Fáil policy and towards building social housing. In the interim, however, rent caps in areas where rents are rising must be dealt with as a matter of urgency because, while I accept rents are falling in other areas, we must have realistic caps.

I also ask that action be taken to make it illegal for landlords to say that rent allowance tenants will not be accepted, which is, frankly, the modern Irish equivalent of "No dogs, no blacks, no Irish", the phrase on the horrific signs that were used in Britain not 20 or 30 years ago. It is used to prevent people who need to rent property from getting it by landlords who seem to discriminate against people simply because they are unfortunate enough to need rent support or are unemployed. It is obnoxious and is also a major obstacle to people in finding the little bit

of affordable rental accommodation that is available.

Deputy Alan Farrell: I echo the sentiments of Deputy Durkan about the requirement to review this issue on an ongoing basis and welcome the Minister's commitment to have an announcement in May. I assure the Minister that south Dublin is not the only area seeing rent increases, particularly for three-bedroom homes. It is happening across the major urban areas in Dublin, although it is confined to individual towns in Fingal as opposed to south Dublin, where it extends to substantial parts of the county. I will give the Minister an example.

An Leas-Cheann Comhairle: Could the Deputy ask a question? It is Question Time.

Deputy Alan Farrell: I will be quick. The point I wanted to make and about which I put a question to the Minister some weeks ago concerns the disparity between areas in Fingal - for example, Balbriggan in the north, and an area 26 km from the boundary in the south. There should be a vast difference in the cap between those two areas, because the rents are vastly different. The review should be ongoing for areas such as these.

Deputy Róisín Shortall: I also wish to focus on Fingal, which is an area close to home for the Minister and me. The issue in question is the rent cap for accommodation for lone parents with one child, which is currently €775 per month. I am aware of the case of a person who has been in accommodation for the past seven years. The rent was reduced previously, she negotiated it down to €950 and it has now been reduced to €775. There is no way that person can stay in her home with her child unless she gets help from her family and lies on her application and her landlord is prepared to lie as well. That is the position the Minister has forced people into by having rent limits that are completely out of line with market rents. Her officials have admitted that. I welcome her statement today that a revision of rents will be announced next month, but will she give an instruction to her officials between now and the introduction of the new levels not to move against any existing tenants who are in the process of having their rent supplement applications reviewed or are appealing an earlier decision to refuse it on the basis of the level of the rent? Will she give a very clear instruction to officials to hold off and not make people homeless because of delays in the Department in coming up with the new levels?

Deputy Mick Wallace: I still rent properties in the countryside and the city. Since last September, there has been a dramatic change in rents in Dublin city, mainly due to the fact that banks have not been making money available for people to get on the property ladder. Far more people are renting than had planned on doing so, which has had a dramatic effect on rents. I can see that rents have gone up considerably since last September.

I know that new regulations with regard to bedsits were introduced and I welcome them. However, I am conscious of the point made by Focus Ireland that many people on low incomes were dependent on those cheap bedsits. The Minister is dead right to sort out the landlords and those who do not provide proper accommodation but, at the same time, we must be really careful to ensure these people do not end up homeless and that they are taken care of. I very much welcome the Minister's point that social housing is the way forward.

Deputy Willie O'Dea: In respect of the question of transferring rent supplement to the local authorities, the Minister may or may not be aware that her own Department supplied a document to the Oireachtas Joint Committee on Education and Social Protection late last year to say that this would happen on 1 January 2013. Now we are told that extensive and intensive negotiations are taking place. Is this another example of what Fionnan Sheahan recently described

in the *Irish Independent* as the Minister's habit of flying kites and pulling them down just as fast? She is constantly talking about reform, just not implementing it.

Deputy Patrick Nulty: There is a commitment in the programme for Government to reduce eligibility for the rental accommodation scheme, RAS, from 18 to six months for people receiving rent supplement. However, in reply to a parliamentary question I tabled, the Minister said she was not going to proceed with that. The measure would address the problem she raised regarding people moving from welfare to work because, as she knows, if one is eligible for RAS, one can work more than 30 hours per week. Why is she not proceeding with that very simple change?

I have spoken to community welfare officers in her Department off the record who I am sure have told the Minister that the leases coming before them are a fiction. In order to keep children in the place where they are settled and in the same schools, landlords and tenants are agreeing leases that meet the caps but are in fact going back to the old practice of topping up payments. This is a cut in social welfare by default because the money is coming straight out of those families' incomes. That needs to be addressed.

Deputy Aengus Ó Snodaigh: I concur with Deputy Nulty's comments about top-up payments. I have raised this issue with the Minister on a number of occasions and she has denied that her Department has any information that this is happening. If she talked to the groups she mentioned earlier, such as the Society of St. Vincent de Paul, Focus Ireland or Threshold, they would attest to a widespread practice of top-up payments that has been there for years and is getting worse. What steps will be taken to address that?

The bedsit issue is key, and I concur with Deputy Wallace's comments. When will the transfer from the Department of Social Protection to the Department of the Environment, Community and Local Government happen? Then we will then be dealing with a different Department. Some people are saying that RAS is becoming an unmitigated disaster in the Dublin City Council area because landlords are withdrawing from it and the local authority cannot find enough properties to facilitate it. There is a crisis not just in social housing but for those renting privately who avail of rent supplement. I hope the Minister will be able to address those issues which need to be addressed urgently before she ends up with far more people living on the streets, and, if there is another winter similar to the previous one, dying on the streets.

An Leas-Cheann Comhairle: Does Deputy Durkan have a brief question? He had tabled a question.

Deputy Bernard J. Durkan: I acknowledge the Minister's efforts to deal with a very difficult situation. I also acknowledge the fact that a previous Minister for Social and Family Affairs indicated about seven years ago an intention to transfer responsibility for that particular area to the Department of the Environment, Heritage and Local Government, but it did not happen in that length of time.

Notwithstanding all of this, is it possible in the interim at least to address the most sensitive issues that have been brought to our attention, including particular pockets where the competition for accommodation is so great that people in difficult circumstances have no option but to live in a caravan or become homeless? I, and I am sure everyone else, have seen situations in recent weeks involving people who were homeless and had nowhere to go. It is an awful, tragic situation that the Minister inherited from her predecessor. I do not wish to blame her predecessor.

sors but they should not take the opportunity to crow too much about it either.

Deputy Joan Burton: I thank all the Deputies who raised the issue. We are ready to transfer to the Department of the Environment, Community and Local Government as soon as that Department has the necessary legislative arrangements in place. Deputy Durkan spoke about the long gestation period. A previous Minister spoke about this for nearly a decade. All I can say is that the first trial scheme in respect of the housing assistance payment should commence very shortly. One of the difficulties is that the local authorities, particularly during the boom, built up 88 different accounting and IT systems to calculate differential rents and so on. As the Deputy's Fianna Fáil predecessors in this office came to understand, this was exceptionally difficult to change.

We have achieved a significant number of changes. I am disappointed that more local authorities have not placed more people and used the rental accommodation scheme, RAS, which gives security and allows people to take up work on the same terms and conditions as local authority tenants. I hope the housing assistance payment will come into force. The Department is ready to hand it over as soon as the Department of the Environment, Community and Local Government is ready to take it. There is a large demand for housing in certain areas because employment opportunities are provided by large multinational companies or, for example, at the airport in my area of Fingal.

Deputy Mick Wallace is correct that one of the reasons for the rise in rents appears to be that younger couples who wish to take out mortgages are finding that the banks have been very slow to lend and that their checking procedures are lengthy. The country needs to start developing and building specific accommodation in areas in which it is required. This would provide a stimulus for the economy and help to put building workers back to work. It is an option which would be beneficial for the economy and which the Government is examining.

The review of rents is extremely extensive. Deputies need to bear in mind that rents are falling in certain counties and certain parts of the country. Some areas are experiencing very severe pressure on rents, but equally a previous survey showed that the Department of Social Protection was paying the highest rents in a locality. That does not make sense either. The Department will announce a new scheme in June when the review findings are available.

Jobseeker's Allowance Eligibility

7. **Deputy Alan Farrell** asked the Minister for Social Protection when the most recent review of the income thresholds for jobseeker's allowance took place; the changes made as a result of this review, and if there were revisions or reviews of income thresholds in 2008, 2009, 2010, 2011 or 2012; if she will outline the changes that were made as a result of reviews in these years; and if she will make a statement on the matter. [18694/13]

Deputy Joan Burton: Jobseeker's allowance is a means-tested social assistance scheme operated by my Department. My Department will spend almost €3.1 billion on the scheme in 2013, which is just over 15% of its programme spend this year. For means-testing purposes, account is taken of the income and assets of both the claimant and his or her spouse or partner, including the earnings of the spouse. Where a claimant or a spouse or partner has earnings from insurable employment, earnings less PRSI contributions, pension contributions and trade union subscriptions are assessed as means. A disregard of €20 per day is applied to the earnings for

each day worked, subject to a maximum of €60 per week. The balance is then assessed at a figure of 60%. This provides for a means assessment system, whereby the two adults associated with a given claim are assessed in a similar manner with common disregards and assessment applying to both. This replaced an overly complex system which contained disincentives and poverty traps. The current system of assessment has been in place since 2007 and there have been no changes to the scheme since that date. The earnings are assessed by reference to the earnings earned in the 13 weeks preceding the date of the claim or during a period which the deciding officer considers appropriate, having regard to the circumstances of the case.

Where a person or spouse is self-employed, the claimant can apply for jobseeker's allowance if his or her business ceases or if he or she has a low income as a result of a downturn in demand for the services. In general, a person's means will take account of the level of earnings in the past 12 months and all expenses necessarily incurred in determining the expected income for the following year. In the current climate account is taken of the downward trend in the economy.

Deputy Alan Farrell: I acknowledge the sizeable part of the Department's budget allocated to this scheme. However, given that the limits have not been changed since 2007, although the manner in which the allowance is allocated has changed, I encourage the Minister to review the scheme on the basis of the number of changes made to the taxation system since 2007. For example, for a family with two children with a single income of €541 a week, the additional universal social charge introduced by the previous Administration amounts to an extra €140 per month. Notwithstanding the exemption by the Government of 320,000 people from payment of the USC, it would still represent a considerable drop in the income of that family. I refer to the number of indirect taxes introduced, with more to come as a result of the economic legacy inherited by this Administration. I ask the Minister to review the income thresholds on the basis of the number of people affected. This issue is not unique to my constituency. A number of the Minister's constituents are contacting my office once a week. I refer to the particular case of a single income family in which the person concerned does not qualify for additional jobseeker supports and the family is literally destitute.

On a further issue, I refer to the educational supports to which individuals are entitled. However, if a person is not in receipt of jobseeker's allowance, he or she may not qualify for State educational supports.

Deputy Joan Burton: The Deputy has asked a very detailed question about a particular case about which he has been in touch with the Department. I suggest he provide me with further details about it or other cases and I can then respond in detail.

A total of 296,000 people were in receipt of jobseeker's allowance at the end of March. The allowance is paid to a significant number of adults of working age. Compared to the means test in other jurisdictions, the means test in Ireland is not considered to be unduly restrictive. It also provides for a certain figure for those who may have accumulated savings at a certain level. I will bear in mind the suggestion that there be a review of the means test. However, the Department's focus is currently on the changeover to the new Intreo system and helping people to get back to work. The family income supplement scheme has been revamped. The scheme is of valuable assistance to those working for more than a certain number of hours. The Deputy and I may have an opportunity to discuss the details of some of the cases mentioned to obtain additional information or ascertain if there has been a change in circumstances.

Written Answers follow Adjournment.

Topical Issue Debate

Rural Development Programme Funding

Deputy Paudie Coffey: I thank the Ceann Comhairle for selecting this matter, which is particularly topical as community and rural groups nationally await with interest announcements on the approval of funding for projects they have submitted through their local development partnerships, which are very important for jobs and stimulus in rural areas. Rural development groups have contributed enormously to rural development and job creation since the 1990s, as the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, is well aware. Thousands of communities of all sizes have benefited in many ways. There have been local heritage, cultural and tourism projects, while small rural businesses have created employment at the heart of communities. Voluntary and community groups have benefited from the provision of community halls, playgrounds, scouting facilities and support for festivals which stimulate local economies every year by attracting business and visitors to rural areas. We must not forget training and development, a process of capacity-building for citizens residing in rural communities.

In my county, more than 100 projects of substantial size have been approved through the Waterford Leader partnership in the last seven years. It is important to acknowledge the voluntary efforts of rural community groups and the time they devote to improving their local areas. Last year alone, funding was granted to the Ardmore Pattern Festival, the Lismore Music Festival, the Kilmacthomas river walk, the Portlaw footbridge, the Lismore Immrama Festival of Travel Writing, the Waterford Festival of Food and the Cheekpoint and Faithlegg playground, among many others. It is important to continue to support rural development groups in every possible way.

There has been a substantial increase in the number of proposals submitted to the Department this year. I understand the Minister has requested an evaluation of the entire programme, which is reasonable given the limited resources available. It is important that groups can access funding through their partnerships as soon as possible. They contribute very valuably to job creation and economic stimulus in areas that would never be reached without the existence of the rural development programme and the partnerships. I ask the Minister to tell the House if the evaluation has been completed. We are coming to the end of April and projects await approval to get up and running and so that money can be spent proactively within communities. I am interested to hear the Minister's response as I am hopeful he can approve the projects to release the stimulus funding into rural areas as soon as possible.

Minister for the Environment, Community and Local Government(Deputy Phil Hogan): I thank the Acting Chairman, Deputy Ann Phelan. It is appropriate that she is in the Chair for this matter. Many Members from all parties have asked about this issue recently. I thank

Deputy Coffey for using the time available to discuss topical issues to give me the opportunity to clarify matters.

The Leader elements of the Rural Development Programme 2007-13, which my Department delivers, are designed to address many of the challenges facing rural communities, including the need to increase economic activity and stimulate job creation. Expenditure under the programme has been progressing steadily and, to date, my Department has paid out over €176 million, of which €123 million was in direct project payments. This support has the capacity not only to facilitate access to sustainable employment opportunities in rural areas but also to help support sustainable rural communities and maintain healthy rural economies for business creation and development into the future.

I am pleased to announce that, following a thorough examination of project activity in local development companies, I will release a further €90 million in funding for the Leader elements of the rural development programme. As a first step, I am authorising the issuing of contracts for approximately €42 million worth of projects. I have given local development companies two weeks to notify my Department whether all of the relevant projects have the necessary approvals in place to proceed. Based on companies' responses and the remaining allocation under the programme, my Department will then notify each company of its revised allocation.

My Department had to pause project approvals in February 2013 as the value of the programme had decreased arising from the increase in the European Commission's co-funding rate from 55% to 85%. The Department had to determine the level of project commitments across all local development companies in order to rebalance the programme in as equitable a way as possible. Local development companies have continued to issue payments on all existing contractual commitments and, to date in 2013, my Department has paid out more than €14 million under the programme.

As to Deputy Coffey's question on the future of local development companies, I am keen that their expertise and experience will be harnessed as part of new structures I outlined in *Putting People First: Action Programme for Effective Local Government*. We need the best possible collaboration between the various programmes and entities that deliver public funding into our communities. Projects and front-line services must be put before administrative structures. The significant reform we are undertaking in our local government system will place local government in a stronger position to co-ordinate and oversee the community-focused funding delivered on an area basis. It is in keeping with the way in which we are enhancing local government's role in locally focused enterprise support. Local development companies and other local bodies will continue to play important roles in delivering services to communities and citizens in the context of the enhanced alignment between local government and local development.

The alignment of the community sector with local government will not affect funding for local community development companies, Tús and the rural social scheme, as that funding comes from the Exchequer. Rural development programme funding will come into the frame as it comes under the Common Agricultural Policy budget. Rural development funding will be finalised later this year with reference to available moneys determined by the Minister for Agriculture, Food and the Marine and me in the context of the CAP budget. This arises on foot of the completion of the multi-annual financial framework by the European Commission and Heads of State in February. I want to deliver more projects as quickly as possible while ensuring good value for money in their administration between now and the end of the programme.

24 April 2013

Deputy Paudie Coffey: I thank the Minister for his very positive response. I welcome that he has kick-started the release of funding into communities. It does not go unnoticed that a further €19 million in funding for the Leader elements of the rural development programme will be approved along with contracts for approximately €42 million worth of projects. The funding will undoubtedly kick-start many projects nationally. In 2013 alone, Waterford will see the building of a scout centre in Dungarvan, the Tallow Futures project, the Stradbally playground park and machinery for small and medium-sized enterprises to help create employment.

I welcome the Minister's assurances on the continuing involvement of Leader groups under the proposed local government reforms. It is by combining the best attributes of the experience of Leader groups with the reach, expertise and accountability of local authorities and their elected members that we can deliver what is best for rural communities. Leader groups have met the Minister and many Deputies to discuss concerns about what the future holds. They sought the Minister's assurance on their involvement and his plans for local government reform and the continued flourishing of rural development projects in rural communities. It is what we are about. I welcome the positive news.

Deputy Phil Hogan: The Acting Chairman, Deputy Ann Phelan, will agree that Deputy Coffey needs all the money that is to be spent in Carlow-Kilkenny and elsewhere, so carried away did he get with all the projects he had in Waterford. I clarify for Deputy Coffey that we have €90 million available to spend, of which €42 million will be released immediately for projects that have been in the system for some time.

4 o'clock

I am anxious that we will know in the next two weeks whether the projects are ready to go. If not, we will reallocate money to other locations in the same constituencies or counties for the purpose of delivering the programme. I do not want a situation, as happened in the past three years, where there is an underspend in the Leader groups around the country. I had to carry over money in the past three years in order to ensure we maintained the moneys in the total programme. Instead of concentrating on alignment between community and local government, local action groups should get their act together and spend the money within the year allocated, get the project submitted and get it approved. The project should be properly evaluated and I call on the local action groups to get on with the work they are contracted to do between now and the end of the programme period. I am glad to provide clarity on these issues. We have an opportunity to develop job opportunities and rural development opportunities in each of the local action group areas.

Credit Availability

Deputy Derek Nolan: A taxi driver in my constituency is a friend of my family. He contacted me a number of weeks ago. He had an issue with his car and needed finance to get his car repaired so he could continue going to work and earn a living. Given the industry he works in, his income has declined dramatically over the past number of years, as is the case for an enormous number of people. His mortgage is in arrears. He goes to the credit union for finance. He went to his credit union in Galway and was told that, on the basis that his mortgage was in arrears for a period in excess of 12 months, he was not entitled to access credit and the credit union could not lend to him. He was told this was on the basis of a circular from the Central Bank issued to credit unions on 22 February 2013. The paragraph in the circular to credit

unions on prudent lending states, “An important factor in determining creditworthiness in the current environment is whether a member is already in difficulty in repaying existing debt and in particular mortgage debt.” The Central Bank expects “a credit union must be fully satisfied as to a member’s creditworthiness and ability to service all debts before advancing any new credit or top up facilities”. The paragraph suggest that if one is in trouble with debts and unable to manage them, which is the case with this man who is unable to meet his mortgage, they are not to be lent any money. He was refused a loan by the credit union in order to get money for his taxi and get back out on the road to earn a living. As a result of the phone call from my constituent and family friend, I made contact with a number of credit unions in Galway, St. Columba’s Credit Union and Naomh Pádraig Credit Union, to get their views on how this is having an impact on customers. While it is not hitting them at the moment, it is working its way through and the credit unions are coming across examples where they are unable to lend to people in trouble because of their interpretation of the guidelines.

Another case arose in my discussion with St. Columba’s Credit Union involving people who wanted to borrow money to buy a headstone for their son. They were in a similar situation, with an interest only mortgage for longer than 12 months, and the credit union believed it was prohibited from lending any more money to this type of person. The situation has undermined the spirit of what the credit union movement is about. The credit union is about this kind of case, where someone needs credit on a flexible basis and where the person is known to the credit union as someone in the community with a relationship with the credit union for years. Now, we are pushing people away from the friendly, accessible, fair system, with its community focus. We are running the risk of pushing people from the credit union to moneylenders and loan sharks when they are in desperate need. My friend was able to get finance from his family but if he had not been able to, he would not have had the money to put his taxi back on the road. This is not something I am making up; it really happened and is a problem. I ask the Minister of State to clarify with the Central Bank whether this is the case. The wording before me is what is in the circular. If it is being interpreted this way, it is wrong and the Central Bank needs to change it.

Minister of State at the Department of Finance (Deputy Brian Hayes): I thank the Deputy for raising this important issue and clarifying it. The Central Bank of Ireland issued a circular to all credit unions on 22 February 2013 regarding prudential lending. The circular emphasises the need for credit unions to assess adequately the creditworthiness of applications for credit and in particular the need to collect sufficient information about borrowers’ mortgage circumstances. The Central Bank informed me that the circular does not contain new requirements for credit unions. It highlights the changed operating environment for credit unions arising from the introduction of the new personal insolvency regime and reminds credit unions to take it into account when assessing the credit worthiness of members applying for loans.

An important factor in determining creditworthiness in the current environment is whether a member is already in difficulty repaying existing debt and, in particular, mortgage debt. The circular refers credit unions to their existing obligations under the European Communities regulations of 2010, which were transposed into Irish law on 11 June 2010. Specifically, the attention of credit unions is drawn to their obligation to assess the creditworthiness of customers. The circular states: “Before concluding an agreement with a customer, a creditor shall assess the consumer’s creditworthiness on the basis of sufficient information, where appropriate obtained from the consumer and, where necessary, on the basis of a consultation of the relevant database.” The circular also refers to other conditions that were part of the European

24 April 2013

framework. The Central Bank expects credit unions to carry out appropriate credit assessment in all cases. The circular does not prohibit credit unions from providing short-term finance to its members, taking account of the credit unions' financial capacity to do so and the members' ability to repay. The Central Bank circular does not impose restrictions on credit unions from lending any funds to people in distress with mortgage arrears. Its focus is on the need to assess creditworthiness properly and to make provisions to cover potential losses within the credit union as a whole.

It must be remembered that within her independent regulatory discretion, the Registrar of Credit Unions acts to support the prudential soundness of individual credit unions, to maintain sector stability and to protect the savings of credit union members. In February, the Central Bank invited banking and credit union representatives to a number of meetings to discuss the creation of a workable burden sharing agreement between secured and unsecured lenders. Discussions between banking and credit union representatives are ongoing. In conclusion, the Government has brought forward a number of reforms to improve the regulatory system in Ireland. The protection of consumers remains a core focus of the Government's attention and we will continue to work on resolving issues that arise. The Department and the Central Bank are aware of the issues raised by the sector.

What was in the circular is not new to the existing regulatory environment and framework. It is probably a matter of interpretation, as Deputy Nolan pointed out, and an overzealous interpretation by local credit unions, which are understandably concerned by this because of the new regulatory situation. Nonetheless, they want to ensure that any assessment of creditworthiness across the customer base is done in a prudential way. This issue arose from the most recent report on credit unions. I welcome the opportunity to put this information on record. If there are significant issues of interpretation, it may be useful for the Registrar of Credit Unions or the Central Bank to issue further directives.

Deputy Derek Nolan: I thank the Minister of State for the succinctness of his reply. I spent a number of years working in finance. The circular suggests it is the credit union's obligation to assess the creditworthiness of someone before lending money. A person in mortgage arrears for more than 12 months is *de facto* not a creditworthy person. The Central Bank expects a credit union to be fully satisfied as to the creditworthiness and ability to service all debts before advancing any new credit. By virtue of being in mortgage arrears, one is not capable of servicing all one's debts. If the circular was written in such a fashion as to give a false interpretation to the credit unions as outlined, clarification needs to be issued by the Central Bank of Ireland to the credit unions so they have it in writing. The Minister of State is right that credit unions are coming under new scrutiny, which they have not come under before, and new regulatory frameworks, which is intimidating to them as it is different, and they are trying to abide by them.

I agree with the Minister of State that this statement was not ambiguous but was straightforward. However, if it is capable of such misinterpretation, it needs to be clarified urgently. Will the Minister of State use his office to ensure that clarity is given to the credit unions so that the instance I outlined, which happened in Galway on two occasions, does not happen again?

Deputy Brian Hayes: This is a useful exchange. There is a recognition in government, as there is on all sides of this House, of the importance of the credit union sector in terms of lending for the short and medium terms. It is an absolutely crucial part of the financial environment for the country. The credit union sector has come through a difficult time, as have other financial institutions, but we need to see a proper assessment and lending policy throughout

the sector. However, people must also be aware of prudential risk, which arose in some cases concerning the credit union sector.

The point Deputy Nolan made was useful. We will certainly transmit his views to the Central Bank of Ireland and if further clarification is sought on this matter from the credit union sector, it would be useful. The opportunity the Deputy has afforded me to put this matter on the record, and in terms of raising it in this public way and seeking potential clarification from the Central Bank of Ireland, is useful.

Pension Provisions

Deputy Willie O’Dea: I thank the Ceann Comhairle for allowing me to raise this very important issue arising from the report on pensions the Government commissioned from the OECD. The OECD report reveals a very serious situation - a looming time bomb. As somebody said, the time bomb has been ticking for some time but the ticking is getting ever louder. I raise this issue to ascertain the Government’s position on the matter, in so far as one can.

Currently, there are 5.3 people under pension age for one person over the age of 65. By the middle of the century, it is estimated that figure will decrease to two people under the age of 65 for every one person over the age of 65. The Minister will be aware that the reported highlighted that almost 50% of people between the ages of 20 and 60 have made no provision whatsoever for their pensions. The report recommended that the Government should make a definitive choice on the future structure of private pensions even if economic circumstances currently do not enable that to be put in place. The report gives a choice between a means tested pension or a basic pension for everybody. Has the Minister any views on that?

I recall when the then Government received the last report on pensions in 2010, it recommended a system of auto-enrolment where employers would pay a certain amount, the Government and taxpayers would put up a certain amount and the pensioner would contribute a certain amount. I think the proposal at the time was that everybody would be automatically put into the scheme but they would have the right to opt out.

This report takes a different view - perhaps it is right in principle - that the only way to make this sustainable is by compulsion, although I presume one starts at a very low level. It is a bit ironic that on the very day the OECD report was published, a report was published by an organisation called Amárach which stated that one in four people would be pushed into arrears with their bills if their income dropped by €50 per month. We are also aware of the much-quoted findings of the Irish League of Credit Unions that 1.8 million people have a disposable income of less than €50 per month. In those circumstances, it is utterly unrealistic to talk about compulsion at this point in time.

The report referred to the defined benefit pension schemes situation. The Minister will be aware that anything between 80% and 90% of defined benefit pension schemes are currently technically insolvent. I know it is the Government’s intention in the pensions legislation, because it has been said a number of times in this House, to change the priority in the event of the wind-up of a defined benefit scheme to make it more equitable than it is currently where the existing pensioners take everything to which they are entitled while the remainder goes to people who, in many cases, may have been contributing for decades.

24 April 2013

There is a looming situation in Waterford Glass and the new provision the Government intends to make will not be made in time to save people who are currently paying pensions in Waterford Glass. I would like to hear the Minister's comments on that and on the recommendation in the report that defined contribution schemes should be better designed. Will the Minister facilitate a debate on the report?

Minister for Social Protection (Deputy Joan Burton): I thank the Deputy for raising this very important issue. The sustainability of our pension system is of particular concern because, as a country, we have the bonus of many more people living much longer. However, we also have many more children being born. As the Deputy pointed out, there are five people of working age to every one person of retirement age but by the middle of this century, that will have shifted to a likely figure of two people working to one person of retirement age, so it is a challenge.

In that context in April 2012, on behalf of the Government, I asked the OECD, to conduct a focused review of Ireland's pension policy, while taking economic conditions into consideration, and to provide recommendations for long-term reform. The review was published the other day and it looks at the totality of pension provision in the State in the private, occupational and public sectors. The report was informed by extensive consultation undertaken by the OECD. I point out, however, that was not costed and simply sets out the landscape of possibilities, the current situation in Ireland and how we compare with other countries.

As the Deputy will be aware, Fianna Fáil, when in government, commissioned numerous reports on pensions and at one stage it indicated that the old age pension would rise to €300 per week and that it would set out a plan for an auto-enrolment system. The review also shows us what other OECD countries do with comparable systems. The shared objective of everybody in this House, from all parties and none, is to provide for a sustainable pensions system. As I believe the former Taoiseach, Mr. Bertie Ahern, said, a pensions system is expensive to provide for. The objective is to provide for an adequate and sustainable basic standard of living through direct State supports and to encourage people, through generous tax reliefs, to make supplementary pension provision in order that they may have an adequate income replacement rate when they retire from work. While the State pension is expected to provide sufficient retirement income for the lowest paid workers, many people retiring from work will have a significant income gap if they do not make supplementary private pension provision.

The old age pension is commended in the report as a very significant support because pensioners have the lowest rate of risk of poverty of people receiving income from the Department of Social Protection. That is to be celebrated. However, only 51% of people in employment between the ages of 20 and 69 years have pension coverage. I am particularly concerned that women and low paid workers are in that group and do not make sufficient pension provision.

The relatively low rate of pension coverage is a key concern of the Government. That is why the programme for Government includes a commitment to reforming the pensions system to achieve universal coverage progressively, with a particular focus on lower paid and female workers. It is for this reason the introduction of an auto-enrolment system is being considered.

The report does not make absolute choices. It ranks potential choices in order of preference. The authors have suggested a mandatory system. The second suggestion is an auto-enrolment system, which the Deputy stated Fianna Fáil had proposed in its last pensions document in early 2010. In moving to any system we must be conscious of the economic circumstances of

citizens. As a country, we must plan for pensions, even if it might be difficult for people to put aside additional funds for pensions out of already stretched incomes. The OECD and I are very conscious of this. However, to paraphrase Mr. Rahm Emanuel, sometimes a time of crisis is the time to plan for the future, even if one cannot do what one wants immediately.

The policy recommendations involve a number of Departments. Let me summarise the main findings. The economic situation of pensioners in Ireland is comparatively good, both with respect to other age groups in the population and by international comparison. Ireland is facing challenges regarding the financial sustainability of the pensions system as the population ages. Private pension coverage, both in occupational and personal pensions, is uneven and needs to be increased urgently. Pension charges are expensive for small occupational and personal pension schemes. The State pension system lacks transparency. The State pension scheme could be modernised to encourage working longer, in line with the prevailing international trend. The new scheme for the public service is being phased in only very slowly and unlikely to affect a majority of public sector workers for a long time. These are the key findings. None of the options set out has been costed.

With regard to the Deputy's specific query on defined benefit schemes, he will be aware that Fianna Fáil suspended the funding standard in 2008 after the bank guarantee on the assumption that the difficulties with pension schemes, as with the difficulties with the banking system, would be very short-lived. It was believed we would be out of the difficulty in a couple of months. Many defined benefit schemes are experiencing difficulties. I have been engaged in very intensive work with all of the stakeholders involved in the schemes. They are very important and we are examining a range of proposals. The Deputy has issued some thoughts on the matter. He is suggesting the guaranteed amount for existing pensioners could be €6,000, or €12,000 to equate with the State pension. There are difficult decisions to be made.

Reference was made to various surveys of living costs. The irony is that in Ireland there is an extraordinary amount of savings. Some people have considerable savings because they are concerned about the future, while others find it extremely difficult to make ends meet.

Deputy Willie O'Dea: The report makes certain recommendations about public sector pensions. It is stated a single scheme should be devised for both public servants and those who would otherwise have private pensions. Does the Minister agree with this?

The report states the incentives for people to save are not properly aligned with the notion of maximising the retirement benefit for low and middle income earners. Does the Government have proposals to advance in this regard?

Does the Minister share the reservations of the OECD group on encouraging pension fund managers to invest in major domestic infrastructural projects?

Deputy Joan Burton: The most important incentives or the tax breaks for people who invest in private pensions reached their height under Fianna Fáil. We know of quite a number of individuals who were able to build up pension pots of €20 million to €30 million as a consequence of the extraordinary pension-related tax incentives Fianna Fáil provided for very-----

Deputy Willie O'Dea: The Minister has been in office for two years. What are her proposals?

Deputy Joan Burton: I am just talking about what we have inherited. My view on tax in-

24 April 2013

centives is set out in the programme for Government. I had this discussion over a long period with Fianna Fáil's former leader Mr. Brian Cowen when he was Minister for Finance. Finally, after several years of debate with me, he commissioned a study that indicated there were extraordinary pension pots of €20 million to €30 million arising from the Fianna Fáil tax schemes.

The programme for Government implies the State should not tax-subsidise pension provision where pensions in excess of €60,000 per year are provided for. Most pensioners listening to us will know that a pension of €60,000 per year is a very handsome one for most. The tax relief, therefore, should be targeted at lower and middle income earners. The Deputy will be aware that in the budget proposals for this year the Minister for Finance has agreed to bring forward legislation, commencing next year, to address the structuring of reliefs.

The Deputy referred to alignment. The issue is very simple. Only 51% of people have made private pension provision. Those who are not covered include women, lower paid workers and those who change jobs frequently. The latter leave behind any pension entitlement they accumulate in a given job. The proposal made in the report, with which I broadly concur, is that pension relief should be targeted at the people in question. I hope the Deputy will be able to agree with this.

Accident and Emergency Services Provision

Deputy Richard Boyd Barrett: In the past week or so a local newspaper in County Wicklow reported on what can only be described as a secret meeting involving the Tánaiste and senior administrators and medical personnel from St. Vincent's and Loughlinstown hospitals. It was also attended by Deputies from County Wicklow and the Labour Party Senator Aileen Hayden. The purpose of the meeting was to discuss the Government's intention to downgrade the 24-hour accident and emergency service at Loughlinstown hospital to that of a minor injury unit and to transfer the accident and emergency service to St. Vincent's hospital.

I find it strange that the Minister of State, Deputy Perry, rather than the Minister or either Minister of State at the Department of Health is taking this matter. I find strange also that no Deputy from Dún Laoghaire was invited to a meeting to discuss an issue which has been very controversial for quite a few years. Despite that I have raised this matter during the Topical Issue debate on several occasions and have tabled numerous questions about it the Department, or whoever organised the meeting, did not have the courtesy to invite representatives from the Dún Laoghaire area, where the hospital is located. It is extraordinary that this should have happened. This smacks of political manipulation of the worst kind and shows disrespect not only to the elected representatives from the Dún Laoghaire area, but, more important, to the people of Dún Laoghaire, Loughlinstown, Shankill, Ballybrack and other areas surrounding the hospital.

I understand that at the meeting people were informed of the Minister's intention to bring a proposal to Cabinet to reconfigure accident and emergency services in south Dublin by downgrading the 24-hour accident and emergency service at Loughlinstown hospital. I would like to know why Deputies from Dún Laoghaire were not invited to the meeting. Had this anything to do with the fact that I and others have campaigned against the downgrading of these services? Also, where are the details of this reconfiguration? I understand that people were also told at the meeting that this reconfiguration would result in a better, safer and more efficient service. Given the large numbers of people regularly left lying for hours and often days on trolleys at the accident and emergency unit at St. Vincent's hospital it is hard to understand how it will

cope with the overflow of the approximately 21,000 people per year who attend the accident and emergency unit at Loughlinstown hospital.

Can the Minister of State confirm that the hospitals' budget for the reconfigured services will remain the same? I understand they are to decrease by 3%. As such, not only will the accident and emergency service be downgraded but the budget to deal with the same volume of cases will be smaller. How does all of this tally with the long stated commitment of the Tánaiste, who is from Dún Laoghaire and, mysteriously, was invited to the meeting when other representatives of the area were not, to upgrade Loughlinstown hospital to a regional hospital and with the Government's commitment to care in the community and so on? This reconfiguration will result in a displacement of services so that they will be at an ever greater distance from people in the Wicklow and Dún Laoghaire areas.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry): I thank the Deputy for raising this issue, which I am responding to on behalf of the Minister for Health.

Small hospitals, such as St. Columcille's hospital, Loughlinstown need to be supported within a hospital group. This is necessary for the safe management of patients who present with varying levels of complexity, for education and training, continuous professional development and the sustainable recruitment of high quality clinical staff. The framework for smaller hospitals, to be published in the near future, and the hospital groups report, define the role of small hospitals. The framework outlines the need for small and large hospitals to operate together and the wide range of services that can be provided within smaller hospitals. It also sets out to address the services that should transfer from large to small hospitals and *vice versa* within a group. This allows services to be delivered in the most appropriate hospital and as close to the patient's home as possible.

In developing the framework for the development of small hospitals, the Government is clear on the important role that can be played by small hospitals in terms of the provision of more rather than fewer services for more patients. With this in mind, the framework will set out what services can and should be delivered safely by these hospitals in the interest of better outcomes for patients. Local hospitals may deliver services such as ambulatory care, including chronic disease management and day surgery, diagnostics and rehabilitation services and have minor injuries and medical assessment units. Local injuries units treat patients with minor injuries such as suspected broken bones, sprains and strains, facial injuries, minor scalds and burns. Patients can self-refer or can be referred by their general practitioner. Medical assessment units receive general practitioner referrals and provide access to diagnostic services. Patients will be admitted, if necessary. Those requiring interventions not available in the local hospital will be transferred to the larger hospital under appropriate protocols.

The organisation of hospital services nationally, regionally and locally will be informed by the HSE clinical programmes, including the HSE report of the national acute medicine programme, which recognises the essential role of large and small hospitals in the delivery of acute care services. Loughlinstown hospital provides joint acute hospital services with St. Vincent's and St. Michael's, Dún Laoghaire. Together, they provide a range of services for the catchment of Dublin south-east and Wicklow across three sites in a collaborative arrangement. In this context HSE Dublin-mid-Leinster is reorganising services provided at St. Columcille's in South County Dublin. This reorganisation is in the interests of patient safety and better service provision. It is planned to proceed with reorganisation on publication of the small hospitals

24 April 2013

framework, with a lead-in time of six to eight weeks. There has been ongoing communication with staff and local public representatives and a detailed communication plan has been developed for use at implementation stage.

On the Deputy's question of why he was not invited to the meeting, I imagine it would be up to the management team and clinical staff of the hospital to invite representatives to a meeting. All of the invitations which I have received to attend meetings at Sligo General Hospital were from management at the hospital.

Deputy Richard Boyd Barrett: The Minister of State's response is not satisfactory. Virtually every month for the past year and a half I have asked what is happening in regard to the reconfiguration of services in this area and about the possible downgrading of accident and emergency services at Loughlinstown hospital. I have been told time and again by the Minister, Deputy Reilly, that the report is imminent but it has not yet materialised. Lo and behold a secret meeting takes place at which everybody but those who have expressed opposition to the plan are told what is proposed. Even now, I do not know what is planned. The response provided by the Minister does not give details in regard to what will happen.

I understand that people at the meeting were told that the 24-hour accident and emergency service at Loughlinstown hospital will be downgraded to a minor injuries surgery which will operate from 8 a.m. to 6 p.m., which is a substantial downgrading. How can the Minister claim, as suggested in the response, that this reconfiguration will, as a result of their being more experience people in particular areas, improve services when budgets are falling and St. Vincent's hospital accident and emergency service is already, judging by the number of people regularly on trolleys for hours and days there, unable to cope? How is St. Vincent's to cope with the overflow from Loughlinstown hospital once downgraded, which overflow is also likely to result in a deterioration of the service available to people living in the areas surrounding St. Vincent's hospital? Reference was made to proximity to the home in terms of the provision of services. The hospital was situated in Loughlinstown precisely to provide services for people in areas as far as south Wicklow, as well as in Cherrywood, Shankill and so on. The people living in these areas will now have to travel much further to access these services. This decision flies in the face of the commitment to provide services for people closer to home.

Deputy John Perry: The message in this respect could not be more clear. The hospital provides acute hospital services jointly with St. Vincent's University Hospital and St. Michael's Hospital in Dún Laoghaire. This reorganisation does not represent a downgrading of the hospital in Loughlinstown but a reconfiguration of services. The Deputy does not appear to have heard clearly the message contained in the reply. This reorganisation of services is in the interests of patient safety and providing a better service. It is planned to proceed with the reorganisation of services on publication of the report.

The Deputy may be a little peeved that he was not at the meeting, but the fact is that the Minister for Health, Deputy James Reilly, is doing an outstanding job in the reconfiguration of hospitals. I am familiar with this issue from the perspective of the status of the regional hospital in Sligo which covers a vast region. There are three hospitals and under the plan, there will be a reconfiguration of services and a defining of the services to be delivered in each hospital. This is a very intelligent plan, about which I would not be as pessimistic as the Deputy. When he has read the publication, he will note the opportunity the reconfiguration of services presents.

Health (Pricing and Supply of Medical Goods) Bill 2012 [Seanad]: Report Stage (Resumed)

Debate resumed on amendment No. 2:

In page 13, between lines 14 and 15, to insert the following:

“(2) The Board shall, as soon as is practicable after the commencement of this section, establish and publish on its Internet website, and maintain, a list (in this Act referred to as the “List of non-Interchangeable Medicinal Products”), in such form as it thinks fit, of groups of medicinal products in respect of which it is satisfied, in accordance with *section 5*, as respects each such group, that all the medicinal products which fall within the group are, for prescription purposes, not interchangeable with each other.”.

-(Deputy Billy Kelleher).

Acting Chairman (Deputy Ann Phelan): Amendment No. 2 has already been discussed. How stands the amendment?

Deputy Billy Kelleher: I am pressing it.

Amendment put:

<i>The Dáil divided: Tá, 45; Níl, 80.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Boyd Barrett, Richard.</i>	<i>Bannon, James.</i>
<i>Broughan, Thomas P.</i>	<i>Bruton, Richard.</i>
<i>Calleary, Dara.</i>	<i>Burton, Joan.</i>
<i>Collins, Joan.</i>	<i>Buttimer, Jerry.</i>
<i>Collins, Niall.</i>	<i>Byrne, Catherine.</i>
<i>Colreavy, Michael.</i>	<i>Byrne, Eric.</i>
<i>Cowen, Barry.</i>	<i>Carey, Joe.</i>
<i>Crowe, Seán.</i>	<i>Coffey, Paudie.</i>
<i>Daly, Clare.</i>	<i>Collins, Áine.</i>
<i>Doherty, Pearse.</i>	<i>Conaghan, Michael.</i>
<i>Donnelly, Stephen S.</i>	<i>Connaughton, Paul J.</i>
<i>Ellis, Dessie.</i>	<i>Conway, Ciara.</i>
<i>Ferris, Martin.</i>	<i>Coveney, Simon.</i>
<i>Flanagan, Luke ‘Ming’.</i>	<i>Creed, Michael.</i>
<i>Fleming, Sean.</i>	<i>Daly, Jim.</i>
<i>Fleming, Tom.</i>	<i>Deasy, John.</i>
<i>Grealish, Noel.</i>	<i>Deenihan, Jimmy.</i>

<i>Halligan, John.</i>	<i>Doherty, Regina.</i>
<i>Healy, Seamus.</i>	<i>Donohoe, Paschal.</i>
<i>Healy-Rae, Michael.</i>	<i>Dowds, Robert.</i>
<i>Higgins, Joe.</i>	<i>Doyle, Andrew.</i>
<i>Kelleher, Billy.</i>	<i>Durkan, Bernard J.</i>
<i>Kitt, Michael P.</i>	<i>English, Damien.</i>
<i>Lowry, Michael.</i>	<i>Farrell, Alan.</i>
<i>Mac Lochlainn, Pádraig.</i>	<i>Feighan, Frank.</i>
<i>McGrath, Mattie.</i>	<i>Ferris, Anne.</i>
<i>McLellan, Sandra.</i>	<i>Fitzgerald, Frances.</i>
<i>Moynihan, Michael.</i>	<i>Fitzpatrick, Peter.</i>
<i>Murphy, Catherine.</i>	<i>Griffin, Brendan.</i>
<i>Naughten, Denis.</i>	<i>Harrington, Noel.</i>
<i>Nulty, Patrick.</i>	<i>Harris, Simon.</i>
<i>Ó Caoláin, Caoimhghín.</i>	<i>Hayes, Brian.</i>
<i>Ó Cuív, Éamon.</i>	<i>Hayes, Tom.</i>
<i>Ó Feargháil, Seán.</i>	<i>Heydon, Martin.</i>
<i>Ó Snodaigh, Aengus.</i>	<i>Hogan, Phil.</i>
<i>O'Brien, Jonathan.</i>	<i>Humphreys, Heather.</i>
<i>O'Dea, Willie.</i>	<i>Humphreys, Kevin.</i>
<i>O'Sullivan, Maureen.</i>	<i>Keating, Derek.</i>
<i>Pringle, Thomas.</i>	<i>Kehoe, Paul.</i>
<i>Ross, Shane.</i>	<i>Kenny, Seán.</i>
<i>Shortall, Róisín.</i>	<i>Kyne, Seán.</i>
<i>Smith, Brendan.</i>	<i>Lyons, John.</i>
<i>Stanley, Brian.</i>	<i>McEntee, Helen.</i>
<i>Tóibín, Peadar.</i>	<i>McGinley, Dinny.</i>
<i>Wallace, Mick.</i>	<i>McHugh, Joe.</i>
	<i>McLoughlin, Tony.</i>
	<i>McNamara, Michael.</i>
	<i>Maloney, Eamonn.</i>
	<i>Mathews, Peter.</i>
	<i>Mitchell, Olivia.</i>
	<i>Mitchell O'Connor, Mary.</i>
	<i>Mulherin, Michelle.</i>
	<i>Murphy, Eoghan.</i>
	<i>Nash, Gerald.</i>
	<i>Neville, Dan.</i>
	<i>Nolan, Derek.</i>
	<i>Ó Ríordáin, Aodhán.</i>
	<i>O'Donnell, Kieran.</i>
	<i>O'Donovan, Patrick.</i>
	<i>O'Mahony, John.</i>

	<i>O'Sullivan, Jan.</i>
	<i>Penrose, Willie.</i>
	<i>Perry, John.</i>
	<i>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Rabbitte, Pat.</i>
	<i>Reilly, James.</i>
	<i>Ring, Michael.</i>
	<i>Ryan, Brendan.</i>
	<i>Shatter, Alan.</i>
	<i>Spring, Arthur.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanton, David.</i>
	<i>Timmins, Billy.</i>
	<i>Tuffy, Joanna.</i>
	<i>Twomey, Liam.</i>
	<i>Varadkar, Leo.</i>
	<i>Wall, Jack.</i>
	<i>Walsh, Brian.</i>
	<i>White, Alex.</i>

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

Amendment declared lost.

Deputy Billy Kelleher: I move amendment No. 3:

In page 13, between lines 17 and 18, to insert the following:

“(3) The Board shall arrange for that part of its Internet website which contains the List of non-Interchangeable Medicinal Products to ordinarily be accessible by members of the public.”.

Amendment put and declared lost.

Acting Chairman (Deputy Ann Phelan): Amendments Nos. 4 and 18 are related and may be discussed together.

Deputy Caoimhghín Ó Caoláin: I move amendment No. 4:

In page 14, between lines 23 and 24, to insert the following:

“(3) The Board shall, in determining an application under *subsection (2)*, have regard to

24 April 2013

the desirability with respect to efficacy and safety of refusing to add medicinal product in the anti-epileptic drug class, used in the treatment of persons with epilepsy for the purpose of preventing seizures, to the List of Interchangeable Medicinal Products.”.

I am joined in presenting that amendment by Deputies Catherine Murphy and Billy Kelleher. As I indicated in the earlier engagement in respect of amendments Nos. 1 to 3, inclusive, this is the meat of what we are about in the Health (Pricing and Supply of Medical Goods) Bill 2012. Amendments Nos. 4 and 18 get to the nub of the issue. These amendments arise from the concerns of people with epilepsy. Concerns about the need to ensure that there is no inappropriate substitution of their medication is not a small matter: it is a hugely important issue. As he has indicated, the Minister is well aware of the concerns of people with epilepsy in this regard and has confirmed that today. There is a particular issue with regard to the precise formulation of anti-epileptic drugs, AEDs, and the concern that generic substitutions are not exact replicas and with possibly very negative consequences.

5 o'clock

Other Deputies and I have received direct testimony during the course of hearings at the health committee, as well as through meeting individual sufferers of epilepsy and their representative voices in Epilepsy Ireland. That direct testimony from those who have suffered negative effects from unsuitable generic substitutes tells us this is a real issue. It is not a case that it might happen. The fact of the matter is that it has happened and the evidence is available to support this. People who moved to unsuitable generic substitutes have had to revert back to their original prescriptions to re-stabilise their circumstances. I know people with epilepsy and can assure the Minister and the House of the genuineness of their concerns in this matter. It is not about Opposition Members seeking some minor note that we have managed to amend a government Bill - far from it. It must be acknowledged, too, that each and every one of us on these benches indicated on Second Stage that we absolutely supported the Bill's thrust and that we would be a party to its final passage.

Amendment No. 1 sought to include the definition of non-interchangeable medicinal products, but the Minister would not accept it, which is reflective of the Government's general disposition to Committee and Report Stage amendments from the Opposition. The section covering definitions defines everything, including “the Minister”, except non-interchangeable medicinal products. Including that definition would not have altered the Bill one iota, yet the Government voted down the amendment. Earlier, as indicated by a nod from the Minister of State, he accepted we were into the real core issue. I am deeply concerned that the Government is demonstrating that it is not willing to accept any change, that it knows best, that we are wasting our time going through a long examination of the minutiae of legislation, while offering, in good spirit, important, relevant and necessary amendments.

Those who have campaigned for the exclusion of AEDs, anti-epileptic drugs, from the terms of the legislation want to have their concerns recognised in the Bill. It is important that they have certainty. They have asked us, as legislators, to provide that certainty. Epilepsy Ireland has spent considerable time and, unquestionably, a significant part of its limited resources in a stoical effort to avert the problems that could present and which have already done so. I commend its efforts and record my disappointment that despite its sincere efforts, the necessary protections will not be built into the Bill. I am also disappointed that the stance being taken by the Government will see the rejection of amendments Nos. 4 and 18. As I put it to the Minister of State last week, I hope he will prove me wrong. I urge the Minister to accept these amendments

in the spirit in which I and others have brought them forward. It is not an exercise to get one over on the Government; rather, it is an exercise to give proper and due service to the concerns of a cohort of citizens, concerns which the Minister of State has acknowledged and accepted. I cannot understand why the Government will not accept the validity of the amendments and act accordingly. I, therefore, urge the Minister of State to accept amendments Nos. 4 and 18.

Deputy Billy Kelleher: I am not being repetitious or idly talking to highlight this issue which is critically important. Epilepsy Ireland has stated:

The safety of people with epilepsy should not have to depend on the discretion of the Irish Medicines Board. People with epilepsy should not have to deal with fears concerning substitution, in addition to all the other physical and psychosocial effects of epilepsy, when a simple amendment can reassure them.

That is the crux of the matter and the body of evidence is overwhelming. The Minister of State has even stated substitution for generics is not the key issue but the interchangeability of medicines. I cannot understand for the life of me why he will not accept this amendment to give a cast iron assurance to the people affected. Other countries in which there is generic substitution and the interchangeability of medicines have excluded AEDs. We are now going down a route that is not accepted as best practice. People with epilepsy need to be secure in the knowledge that they can get on with their everyday lives because they have access to the medicine that has suited them in controlling their condition.

We are supporting this legislation and have been calling for its publication for some time to ensure savings are made in this area. Epilepsy Ireland and Brainwave are the only organisations which have expressed grave concerns about this matter. They have pleaded with us, with eminent consultants who deal with people with epilepsy, to encourage the Government to change its position on the interchangeability list and AEDs. As Deputy Caoimhghín Ó Caoláin said, this is not about point-scoring or trying to win against the Government. We heard the passionate pleas and concerns to change this provision. Many of those with epilepsy have other challenges and now the Government is heaping extra ones on top of them by undermining the security they should have in being guaranteed the same medicine that suits them and controls their condition. For all of that, the Minister is not saving any money. There will be very few savings in the area of anti-epilepsy drugs, AEDs. There will be beneficial savings in other areas. I have tabled amendments to make generic substitution mandatory in other areas but in this context it is critically important.

A written declaration pursuant to rule 123 of the rules of procedure on epilepsy, signed by, among others, Gay Mitchell and Marian Harkin, who were MEPs at the time, was presented to the European Parliament. It states:

1. Calls on the Commission and Council to:

- encourage research and innovation in the area of prevention and early diagnosis and treatment of epilepsy;
- prioritise epilepsy as a major disease that imposes a significant burden across Europe;
- take initiatives to encourage Member States to ensure equal quality of life, including in education, employment, transport and public healthcare, for people with epilepsy, e.g. by stimulating the exchange of best practice;

24 April 2013

Some European countries, therefore, have already highlighted the need for AEDs to be removed from the interchangeable list. It further states:

- encourage effective health impact assessments on all major EU and national policies;

The next part of the text is critically important. It states:

2. Calls on the Member States to introduce appropriate legislation to protect the rights of all people with epilepsy.

This legislation gives the Minister a golden opportunity to ensure that the rights of people with epilepsy are protected but not only in the context of legislation. It sends a strong message to the individuals that they have security in terms of medicines that suit and control their condition.

I cannot plead any more with the Minister. Deputy Ó Caoláin has articulated the argument. Other Deputies will articulate it also. I ask the Minister at this late stage to come around to the view that is now international best practice with regard to this issue. Many countries have removed anti-epileptic drugs from their interchangeable lists or did not include them in the first place. That is something of which we should be conscious. I have a list of the countries that do not allow substitution of anti-epileptic drugs with generics. The Minister will be familiar with them. They include the United Kingdom, Austria, Belgium, the Czech Republic and Greece. In addition, countries that have excluded many anti-epileptic drugs from substitution include Denmark, Finland, Germany, Portugal, Spain, Sweden and Switzerland.

Minister of State at the Department of Health (Deputy Alex White): Is this by statute or is it in accordance with rules that are established under statute? It is important to tell the House that.

Deputy Billy Kelleher: Obviously, the Minister knows as much or more about it in that context.

Deputy Alex White: No. I am carefully following the Deputy's point.

Deputy Billy Kelleher: Yes, but the point-----

Deputy Alex White: This may be of help. What I am asking is whether the countries on the list the Deputy gave are countries in which the relevant authority - the equivalent of the Irish Medicines Board - has decided not to substitute, or countries that have decided by statute not to substitute. That is the issue we are dealing with.

Deputy Billy Kelleher: I can get clarity on that in the next few minutes, but the point being made is that the Irish Medicines Board will not be obliged by this legislation to exempt the drugs from interchangeability. That is the key issue.

Deputy Alex White: Or to include them.

Deputy Billy Kelleher: Or to include them, yes. The point I am making is that this amendment, in effect, would remove that concern. I urge the Minister to accept it.

Deputy Róisín Shortall: There is always a tendency for Ministers and their Departments to hold the line on something and maintain that they are right. Obviously, they have done a lot of the work on it and there is generally a reluctance to accept amendments from the Opposition.

That is standard practice regardless of the Minister's party, but it is an old-fashioned way of doing business in many ways and demonstrates an assumption that the Minister has a monopoly on wisdom. It would be much more meaningful, in terms of having real debate in this Chamber if, from time to time, the points made by the Opposition were listened to and the Minister gave a meaningful response to those points.

As has been said already, everybody speaking in the House supports this Bill. We all agree that much more needs to be done to reduce the drugs bill, and generic substitution is one element in a range of measures that must be put in place to bring our drugs bill into line with those of other European countries, because it is way out of line at the moment. We pay more for drugs than any other country in Europe. That is a matter of serious concern and it is causing ongoing difficulties with the health budget.

We have all come here in good faith to raise genuine concerns about what is seen to be a genuine issue with one aspect of this legislation. We support all of the rest of it. We are not doing that to waste time or for something to do. We are here because, having met with people who have epilepsy and various groups campaigning in this area, we believe that a genuine issue arises.

I was not at the Committee Stage debate but I do not believe there has been real engagement on the part of the Minister of State in regard to this issue because he has not explained to us the reason he is not prepared to exempt epilepsy drugs for people who have epilepsy.

Deputy Alex White: I have, and I will again.

Deputy Róisín Shortall: I have not heard that. The Moran report has made it clear that the generic substitutes for drugs for persons with epilepsy that are listed among the categories for use and for prescribing for people with epilepsy are currently not safe. If the Minister accepts that, action must be taken to avoid the potential risk for people in the event - and it is not an unlikely event - that somewhere along the line they would be given a generic substitute for their epilepsy drugs, either by a prescribing doctor, consultant or nurse or by a pharmacist. As far as I can see, the Minister of State is not in a position to give a guarantee that that will not happen and therefore there is a real and substantial risk that it could happen in certain cases. The impact of that is potentially very serious for the person concerned and it could be catastrophic.

A case was brought to my attention recently of a young woman who has epilepsy that is very well controlled by the medication she is on. She is living a full and independent life as a result of that medication, but recently she changed consultant and her new consultant decided to change her medication. That has had a hugely negative impact on her life because the change in medication, which was done professionally and so on, has resulted in daily fits, so that she is unable to go to work or drive and is highly dependent on her parents to manage from day to day. This illustrates the delicate balance involved in proper prescribing for an individual with epilepsy. Getting that balance of medication right for a person with epilepsy is a huge challenge. In switching a person to a substitute drug, the potential for hugely life-limiting implications is very real. I cannot see how, under these arrangements, we can avoid a situation in which a person with epilepsy may be prescribed or given a generic substitute for their epilepsy drug. I cannot see how we can prevent that from happening. This point is not being made regarding all epilepsy drugs *per se* but in respect of epilepsy drugs prescribed for people with epilepsy. There are real risks in this regard. I am not in any way reassured by the points that have been made so far that the system being proposed under this legislation is sufficiently robust to avoid

24 April 2013

that kind of risk. As I said earlier, there is evidence that generic substitution is already taking place in the case of anti-epileptic drugs, AEDs, for people with epilepsy in the hospital setting. It is all very well to give an assurance in the House that this will not happen, but it is already happening in certain circumstances. Nothing that has been said here today gives any kind of reassurance that those issues will not continue to arise and that mistakes will not be made, irrespective of the kind of guidelines given.

If the Minister of State is not prepared to accept these amendments, which provide for a reasonable approach to the issue could he, even at this late stage, give a firm assurance to people with epilepsy and state clearly that no person who suffers from epilepsy will be subject to generic substitution on those medications where it is unsafe to do so? Will he give a clear and categorical assurance in the House today that this will not be the case where AEDs are substituted in the case of people with epilepsy?

Deputy Catherine Murphy: I missed some of the debate and hope I will not repeat what somebody else has said. One thing we are pretty good at in this country is looking at something that has not worked elsewhere and then trying it out here to see whether it works here. Volume 9, issue 3 of *The Lancet* in 2010 referenced a Canadian study on the issue of generic drugs. The article stated that doctors, patients and advocacy groups in England and elsewhere are concerned that generic anti-epileptic drugs might not be therapeutically equivalent to branded drugs, which could put patients at risk of break-through seizures or adverse events. It went on to state that according to retrospective review - which is as conclusive as one can get because one can see how something played out - of medical and pharmacy claims in Canada, the rates of switch-back to a branded drug after generic substitution were greater for AEDs than for non-AEDs. Also, health care costs were greater in patients who received generic medication compared to the branded version.

The Canadian study appeared in the *Neurology* academic journal in June 2009, Volume 72, No. 24. The conclusion stated that multiple generic substitution was significantly associated with negative outcomes, such as hospitalisations, injuries and increased health care costs. Furthermore, the risk of head injury or fracture was almost three times greater in patients who switched from one generic version to another compared with patients who continued on a branded version. This is quite conclusive and comes from a very reputable source. Generic substitution has been tried, but has had to be reversed. Why do we ignore this kind of evidence as we are doing here?

Deputy Shortall suggested that if the Minister of State was not willing to accept these amendments, he could use some other mechanism to deal with the issue. For example, he could insert a section that would allow for a ministerial order at some stage so that we do not have to come back with primary legislation in order to change a provision if we discover it is necessary. We may discover that what has happened elsewhere happens here also. We are not of a hugely different genetic make-up to the rest of the world and if something has happened elsewhere, it is likely the same experience will occur here if drugs are interchanged and outcomes are poorer as a consequence.

Deputy Denis Naughten: I support the comments made by Deputy Catherine Murphy regarding the research in Canada and the fall-out from the introduction of interchangeability of AEDs in Canada. The Canadians have seen the errors of their way and there has been a knock-on fall-out as a result in the context of additional costs for the health service for people with epilepsy presenting with conditions associated, directly and indirectly, with the substitution of

their branded AED. It is important to reiterate that we are not against using generic medicines for people with epilepsy. What we are against is the interchangeability of a particular medicine.

I am sure the Minister of State has spoken with the Irish Medicines Board, IMB, on this issue and I am sure the board has indicated to him that it is very unlikely AEDs will ever fall into the interchangeability category. However, in light of the consistent research that has been conducted across the world on the interchangeability of AEDs, it surely makes sense to provide legal certainty to people with epilepsy by ensuring AEDs are removed from the list of medicines possible for interchange at some date. I realise there are issues with including this in primary legislation, but an alternative would be to make provision for a statutory instrument to be published in tandem with the legislation.

This secondary legislation could specifically state that AEDs will not fall into this category. The secondary legislation could also deal with the list published in the Moran report and provide for it to be altered at a future date as medical research changes. A statutory instrument provision would, at least, give statutory reassurance to people with epilepsy, something they do not have currently. It would also send out a clear message to them. The fear is that once this legislation is enacted, a *carte blanche* approach will be taken in regard to drug substitution. We know that is not the case and that each case will be dealt with by the IMB. However, all we need is for one mistake to be made somewhere along the prescription line for an individual and this could have long-term consequences for that individual.

If the Minister of State is not prepared to amend the legislation in order to make a specific provision in regard to AEDs, will he at least give a commitment to making a provision that will allow him introduce secondary legislation that will make specific reference to AEDs where they are being prescribed for people with epilepsy so that they will not be prescribed on an interchangeability basis.

Deputy Alex White: It should not be assumed that because a Minister or Minister of State stands up and disagrees with issues raised by colleagues on the opposite side of the House, that he is not listening to them or that he doubts their genuineness. I do not doubt the genuineness of anybody in this House or their good faith. It should not be assumed that because I am not accepting what has been proposed, that I question the genuineness of Deputies. I want to make it clear to people in good faith that I have listened carefully to everything that has been said on this issue.

I mentioned earlier that in addition to the responsibilities I have as Minister of State, I am aware of the issue being raised here in regard to anti-epileptic drugs. Even if I was not aware of it, I would have a responsibility to go and read up on it. Deputy Shortall should not assume that what I am doing here is “mouthing a line”, as she described it. I am not taking a view that I have been told I have to take. I know Deputy Róisín Shortall and I am quite sure she went through the documentation, the arguments and the issues carefully when she was Minister of State, just as I have done. Ministers are expected to read the documentation - they are paid to do so - rather than simply accepting a line. Of course, advice is available, but I am not here to mouth anybody’s line. I take very seriously the job I have been asked to do. I know the Deputy did likewise when she was in the same job. I carefully analyse what I am asked to do in order that I understand it. I ask for the same recognition of what we are doing from my colleagues on the Opposition benches that I give to each and every one of them. I do not for one moment doubt the good faith of Deputies in highlighting this issue, nor do I doubt the genuineness of those involved in the Irish Epilepsy Association who raised it in the first instance.

Debate adjourned.

Non-Use of Motor Vehicles Bill 2013: Order for Second Stage

Bill entitled an Act to provide for declarations of non-use of motor vehicles; for certain payments out of the local government fund; to amend the Finance (Excise Duties) (Vehicles) Act 1952, the Finance (No. 2) Act 1992 and the Local Government Act 1998 and to provide for related matters.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd): I move: "That Second Stage be taken now."

Question put and agreed to.

Non-Use of Motor Vehicles Bill 2013: Second Stage

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd): I move: "That the Bill be now read a Second Time."

I am pleased to open the debate on the Non-Use of Motor Vehicles Bill 2013, the primary purpose of which is to provide for a system of declaring vehicles off the road in advance for motor tax purposes. In other words, we are introducing a prospective system of making off-road declarations. This will close the loophole, whereby owners are able to declare retrospectively and unverifiably that a vehicle has not been in use on the public road. This evasion loophole has allowed many people to take a holiday from paying motor tax, which is unfair to the majority who pay their motor tax conscientiously. For their sake and in the interests of equity in the collection of this tax, the changes contained in the Bill are necessary. The substantive issue being tackled in the legislation is the abuse of the loophole by non-compliant taxpayers. The regime for those who pay their motor tax as intended will not be affected in any way.

Under the existing system, vehicles can be declared off the road retrospectively. The declaration is part of the motor tax renewal form. The owner's signature is witnessed by the Garda Síochána when the applicant next taxes the vehicle after the period for which the vehicle was off the road. Members of the Garda are not required to verify the veracity of the statement made by the owner. I do not doubt that many owners risk driving for a month or two without paying tax. If they are not stopped at a Garda checkpoint, they take the view that they can tell a lie about the car having been off the road and tax it from the start of that month. The current arrangements facilitate this. There is little prospect of getting non-compliant taxpayers to mend their ways as arrangements stand.

The use of such declarations is increasing, with a consequent loss to the local government fund which provides funding for local authorities and the roads programme of the Minister for Transport, Tourism and Sport. An analysis of Garda witnessed vehicle licence exemptions in the 12 months to the end of July 2012 showed that 539,000 such declarations were made during the period. The value of the declarations during that period was over €110 million, of which €22 million related to changes of vehicle ownership. The remaining €88 million related to exemptions not linked with change of vehicle ownership, with the majority of such declarations being made for periods of between one and three months. While some declarations are genuine,

it is suspected that there is widespread abuse, potentially costing up to €55 million per annum. It is anticipated that implementation of the measures contained in the Bill could increase the income from motor tax by up to this amount, although some residual levels of evasion may remain.

It will be necessary to make provision for genuine periods of non-use of a vehicle, for example, in the cases of people who are ill or working overseas. It is proposed to introduce a system like the statutory off-road notification system used in the United Kingdom. A declaration will only be possible in advance for a specified period. The minimum period will be three months - the same as the minimum taxation period - and the maximum period will be 12 months. The declaration must be made in the month before tax is due to expire. This measure was recommended in the report of the local government efficiency review group. It is the largest single element, in value terms, of the report that falls to be delivered by my colleague, the Minister for the Environment, Community and Local Government, Deputy Phil Hogan. It should be noted that the 2011 annual report of the Comptroller and Auditor General contained a chapter highlighting the level of motor tax evasion and recommending that a more robust system than the present one be put in place. The system provided for in the Bill conforms to an important element of the recommendations made by the Comptroller and Auditor General.

I would like to go through some of the specific arrangements proposed. A declaration of non-use must be made in the month before motor tax or an earlier declaration of non-use expires. Owners of new or newly purchased vehicles will have ten days from the date of purchase to furnish a declaration if the vehicle is not to be used immediately. The vehicle can be declared off the road for any period, in whole months, of between three and 12 months. In the month before the declaration expires the owner will receive a renewal notice and can then either tax the vehicle or make a further declaration of non-use, again for a period of between three and 12 months. One can put the vehicle back on the road at any time during the non-use period by taxing it. In such circumstances the non-use declaration will be deemed to have been cancelled. A vehicle may be used during the period of a non-use declaration solely for the purposes of bringing it to or from a test centre, or bringing it to or from premises for repairs when an appointment has been made with an authorised tester after the repairs have been carried out for a subsequent test.

The Bill creates an offence of making a false or misleading non-use declaration with liability to a fine of up to €4,000 and-or six months imprisonment on summary conviction. This will be in addition to the existing penalties for non-display of a valid motor tax disc. While the Bill provides for an administration fee to be prescribed, we do not plan at this moment to prescribe a fee. The emphasis is on ensuring vehicle owners take the opportunity to regularise their affairs. There will be a three month transition period in which to do so. Following that period - the exact date will depend on the progress of the Bill through the Houses of the Oireachtas - it will no longer be possible to make a retrospective declaration of non-use. The Minister intends to widely publicise the proposed changes in the coming months with a view to ensuring motorists are aware of their obligations in this regard.

The Bill also contains provision to make the Minister for Transport, Tourism and Sport a licensing authority. Responsibility for the national vehicle and driver file, NVDF, which administers motor tax online, was transferred to the Minister for Transport, Tourism and Sport in 2007, while the Minister for the Environment, Community and Local Government retains responsibility for motor tax policy. The provision has no impact on policy or procedure; it is merely to set out the role of the Minister for Transport, Tourism and Sport more clearly. This

change also has no bearing on the flow of income to and from the local government fund. Income from motor tax online will continue to accrue to the fund and will continue to be allocated between roads and general purpose grants in line with agreed protocols.

Finally, the Bill contains provision for transitional financial arrangements following the transfer of the driving licence function from licensing authorities to the Road Safety Authority, RSA. With the introduction of a plastic card driver licence from January 2013, a requirement of EU Directive 126/2006, responsibility for driver licensing transferred from local authorities to the RSA. The RSA has put arrangements in place for the issuing of a plastic card licence. It is also proceeding to centralise front and back office operations following a review of the driving licence service in 2010. However, as all elements of the new arrangements are not yet operational, the RSA has made arrangements that local authorities will continue to provide these services for a transitional period, expected to be until September 2013. During this time, all driver licence revenues will continue to be deposited in the local government fund. The portion of these revenues derived from the increase in driver licence fees that took effect from January will be paid from the fund to the RSA. The local government fund will retain the income from the fees that applied prior to the increase. The Bill also provides that the cost to local authorities in providing the driving licence service can be taken into account in deciding on allocations from the local government fund to the local authorities. When the new structures are fully established, all driver licence revenue will flow to the RSA.

I would like, at this point, to bring to the attention of the House the provisions of section 6, where it is provided that monthly arrears are to be charged at one tenth of the annual rate of motor tax. In the course of drafting the Bill, it emerged that the legal power to charge a penalty rate for arrears of motor tax was inadvertently removed from primary legislation some years ago. Notwithstanding this, provision continued to be made for the setting of rates of arrears in secondary legislation, most recently in 2008. Monthly arrears were set at one tenth of the annual rate, and payment of arrears at the current motor tax rate, that is, the historical rate not applied if the arrears period straddles an increase in motor tax.

In this regard, the Office of the Attorney General advised that the charging of an arrears rate over and above the tax due and the practice of charging at the current rate of arrears are *ultra vires*. Accordingly, once the legal position was clarified in late October, the Minister revised the arrears rate to one twelfth of the annual rate of motor tax per month. Analysis conducted at the time showed that, arising from charging at one tenth rather than one twelfth of the annual rate per month, there were 375,000 instances of overcharging, totalling €3.8 million in 2011, with the average payment just over €10 and 93% of payments under €20. Some 0.23% of payments were in excess of €100. The costs associated with directly repaying the excess tax charged via a cheque in the post would, in a large proportion of the cases, exceed the amount of money due to the individual.

With regard to the charging of arrears at the current rate of tax when the owner is paying back-tax, that is, charging the higher rate for the full arrears when the arrears owed straddle a change in the rates of tax, this is of significance for a number of months immediately after an increase in motor tax rates. Calculating arrears based on a split calculation creates difficulties in the NVDF, and it is not intended to provide for refunds of tax where arrears straddle a rate increase. In regard to the rate increase from 1 January 2013, it is estimated that the overcharging arising amounts to less than €10 in over 92% of cases and less than €20 in over 98% of cases. Very small numbers of cases exceed €50, with €217 being the maximum. In view of the difficulties in repaying a large volume of very small amounts in both scenarios, it is not intended

to provide for this.

Given the need for a deterrent against late payment of tax, this Bill reinstates the monthly arrears rate at one tenth of the annual rate of duty at the current rate of motor tax. Arrears payable during the transition period will remain at one twelfth in order to encourage those in arrears to bring their tax up to date.

To conclude, I wish to stress that the new arrangements being proposed in this Bill will not impinge on compliant taxpayers in any way. This is an anti-evasion measure and is designed to close off a loophole being widely abused. I would also like to assure the House that the current arrangement for the one-month grace period is not affected in any respect by this legislation. Those who need to take their car off the road for any reason will be facilitated but they must notify the motor tax authorities in advance.

Deputy Barry Cowen: I wish to share time with other speakers.

Acting Chairman (Deputy Tom Hayes): Is that agreed? Agreed.

Deputy Barry Cowen: Fianna Fáil supports this Bill but, obviously, we have concerns about some aspects of it. The move towards an advance declaration will reduce the scope for tax evasion but must be properly enforced in order to be effective and have a positive impact on State revenues. Car owners, we believe, should not be unfairly charged for making an off-road declaration given they will not be using the roads with that vehicle. We would ask that consideration be given to this. I understand the legislation proposes not to charge for that initially but, over time, this might happen. If possible, I ask that it be taken out completely. No more than with any other legislation, it can be reviewed on an ongoing basis. Contrary to what I heard said in the media some weeks ago about sunset clauses and so forth, as legislators we are reviewing legislation on a daily basis, reforming bad legislation and bringing forward good legislation with the support of the majority in the House.

While efficiencies are welcome, the Government's transfer of the driver licence issuance to the RSA away from local authorities is, I am afraid, symptomatic of a broader agenda by Government to emasculate local government and strip it of its powers. Limiting the potential for motor tax evasion can bolster the State coffers. Motor tax raised €992 million for the local government fund in 2011 and this had declined from €1.045 billion, or by 5%, since 2009. In 2010, the Local Government Efficiency Review Group recommended that this off-the-road system be reformed. It stated that the cost of the system was €75 million per annum and the group believed it was open to some abuse. The last specific roadside survey of the extent of the problem was held in 2001, and this too found a 5% non-compliance rate. More recent figures based on vehicles passing through the M50 toll for 2010 and 2011 showed that approximately 7% did not have up-to-date discs. The evasion rate, therefore, seems to be about 5% to 7%, so there is potential to make savings in that regard.

We expect the Bill will have a positive environmental impact. Owners may now be more likely to go to legitimate waste operators when scrapping cars in order to obtain a certificate of destruction as, without this, owners may be liable for the off-the-road declaration fee indefinitely. However, the Minister of State on behalf of the Government must clarify what happens to those cars already disposed of which did not receive such certification.

Even if the issue of the current approach to off-the-road declarations is addressed by way of this legislation, prevention of continuing abuse is dependent on sufficient enforcement by

24 April 2013

the Garda. Industrial disputes with members of the GRA may undermine the impact of legislation like this Bill. The decision, for example, of GRA members to exercise their discretion and not issue fines for revenue-generating offences, including motor tax offences, undermines the capacity of the Bill to raise revenue. Let us make no mistake about it. This is one of the consequences of the dangerous, adversarial and contemptuous approach taken by the Minister for Justice and Equality towards An Garda Síochána. In light of these issues, it has been suggested that consideration could be given to creating a similar system to that used for speed-checking cameras whereby the detection of motor tax evasion could be contracted out to a private firm. Alternatively, given that many of the country's tolls record the registration number of vehicles passing through them, it might be possible to use this information with appropriate legislative foundation.

Enforcement brought forward by legislation is the key to the successful implementation of this Bill. The prospect of charging for off-the-road certificates has been raised. It will be not included in the initial years, as was said earlier. It would be deeply unfair for drivers to be charged for non-operative vehicles that are not used on the roads. I ask the Minister to remove that from the proposals before the House.

The Bill also provides for transitional financial arrangements following the transfer of the driving licence function from licensing in local authorities to the Road Safety Authority, RSA. We know the RSA took over responsibility from local authorities in January 2013 following the introduction of the new plastic card driving licence. Pending finalisation of the transfer process, there is a transition process during which local authorities will continue to provide certain driving licence services. While my party supports the EU directive which standardises driving licences across the Continent for obvious conformity and security benefits, the removal of the role of local authorities reflects the broader emasculation of local government. We have seen in recent times the difficulties faced in SUSI with regard to third-level grants and the centralisation of the medical card function and now the prospect of the driving licence generates the same fears and anxieties in many people throughout the country and those of us who receive representations in that regard.

An example of the losses that may emanate can be found in Cork County Council which offered an on-the-spot licence renewal system that will now be lost with centralisation. It is important that we recognise the benefits that local flexibility can bring and not opt for knee-jerk centralisation. As I contemplate my reaction to this Bill and that specific area, I am conscious of the many forms of value for money audits that are taking place and the effort to rectify the financial situation involving looking microscopically at every facility and service. It might do much with regard to a balance sheet but it has not enhanced our society and rural sustainability. I am conscious of the loss of Garda stations in my own constituency in places like Ballinahown, Shannonbridge and Geashill and the potential loss of rural schools because the Minister has confirmed that the value-for-money audit in which his Department is engaged recommends four as the optimum number of teachers per school. No decision has been made in that regard but it is being brought to Cabinet and I would expect the Minister of State and his colleagues to win the day and not allow that policy to become a reality. There are 13 such schools in my constituency and county of Offaly that need the clarification required to allow them to continue to play the role they have played in times past. We have seen the reduction in social welfare hours and closures of social welfare offices and facilities.

Acting Chairman (Deputy Tom Hayes): The Deputy is straying from the Bill.

Deputy Barry Cowen: We are straying but are staying with the general thrust of Government policy contained in this Bill as it is in other facets of Government. Dental facilities have been lost, tourism offices have been closed and primary schools have been cancelled in different locations. I look forward to debating this weekend our efforts to regain the ground of rural sustainability and highlighting, as I am doing now, my belief and that of many of my constituents that the Government's disregarding of many facilities and services that are the lifeblood of rural communities must be reversed. It does not give me great pleasure to do so but it is something I must do as a rural Deputy. While the Minister of State might show his colleagues in Brussels and elsewhere the benefits this has given to the financial profit and loss account or balance sheet of Ireland Inc., it is having a grave effect on society as we know it. I apologise for straying.

I have two more recommendations in respect of this issue. Will the Minister provide a mechanism in this legislation whereby taxation could be paid by direct debit? I do not think there is any provision in legislation for that at present. Many people pay their motor tax periodically, be it on a half-year basis or every quarter. I spoke to someone this morning who told me it cost a further €60 or €70 to pay it periodically every quarter as opposed to the full year. Given today's climate and pressures and the difficulties many people face putting cars on the road, be it for insurance or tax, an opportunity has arisen through this legislation to make an insertion to allow people to do so and not be penalised for making periodic payments on a regular basis.

Deputy Dessie Ellis: Tax evasion is a serious crime. It is essentially theft from the public purse and involves taking from the funds of the nation in order to further enrich oneself and denying funding for vital services without which no one could reasonably make a living or enjoy a decent standard of living. Of course, we face a significant problem in this State because the public purse has been opened up to the troika and the banks and billions of euro of the people's money has been squandered on bailouts of debt which were never the people's debt and never their responsibility. Quite reasonably, people now look at their tax bill, income tax, PRSI, VAT, motor tax and others taxes and wonder as they look at cuts in essential services in the social safety net where all this money is going and what benefit they get from these taxes. There is still great benefit from the taxes we pay but, understandably, the value for money people are getting is more in question and taxes are under more scrutiny by the public. That is why a desire to promote public confidence and to be fair must underpin any tax code. The Government has already got this wrong on many occasions, not least with the unfair property tax.

I do not believe the current motor tax code is fair. Sinn Féin believes it needs reform and we have put forward that point in debate on the recent motor tax Bill before the House. Today, we are discussing a move to close a gap which allows some people to avoid tax or to reclaim tax paid wrongfully. We support this general purpose although I do take issue with some sections of the Bill which I will elaborate on.

As highlighted in the excellent Bills digest compiled by the Oireachtas Library and Research Service, based on a study from 2010 and 2011, evasion of motor tax is estimated as being approximately 5%. This represents an annual revenue loss of about €50 million at present. This figure of €50 million pales in comparison to the many billions of euro of untapped wealth in this State which the Government has refused to tackle even slightly, instead focusing on the poor and low earners. That does not mean people should be allowed to shirk their responsibility to pay for the roads and other services they use but I feel some perspective is required. The method of closing this gap by introducing a prospective instead of retrospective requirement would seem to make sense. This will end the practice of people claiming falsely that cars were off the road for a period when the car was not taxed.

6 o'clock

It will also stop drivers falsely claiming that they have put their cars off the road and seeking refunds of motor tax. Of course, some will continue to attempt to avoid both the tax and the reach of the Garda Síochána but these steps will make that more difficult. The move away from requiring a garda witness for a declaration of non-use could also help to free up much-needed Garda resources, since the Government cuts have resulted in the closure of Garda stations. However, I have a problem with the removal of the one-month grace period for tax renewal. This is a fair system which allows some leeway for people to renew their car tax and allows time to deal with any problem that may arise in the processing of renewals. No system is perfect and errors can happen at any point.

Deputy Fergus O'Dowd: If I may be helpful to the Deputy, that provision is not in the Bill.

Deputy Dessie Ellis: That is fair enough. I was just making the point.

Deputy Fergus O'Dowd: I understand.

Deputy Dessie Ellis: No system is perfect and errors can happen at any point. It would be preferable if people could have their new tax discs ready to go as soon as the old ones expire but this is not always so easy for people. The one-month grace period offers nothing more than a little space to deal with the process. Most people who use the month's grace renew their tax; they do not declare any period of non-use and they pay their way just like everybody else. In my view, keeping the month's grace and introducing the other measures will make a crackdown on motor tax evasion much easier for gardaí, who will be able to focus on those who are unquestionably avoiding tax. The month's grace and tax evasion are two completely different issues.

There is also the issue of a charge being applied for declaring that a vehicle is off the road. Surely if road tax has been paid for the vehicle in the past then that road tax should easily cover the cost of declaring the vehicle off the road. Is it right to charge someone for making a declaration that he or she is not liable for tax? Many people in rented houses across the State who buy stamps and envelopes in order to inform their local authorities that they are not liable for the home tax might be surprised if the Government took that attitude. It is disappointing that the Government believes it can sneak in the charge by not putting it in place until after the initial stages of reform. This is underhanded and very disrespectful of the people who have a right to be angry at this proposed charge. The Government needs to spend less time dreaming up hoodwink tactics.

I welcome the move to ring-fence motor tax money for the local government fund. The Finance Bill set aside €150 million of motor tax revenue for debt payment. This goes back to my earlier point about public confidence in the value for money of tax payments. That is not the purpose of the local government fund. I condemn this practice. I call on the Minister to ensure that motor tax moneys will remain in the fund. It should not be used to pay off the troika, the European banks or bondholders.

The other issue is that of consistency. I welcome the notion that money raised from the new offences of motor tax evasion will be ring-fenced for the fund. That is a good move. Sinn Féin proposed something similar - that money collected by the CAB should be used to help fund local drugs task forces and other community responses. This proposal was rejected because the funding was not sustainable. That was true, but it was not a legitimate reason for rejecting the plan. The money raised from these offences is also unsustainable, as the hope is that new

regulations will sufficiently deter evasion and fines will become less common. That was not a sufficient excuse to block Sinn Féin's proposal on the CAB. I am pleased that at least the Government sees our point in this regard.

The most important point is that much of this will have no significant impact if not properly resourced. The Garda Síochána has been cut, left, right and centre. Garda stations have been closed and station opening hours have been cut across the State. The Garda Síochána is stretched thin and the force is being asked to do more and more. Some provisions in the Bill will aid the more important work of the Garda Síochána but such hard work and dedication requires the Garda Síochána to be adequately funded and staffed.

I note that the number of people declaring cars to be off the road has increased by 40% since 2008. That figure relates to the period before the more recent rises in motor tax. The last budget saw an increase of 25% while a recent study by the AA found 60% of motorists struggling to keep cars on the road. If maintaining a car becomes more and more expensive, tax evasion will likely increase. A balance must be struck between raising revenue and keeping people on the road.

I question the benefit of making the Minister a licensing authority and I ask the Minister of State to explain the purpose of this provision. In my view, officials should be above reproach. This could be used by people as a means to approach or to influence the Minister. I reiterate my point about the RSA taking over licensing responsibilities from the local authorities. The local authority licensing system has been in place for years. It is a bad move to take powers away from local authorities. I know this has already been enacted but I really believe it has been a mistake.

Deputy Seamus Healy: I wish to share my time with Deputy Thomas Pringle.

I welcome the opportunity to speak on this Bill. Low- and middle-income families are punch-drunk from austerity, cuts to services, increased taxes and increased excise duties, and motorists are no exception. I wish to make a plea for hard-pressed motorists. The Government should take the opportunity presented by this Bill to alleviate the pressure on these hard-pressed motorists by, as a minimum, reducing the quarterly and half-yearly motor tax rates on vehicles by bringing the rates into line with the annual rate. The Government should also reduce fuel tax, maintain the one-month grace period for payment and remove the administration fee provided for in this Bill.

In the towns and villages outside the big cities and in rural areas, a car is an absolute necessity and not a luxury. In many cases, particularly in rural Ireland, a family will need two cars as a necessity and not as a luxury. I came across an individual last week who is very hard-pressed and is under pressure with his mortgage. He lives in a rural area in County Tipperary. His wife works part-time in Limerick. She needs a car to get to work. He needs a car because he takes the children to school, which is seven miles from their home. The nearest pick-up point for the school bus is two miles away. Many people in rural Ireland face a similar situation. Public transport is not adequate outside the main cities; in fact, there is little or no public transport outside the big cities. In many cases, people need cars to travel to work and for normal activities such as taking children to school, doing the shopping and attending religious services. The financial pressure of running a car is a reality for many of these families. I refer to the shameful decision by the HSE to reduce the limit on travel-to-work expenses for those with medical cards. The first €50 is excluded from travel-to-work expenses. This is another attack on hard-

pressed motorists, who are also workers travelling to work. I ask the Minister of State to advise his colleague, the Minister for Health, Deputy Reilly, to ask the HSE to reverse that change immediately. I mentioned already the quarterly and half-yearly payments many motorists are forced to make, which costs them significantly more than if they were in a position to pay for motor tax annually. With contemporary information technology, there is no reason to have a higher rate for quarterly or half-yearly payments. Over 100,000 more tax discs were issued in 2012 than in 2010. Half-yearly disc issues fell from 742,000 to 682,000, while annual disc issues fell significantly also. In spite of the fact that 13,000 fewer cars were on the road in 2012, the tax take was higher - up to €1.05 billion. That is the result of a 7.5% increase in motor tax in the 2011 budget and a further increase of up to 20% in the 2012 budget. This is something the Government should address immediately through this Bill.

The Automobile Association has found that the number of breakdowns has significantly increased as a result of motorists' having to scrimp and save on maintenance and servicing costs. Fuel is a huge element of the cost of motoring, placing particular pressure on the hundreds of thousands who must use their cars to travel to work. I came across a case recently in which a gentleman had to take holidays as he did not have the money to put petrol in his car to transport him to work. It is an issue the Government must examine. The figures show that 57% of the cost of fuel is tax and excise. The typical Irish motorist uses some 1,800 litres of fuel - or 150 litres per month - to travel approximately 12,000 miles per year. This represents a cost of €243 per month on fuel alone. Of that, €138.50 is tax. It is an issue that should be addressed. We must remember that this is an island economy and that public transport is almost non-existent outside the larger cities. Cars are essential to people to do their daily business and to go to work. Some leeway should be given to motorists who are under great financial pressure as a result of austerity.

The Bill provides for the introduction of an administration fee, though not immediately. It should be removed, if only as a gesture of goodwill to motorists. The transfer of responsibility for driving licenses to the RSA takes further services away from local authorities. A particular difficulty that arises, about which every Member has been contacted, is the fact that a single provider will be used to provide photographs for the new licence. This measure will have serious repercussions for retailers nationally and will lead to job losses. It is an issue the Minister should take the opportunity to remedy in the Bill. Photographs from the normal, reputable retailers should be permissible.

As this is a road fund Bill, I raise the matter of the condition of our road network, particularly county roads. Many roads are in poor condition. Roads funding for local authorities has been reduced considerably over the last number of years, including this year. Anybody driving county roads nationally knows about the number of potholes and the problem of undermining of surfaces, particularly due to the bad weather of the last 12 months. The roads must be attended to urgently. If they are not, some of them will disintegrate, as others have already done. The Minister should make additional moneys available to local authorities to provide for remedial works to roads. I think of roads in Slieveardagh and west and south Tipperary which are in very bad or dangerous condition and require urgent maintenance and repair.

When he introduced the Motor Vehicles (Duties and Licenses) Bill 2013, the Minister confirmed that €46.5 million of motor tax income was transferred from the local government fund to the Exchequer in 2012. In 2013, up to €150 million will be transferred. The Minister says these are necessary measures to reduce the national debt. The transfer is disgraceful. The Minister should take the opportunity presented by the Bill before the House to refund the €196

million immediately to the local government fund. The money is urgently required by local authorities to repair and maintain roads across the country.

In speaking on the Bill, I make a plea for hard-pressed motorists. I ask that various amendments be brought forward to ensure that they are not further pressurised on foot of the recession. I ask that the county roads be looked after and that moneys transferred from the local government fund be returned and made available to local authorities for road maintenance.

Deputy Thomas Pringle: I welcome the opportunity to contribute to this evening's debate on the Bill. As Deputy Healy has outlined, for most people living outside the major urban centres, a car is an essential mode of transport. It is not a luxury or something people can afford to do without. Every rural Deputy knows the public transport system is non-existent. One needs a car for day-to-day living, to go to work and to provide any kind of social life for one's family. While the changes proposed in the Bill are about reducing tax evasion, we must look beyond the staggering €55 million it will raise in extra motor taxes by removing the retrospective declaration provision. It is important to examine why people avail of the system. The amount of retrospective declarations increased by 40% since 2008. It is no coincidence when we see that the bank guarantee took place in 2008, leading to the bailout and the recession. Some motorists availing of the retrospective declarations have used it as a system of avoiding tax but many do so because they cannot afford to tax a car to keep it on the road. These people are not immune from the rest of the recessionary impact, tax increases, cuts in income and cuts in wages and employment. This will have a severe impact on people. It will affect how people can keep transport for themselves and their families and how people can maintain themselves in employment. Combining this point with the increases that have taken place over the past two budgets in respect of car tax, it amounts to a significant hit for people. The increase I mentioned, with people retrospectively declaring, was combined with increases in taxation. We must be conscious of this point in legislation and of the difficulties people are going through.

This is highlighted in media reports on the major increase in the number of people taxing their cars for three months. They cannot afford to tax cars for one year anymore even though, over the course of the year, it costs significantly more. I echo the calls made by other Deputies for the Minister to examine this point and level out the differences between taxing a car for three months and 12 months. We will no doubt hear that the difference is due to the extra administrative burden on the taxing authorities but there must be some recognition of the fact that people cannot afford to tax cars for 12 months. That is why the number of people opting for three months has increased so significantly over the past year.

It is interesting that the Bill recognises that the extra money will go to the local government fund. It is a sad sign of the times that the Government must state that in the Bill to ensure it does. It is a moot point because the Government has already provided for taking €150 million out of the local government fund and returning it to the Exchequer to service the national debt at the behest of the troika. It is only a matter of moving it from car tax to the local government fund and back out so it does not make much difference. The Government can raise this funding, which is so badly needed by local authorities, to maintain our roads across the State but it uses it to write down debt. In the context of the national debt we must service, €150 million is not significant but it would be significant in grants and funds to local authorities to maintain our roads.

I am concerned by section 7 of the Bill, which provides for a fee for the off-the-road declaration. The fee will not be implemented immediately but it should not be implemented at all. If people have taken a vehicle off the road, they should not be charged for the luxury. This is

24 April 2013

particularly the case when the intention of the Bill is to reduce evasion. Introducing the fee may encourage people to chance their arms and see if they can get away with evading the tax. It should not be subject to a fee and if people are putting a vehicle off the road they should have their declaration submitted without any cost.

The removal of the car tax and vehicle licensing function from local authorities is a retrograde step. Moving it to a single authority makes it seem as if we are centralising everything and withdrawing from local services and access to local services enjoyed in the State for many years. Combined with the abolition of town councils, the withdrawal of services from local authorities, the establishment of Irish Water and the vehicle licensing authority, this amounts to withdrawing further services from local authorities. It is a retrograde step. I call on the Minister not to introduce the fee outlined in section 7 for the off-the-road declaration as the Bill moves through the House.

Deputy Damien English: I propose to share time with Deputies Kyne, Conlan, and Farrell. I welcome the opportunity to speak on the Non-Use of Motor Vehicles Bill 2013. It is another important reforming item of legislation from the Government and makes an important contribution to our environmental obligations as a country as well as addressing a significant loss to our national finances. The false declaration of motor vehicles as being off the road is known to be rife in Ireland. While there can be legitimate situations, the making of such a declaration is not verified and thus open to abuse. Almost €1 billion is paid into the local government fund each year from motor tax. This is an important and much needed contribution to our road network. In many parts of County Meath, more money is needed just for pothole filling. Anyone who canvassed during the Meath East by-election witnessed that point. They will agree we need to find more money to fill potholes and build roads. I am sure it does not apply just to Meath but it is a prime example of an area with heavy traffic and we need to address the situation. We need to collect money that belongs to this country.

The motor tax evasion rate is estimated to be in the region of 5% annually. With a total tax take of €1 billion, the evasion is worth €50 million in cash terms. However, the calculation is based on the last major roadside survey, conducted in 2001, so the figure could be higher. One of the areas where this Government and its predecessors over the past ten years can take some credit and satisfaction for using such resources is in the significant progress in road safety. Every life lost is one too many but we are a long way to from the daily carnage that the early 2000s represented for far too many families and local communities.

This has been achieved through a range of measures that are not always popular but certainly work, including penalty points, speed checks, NCT testing, tougher licensing laws, road improvements and tougher drink driving laws. The role of our new motorway network and other road improvements cannot be discounted either. The momentum on these important initiatives must be maintained. The Road Safety Authority tells us the number of deaths on Irish roads in 2011 was 186, down 26 on 2010 figures and 53 on 2009 figures. These figures represent families who still have dads and mums, sons and daughters, and brothers and sisters. However, more needs to be done to address the fact that 70% of road deaths are males. One third of the people who die on our roads are under 24, a huge waste of young talent and potential. Rush hour, between 3 p.m. to 5 p.m., and Fridays, which herald the start of the weekend, are statistically the most dangerous times for fatalities.

I would like to see savings from this Bill directed towards road safety measures at our schools. While I mentioned that we want the money for potholes, we also need to target new

road safety initiatives. Schools arise as an example where there are gaps in our funding. I would like to use this occasion to direct the attention of the Minister to the case of Rathmore national school as an example of one that needs money for specific road safety measures. Rathmore national school is situated on a national route, the N51 from Navan to Athboy. The school needs additional safety measures to slow down traffic. Parents agree this must be done. The school is situated in the countryside and, although relatively isolated along the N51, this makes its situation more dangerous as motorists feel they can maintain their speed. The school serves a large hinterland, drawing pupils from within the radius of Cortown to Kilbride, Rathcairn to Athboy. This issue has been highlighted over the years by members of Government, the Garda Síochána, the county council, the NRA and the NTA. There has been a relatively positive response by agencies to the problem of speeding at the school. The Garda Síochána has increased the number of speed checks and extra signage has been put up. These measures have had some results but motorists persist in speeding. Lorries and cars do not realise there is a school there. It has become clear that a change in policy of how NTA funding can be used in such instances is needed. Funding is needed for proper pedestrian crossings, signage and speed limit checks to allow pupils and parents be safer outside their schools along national routes in rural areas. Currently, NTA funding can only be given to link schools to towns, villages and housing estates with properly resourced safe pedestrian crossings and paths. This simple measure would allow huge progress for schools like Rathmore national school. These schools are located on national routes throughout the country and one sees them in Mayo, Tipperary and elsewhere. They do not fit into the right box to get funding to solve a problem. In some cases, it is for speed limit checks, more signs or proper car parking. It is a sad irony that a school's location on a major national artery is a disability to it accessing important safety measures but that seems to be the case in this situation.

I urge the Minister to pursue this particular matter and I am happy to supply him with any further information from schools like Rathmore national school. With the money we will collect as a result of this Bill, we could target another area and solve another problem, which does not fit it any box currently.

Deputy Seán Kyne: It goes without saying that fairness should be at the heart of everything we do in the national Parliament and the Non-Use of Motor Vehicles Bill 2013 will bring fairness to a situation of which most people are aware. The Bill will ensure fairness for those responsible citizens who pay their motor tax by closing a loophole which has enabled a minority to evade their obligations under the law. It is simply unfair that those citizens who do not pay their motor tax or who use the retrospective clause enjoy the use of the road network at the expense of those who pay.

It is estimated that the Exchequer is losing up to €50 million each year, and we must remember this is €50 million less to spend on the maintenance and upkeep of our roads. Figures compiled by the Comptroller and Auditor demonstrate that 1.1 million off the road exemption gaps were declared between 2008 and 2011. This represents a 40% increase and a total loss of €226 million for the State. A significant proportion of the exemptions were of course legitimate and sought by honest and genuine motorists but it is also likely that a significant percentage were sought for the sole purpose of evasion of this tax. Unfortunately, there appears to be some difficulty in determining the exact number of motor tax evasions. A constituent who recently contacted my office on the issue of motor tax quite rightly said technology exists which could play a greater role in enforcement. For example, technology at toll booths could actively assist the Garda in apprehending those who are evading their tax obligations.

24 April 2013

In researching this topic, it is noteworthy that many of the changes proposed actually arise from the deliberations of the local government efficiency review group. This group comprised experts from the public and private sectors and carefully reviewed the array of local government areas. It is unfair to say the provisions of this Bill are not based on research and examination or represent a knee-jerk reaction.

However, concerns have been raised with me regarding a number of sections. For example, section 7(13) and (14) empower the Minister to prescribe a fee to accompany an unused declaration. I contend that in light of the fact we are already closing a loophole which would prevent tax evasion, we do not impose a charge. I was glad to hear the Minister of State say that the Government does not propose to introduce a fee at this time. Section 14 should be augmented with a new category of fee waivers for vintage vehicles. We must recognise the fundamental difference between cars used daily for all sorts of purposes and those vintage cars kept by enthusiast or hobbyists for recreational or past-time reasons. We must also realise a car originating from as recently as the 1980s can be considered vintage and may be kept, but not used frequently, by citizens. For example, it could be used in the summer months but locked away in storage during the winter months. Some individuals raised this issue in light of this Bill. I appreciate that under the other Acts, a car over 30 years old is classed as vintage but there are cars younger than that which would be liable for full tax if declared for the full year.

Several State agencies and Departments are involved in the implementation of the motor tax system, including the Department of the Environment, Community and Local Government, the Department of Transport, Tourism and Sport and the Revenue Commissioners. It is very welcome that section 5 makes provision for the Minister for Transport, Tourism and Sport to operate the licensing authority but we should go further and transfer the responsibilities for motor tax policy, currently under the remit of the Department of the Environment, Community and Local Government, to the Department of Transport, Tourism and Sport. It would make sense to do this and it would improve the motor tax system.

Some in this House have sought to criticise the transfer of the driving licence function to the Road Safety Authority from the county councils as proof of some campaign against local government. This is not true. Transferring the driving licence function is rooted in road safety. It recognises that on passing a test, a person will be awarded a driving licence for life, so it makes sense that the Road Safety Authority would be central to the driving licence process. Road safety must central from the start of this Bill providing financial arrangements for the transfer from the local authorities to the Road Safety Authority. Nobody likes to pay tax but those who pay want to ensure and need to know that everyone who is liable to pay tax does so and this Bill ensures that in the context of road tax.

Deputy Tony McLoughlin: I welcome the opportunity to speak on this Bill which is estimated will save taxpayers €55 million in one year. The practice of motorists declaring that their vehicles were off the road for a period of time, filling in the relevant form, going to the Garda station and getting it stamped and proceeding to the local motor tax office has been well known for many years and has been used by people whose vehicles were genuinely off the road. An example is a civil servant or semi-State worker who took up an offer outside the State for a period of time, who parked his or her vehicle and returned to find the tax was out of date and legitimately went through the process of declaration that his or her car was off the road. Other examples include persons with illnesses for a period of time or persons acquiring a company vehicle or van for a period of time to do specialised work. It is important to mention that under this Bill, all the cases I mentioned will continue to be able to do the same if they declare

their circumstances in advance. I welcome the Minister's due recognition in the Bill of these circumstances.

What the Bill is designed to do is to catch the people who set out to avoid their obligation to pay motor tax on their vehicles. It is impossible to believe that up to €55 million in tax is written off genuinely. There are people who drive around for up to 12 months or longer and suddenly get a scare when they come across a checkpoint. They then go to regularise their situation. They decide to fill in the declaration falsely by ignoring the non-tax period and just paying for the next six-month to 12-month period. Why should compliant citizens subsidise others? It is not fair and the Minister has an obligation to act to tighten up the regulations.

Once the Bill is enacted, a non-use declaration can be made in advance of the vehicle being taken off the road for a period of between three to 12 calendar months. A declaration can be made up to one month in advance of the expiry of a motor tax disc or a previous declaration of non-use while purchasers of new and second-hand vehicles will have ten days from the date of registration or change of ownership to make a declaration. These are all very practical ways of doing business and I welcome the Minister's well thought out proposals in the Bill.

I suggest that the Department of the Environment, Community and Local Government engages with representatives of the motor industry so that vehicles which are traded in or sold in part exchange to dealers are dealt with through this Bill. Some vehicles could technically be in a motor dealer's yard for up to nine months, unsold. Will vehicles traded by a customer have to file a non-use declaration in advance of the vehicle being taken off the road? When the timeframe is not known, what is the procedure? I urge the Minister to provide clarifications in this regard.

Since 2008 car tax has been aligned to CO2 emissions rather than the cc of the engine which has resulted in massive savings for the motorist. This was introduced by a former Minister, John Gormley. Since then car manufacturers have, through innovation and technology, further reduced the CO2 emissions of many engines, resulting in leaner fuel consumption, cleaner air and reduced costs in terms of car purchase costs, fuel and motor tax. The Society of the Irish Motor Industry has argued against any subsequent motor tax rises, but it is worth noting that in 2008 the motor tax on an average 2-litre diesel-engine car was over €650. The new tax, based on bands in the CO2, category resulted in these same vehicles paying €150 and, in some cases, just over €100. This represented a reduction of 77% in the cost of taxing such a vehicle. I remind Members again of the start of the economic collapse in 2008. While a reduction in motor tax is welcome to encourage people to drive cars with lower emissions, effecting a reduction in the order of 77% was over-generous and resulted in the fund nose-diving, further adding to the reduction in general tax revenue in Ireland when we most needed it.

The average motor tax charge is now in the region of €250. As the years pass, the pre-2008 high-tax vehicles will slowly disappear so that taxing one's motor car will become more affordable than before when the average premium was in the region of €500. I urge the Minister to bear this in mind to ensure we will not go back to those days when simple, basic small vehicles were taxed beyond the capacity to pay of the ordinary motorist.

I do not suggest that the larger fuel-thirsty vehicles should avoid heavy duties but I feel tax on average-sized diesel vehicles driven by the average person should not rise very much over the present level. We have seen increases since 2008 in the order of 45%. Keeping the lower CO2 tax bands at reasonable levels will reduce motor tax avoidance in accordance with the

24 April 2013

Minister's ambition alongside closing off the loophole resulting in the misuse of the non-use declaration form. I commend this Bill to the House.

Deputy Alan Farrell: As stated on numerous occasions, this legislation will close the loophole in our motor taxation system that is costing the taxpayer in excess of €50 million per annum. It will ensure a more fair and transparent system for road users.

The evidence that we have been privy to on this issue demonstrates very clearly that there is a widespread problem with false off-the-road declarations being made by car owners in order to avoid paying motor tax. It is that simple. I welcome any Bill that identifies and targets a gap that allows abuse at the expense of the vast majority of taxpayers. The forthcoming declaration system for cars that are off the road for genuine purposes will put a stop to false declarations and should be welcomed by all tax-complaint individuals as a means of safeguarding tax revenue in a clear and transparent manner.

The local government efficiency review group estimated in 2010 that the Exchequer loses €75 million per year as a direct result of motor tax evasion and particularly the abuse of the off-the-road system. Half a million cars were off the road in 2012. Only 20%, however, of these cases involved a change of ownership, which leaves a particularly high number of cars that are exempt or off the road for unidentifiable reasons. For the purpose of taxation, this is not good enough. The taxpayer is entitled to a much higher rate of vigilance and a much higher standard, particularly when we ask so many to contribute more in these straitened times.

According to various studies that have taken place since 2001, there seems to be a consistent rate of non-compliance of 5%. This statistic is from one of the most recent roadside studies I have been able to find. Since 2001, there have been more modern means of measuring tax compliance, which I very much welcome. These include the scanning of vehicles on toll roads, which revealed a rate of non-compliance of 7% in 2010. When adjusted, this resulted in the aforementioned rate of 5%. I am taking into account that motor tax accounts for almost €1 billion in revenue. A 5% rate of tax evasion is a serious indictment of the previous Government and its waste over so many years. We have now taken responsibility for the running of this State. This legislation will deal with the loophole I outlined.

If we are to reform our motor tax system and close gaping loopholes, we cannot bury our head in the sand and ignore the enforcement issue. Despite An Garda Síochána having the best will in the world, it is just unrealistic to suggest that we have sufficient manpower or resources to deliver maximum compliance in this area. This legislation creates an opportunity for us to really consider and debate the modernisation of how we enforce legislation in general. We have the technology and database to transform radically how we monitor and enforce the motor tax system. We need to examine technology available to us in our daily lives in order to succeed while also reducing pressure on our front-line services, such as that of An Garda. I acknowledge the Department's success to date in establishing its online payments system, and I welcome its recent initiative to invoice users electronically. These are good measures that allow for easier payments, easier communication and, crucially, they lower the costs of printing, posting and manpower to process payments, for example.

In regard to enforcement, it is best practice to look to our neighbours in the United Kingdom who introduced similar legislation about three years ago. They have established a system based on enforcement whereby all registered vehicles are recorded online. Tax renewal status is displayed. This would be very useful in Ireland. This is a simple and most efficient way of

identifying tax evaders. Users who have not paid to date and have not declared their vehicles to be off the road may be pursued appropriately by desk officials rather than relying on Garda resources.

Why should we stop with motor tax? We have technology to hand to implement what is proposed across all legislation surrounding vehicle laws, including in respect of NCT compliance and even insurance. Pretty much every smartphone on the market has a barcode reader or scanner which allows one to scan the tax information in a car window to produce up-to-date information as to its tax status and NCT status, and even insurance status, given the information-sharing arrangement the State now has with the insurance companies.

Deputy Mattie McGrath: I am delighted the Acting Chairman, Deputy Tom Hayes, is in the Chair to give me an easy run when I am speaking. He is a fellow Tipperary man. It will not be very hard at all and I will try to be as compliant as possible seeing that we have present the more polite Minister in the Department of the Environment, Community and Local Government. I have said this to him personally and privately. In saying that, I am not saying anything bad about the Minister, Big Phil. I refer to the more civil of the two. When there is trouble, the Minister of State is the one who will be on the front line. He looks after the House when the Minister is missing.

I have many concerns about this Bill. Having listened to some of the previous speakers, I wish we were living in a really nice world in which everything was rosy and dandy, in which there were no problems at all in the country, and in which the economy was booming. However, every Bill before us is anti-business, anti-work and anti-Ireland. That is a fact. I am not saying this for the sake of it; I am saying it because I know it.

I must declare I have a number of vans. Deputy Tom Hayes will know this. He tried to count them but never got around to it. It is not that he is not able to count or anything like that. He just could not count them as they were moving. They are no longer moving as they are stopped since the last election. I have three or four vehicles since the election in 2011. It is my tough luck if I have to tax them. They will be due for tax unless I put hens into them. The vehicles are parked up and off the road. I hope they will be fit to start and go on the road the next time we need them. Deputy Hayes will have a bigger area of the county to travel. I am declaring my interest. I am in business also and have a number of work vehicles.

Let us examine the matter from the perspective of farm contractors, plant hire companies and builders. Most of the builders we know had a hole in their pants 20 years ago and had nothing. Fair dues to them: they got a bit of work, learned their trades and bought a jeep, little trailer, mini-digger or other equipment such as a ride-on dumper or Loadall. Now the bottom has fallen out of the market. They are scraping a living and trying to pay their bills. They cannot get a shilling in unemployment benefit or other benefits. Are they now to be expected to tax all the machines in their yards? They cannot sell them as there is no market for them. They live in hope that as promised by the Government the rising tide will lift all boats. As far as I can see, the tide is continually out, the boats are sinking lower and no one seems to care a damn. All this Government is doing is introducing legislation to penalise the people of Ireland and put them into penury.

The assumption of many previous speakers, including the Minister of State, is that half the people of this country are crooks and half of all members of the Garda Síochána are as bad, which is outrageous. I have often had forms signed by the Garda Síochána. I expect that the

vast majority of people seeking to have forms signed are honest. It is up to the garda to verify if a declaration is true. That is an awful implication. I know this Government, particularly the Minister for Justice and Equality, is anti-gardaí. The implication in the Minister of State's speech that gardaí willy nilly sign forms for people seeking to evade paying their taxes is outrageous. Nothing could be further from the truth.

In the real world, if a vehicle or machine breaks down or is unsuitable for a job the owner has to hire another one. I could give a thousand examples. Vehicles used as taxis and parked on the side of the road in housing estates when not in use are often vandalised and burned out at night, leaving people to seek replacements for them the following morning. That is but one reason a vehicle could be off the road. We are now to anticipate when a vehicle will be off the road. We are to anticipate if the engine is going to break down and that a wheel bearing might fall off. We are to be geniuses now.

Reference was made earlier to civil servants having to go abroad for work. What about the former construction workers who have gone abroad in search of work and have left their wives, families, homes and cars behind and only get home two or three times a year? They cannot sell their vehicles either. If they owed money on them the banks, assisted by the State agencies, will have taken them, leaving them high and dry. This Government, like the previous one, believes we are all criminals. It also believes we can all pay our taxes online and that there is broadband connectivity in rural parts of Kerry and South Tipperary. If my recollection is correct either the Minister of State, Deputy Kelly, or the Minister of State, Deputy Hayes, last week announced further roll-out of broadband. To be honest, I, too, have made announcements in regard to the roll-out of broadband. It was all a waste of time. One might as well have rolled toilet paper down the street because despite the promises of broadband for rural areas nothing has happened. I believed the statements made by all of the agencies on the roll out of broadband. The assumption has also been made that everyone in this country, whether 20, 60, 70, 80 or 90 years of age, is computer literate. That is not the case. A person might use the dial-up facility for purposes other than going online. It is a myth that everybody can pay their motor tax online. It may be true of the Dublin 4 set, the whizz kids and so on who have smart phones etc. As far as I am concerned, this is gone beyond a joke.

The Minister of State mentioned in his speech that for a long time people have been over-charged on arrears and that repaying that money would be too complex a process. Have we gotten so arrogant that we can refuse to repay moneys owed to people because it would cost too much to do so? The Government stole €1.1 million of the funds provided for the children's referendum. That is what the Supreme Court said, not me. That was the view of the five judges in the Supreme Court yet nothing has been done about it. I asked again this morning for a debate on the matter.

Acting Chairman (Deputy Tom Hayes): The Deputy must confine his remarks to the Bill.

Deputy Mattie McGrath: I am. I am pointing out that when one gets away with robbing millions it is easy to rob thousands from people. The figures are in the Minister of State's speech. This is unbelievable. Surely if it is too costly to post cheques to people they could be given it in cash over the counter. When people tried to pay their household charge with cash it was refused. The Government and agencies refused to cash payments in respect of the household charge and have now decided it would be too complex and costly to repay people in respect of overcharges. I have heard it all now. These are the Minister of State's words, not mine. The Minister of State's speech states that analysis conducted at the time showed that,

arising from charging at one tenth rather than one twelfth of the annual rate per month, there were 375,000 instances of overcharging. The banks did it and got away with it. Local authorities are now admitting that they did and got away with it. I am not blaming the council officials or staff who were only doing what they were told. There were more than 375,000 instances of overcharging, which is only 125,000 short of half a million, totalling €3.8 million. One would think it was only chaff out of the back of a combine. In 2011, people were overcharged by €3.8 million, which is hard earned money on which they had already paid tax. It is an outrage. The average payment was just over €10, 93% of payments were under €20, 0.3% of payments were in excess of €100 and the cost associated with directly repaying the excess tax charged via a cheque in the post would, in a large proportion of cases, exceed the amount of money due to the individual. Does a cheque and a stamp cost more than €10, €20 or €100? Who is the Government coddling? Is official Government so arrogant now that it believes people are fools and amadáns and that we will accept and support this? This is outrageous. It is not surprising we are accepting a diktat from Europe.

The Minister of State referred to the new plastic card licence. I renewed my licence last September. Am I correct that Ireland is the first country in Europe to introduce such a card? I acknowledge that the Road Safety Authority has done a great number of things. Why, regardless of what it is doing, does it have to roll out Gay Byrne? I do not know what we will do when he is gone to his eternal reward. Just because he invested stupidly twice does not mean we should be paying him to appear continually on RTE and on behalf of the Road Safety Authority. As I have said thousands of times previously, my children do not know who Gay Byrne is. If we want to get the road safety message out to young drivers on our roads we should be using sports and music people to do so, not Gay Byrne. While he was a good presenter in his time he should be off enjoying the pension given to him by RTE rather than appearing on this, that and the other programme, in particular on behalf of the Road Safety Authority. Gay Byrne has always had little respect for rural Ireland and its people. It was all very fine for him to travel on his Harley Davidson or by taxi from the Hill of Howth to RTE. The same applies to the infamous Noel Brett and former Minister, Noel Dempsey, the champion of road safety who ran away like a scalded cat having caused great affray. He abolished the dual mandate and, as I call it, “bittered” local government because what he did caused a sour taste. However, he is gone.

The Minister of State’s speech reads:

In relation to the charging of arrears at the current rate of tax when the owner is paying back-tax, i.e. charging the higher rate for the full arrears when the arrears owed straddle a change in the rates of tax, this is of significance for a number of months immediately after an increase in motor tax rates. Calculating arrears based on a split calculation creates difficulties in the NVDF, and it is not intended to provide for refunds of tax where arrears straddle a rate increase.

If I were to go into a pub tonight and be charged €7 for a pint I would kick up a fuss and refuse to pay it. This Government is demanding money from people and refusing to repay overcharges because the process of doing so is too difficult. The Gestapo did not do this in its day. This is grotesque, unbelievable, bizarre and unprecedented, GUBU.

The Minister of State’s speech further states: “In relation to the rate increase from 01 January 2013, it is estimated that the overcharging arising amounts to less than €10 in over 92% of cases.” It is as if €10 does not matter. Under the recently introduced insolvency legislation PIPs - I call them pups or predators - will take more money from people and tell them that they

24 April 2013

must live on €10 or €20 a week. The Minister of State's speech refers to overcharging in 92% of cases being less than €10 and in 98% of cases being less €20. It is as if those amounts of money did not matter. At the same time another agency of government is telling people they have to live on those amounts. That legislation, which the Government proclaims as wonderful, is not worth the paper it is written on. All it will do is push people into the hands of moneylenders again. The PIPs - I call them predators - will talk to the banks on behalf of people but they will have to pay them €3,000 or €4,000 for doing so, which is disgusting and immoral. It is worse than grotesque. I do not know from where this is coming. The Minister of State further stated that very small numbers of cases exceed €50, with €217 being the maximum as if that was the amount one would give a child making his or her confirmation. The people who wrote that speech - they may be in the Chamber and I do not wish to insult them - have little care or understanding of the people of rural Ireland or any taxpayer in Ireland. I say that with the greatest of respect.

7 o'clock

They have the attitude that they are the people who cannot be touched. Some of those people were exempted from having to pay the pension levy when lies were told to the late Minister, Deputy Lenihan, to the effect that there were only 120 people in the band earning more than €100,000. However, when I tabled a motion before my parliamentary party and researched this, for which the late Minister thanked me, he found out that there were 700 or 800 such people and they had never paid a pension levy because they had the ear of the Minister and were in his offices. It is a disgusting betrayal of the democratic process in this country. The sooner people recognise this the better or we will have riots on the streets. This is simply outrageous. I cannot believe it.

There is a need for a deterrent, and we must have deterrents but the deterrent is the law enforced by the Garda Síochána. One is stopped at checkpoints by the Garda. There are toll bridges. There are Garda vans everywhere. We are told they are there for safety but it has nothing to do with safety. There are very few accidents in my constituency and Deputy Tom Hayes, who is in the Chair, will not disagree with me on that. Garda vans park in a sneaky way and a light flashes if one passes them. I have thankfully never been the victim of any of them. Perhaps my van would not go fast enough or as I was driving by I may have been looking over the ditch at crops where the Minister, Deputy Coveney, says a bale of hay will be dropped from a helicopter. The Government is going to give one bale of hay to each farmer yet it is going to make farmers tax the tractors that they have had in their farmyards with a yardscraper for the past 20 years. A farmer with a TVO tractor, a David Brown or a Massey Vintage could not have such a tractor on the road because there are no mudguards on them. They are used in the farmyard yet the Minister wants farmers to tax them. He also wants to tax off-road dumpers.

I met a builder from Dublin last week who has no work but when he gets a job he needs to use his vehicle to load equipment. I want a system brought in, for which I have lobbied, and on which I intend to table an amendment to the Bill, that will enable people to pay their motor tax by the month. This is especially important for lorry drivers, sole traders, road hauliers and those who have a combine harvester or a forest harvester. People with a combine harvester or a forest harvester were able to get a few months' work but now they will only get ten days' work. I want a system brought in, similar to that which is in place in other countries, where people can pay their motor tax as they go. How can a sole trader driving a lorry pay €2,500 in respect of his lorry when he might not get two days this month, only get a month's work in May or June and no work in October, November and December? That is the reality. The people are going

from pump to pump to get the cheapest fuel. A system whereby they can pay motor tax by the month should be included in the legislation. Are we interested in supporting business or are we trying to drive those people out of business?

Those are the types of people we are supposed to be supporting. With every initiative introduced since the Government came into office there has been talk of supporting small businesses. If it supported those in small businesses and left them alone such that they could hold what they have and take on one person, it would halve the unemployment rate, but those people have been hit with one regulation after another. Two years ago a van could not be taxed as a commercial vehicle unless one had a jackhammer and something else in the back of it; it was not enough to have a bottle of milk and one's child sitting in the front of it. That was a myth as well, which has now disappeared. The septic tank charge was to be imposed to persecute every property holder in the country who were portrayed as dirty people which they are not. Thankfully, throughout my county there will be only 49 inspections and there will be probably fewer in Kerry. The Government frightened the lard out of the people with the introduction of that charge. It had to back off because it was nearly not going to get away with it. It cannot persecute people from rural Ireland, parts of Dublin and our towns and make them pay for the ineptitude of the Department of the Environment, Community and Local Government for having dozens of municipal plants in every county spewing sewage into our rivers and seas. The Minister of State knows that and I know that. That is what the EPA was going after and that is the reason it was doing so. The Government tried to create a smoke screen that it was the people of rural Ireland who were polluting the water.

We dealt with the Companies Bill last night which runs to 1,300 pages. It costs €109 to buy it. As I said, one would buy ten of Shane Ross's books and 15 of the late Maeve Binchy's books, God be good to her, and they would make for better reading. Who is going to read that lengthy Bill? It is cumbersome, anti-business, anti-work and anti-society. To beat it all, it can be decided that people who are overcharged will not be paid back because it is too complex to do so. It beggars belief that official Ireland has got away with so much that they think they can do this. They have taken everything away from us in the country.

Similarly in the case of the driver's licence, people were able to obtain a driver's licence in many councils on completion of the required form and payment of the required fee. We had a great relationship with the staff. Now that process is being done nationally. The Road Safety Authority wants its hands all over this to keep its people in jobs. I am talking about Noel Brett and the many other legions of officials. Gabh mo leithscéal. The Ceann Comhairle said that I should not mention names but I find it hard at times to get these people out of my mind because we see them so many times on television advertising something, and so on. They are making a career out of putting misery on ordinary people.

This Bill is a shambles if we cannot put a system in place under it that will allow people to pay their motor tax as they go. People who have a combine harvester or a forest harvester use those machines at a maximum over a six-week season. Have they to tax them for the entire year? Why should they have to pay that level of tax? Issues like that are important. The next thing the Minister will want to tax is the milking machine. He taxed the hearse in the last budget. The shroud will be taxed next and for anyone who does not know what a shroud is, it is a piece of cloth people used to wear when they were being interred. Where will it stop? Tá an tAire ag gáire. He can laugh away but he knows how serious this issue is and I know how serious it is.

24 April 2013

The biggest breach of faith of all, and it was referred to in the context of the changes we lobbied for in 2008, was when people took a leap of faith and bought a new low emissions car because they were less costly to tax but that deal is off. Those people have been blackguarded in the past two budgets. The tax on two and three year old cars has doubled and trebled.

Deputy Fergus O'Dowd: The hearse has been taxed since 1967.

Deputy Mattie McGrath: Of course, but the tax was increased. They did not have them in 1966. They might have had the horse-drawn one. The Government hardly taxed the horses and carriages. They had a horse-drawn one at that time in my place. The hearse is taxed. Every vehicle on the road should be taxed. I am not advocating that anybody should drive without tax.

Deputy Fergus O'Dowd: That tax was brought in in 1967.

Deputy Mattie McGrath: The Minister of State is making an interesting comment but I cannot hear him. Every vehicle on the road must be taxed. One would think from what speakers have said that half the county was driving untaxed vehicles and if stopped they were going to Garda stations to get a garda to sign something for them. That is a disgraceful supposition to be making. It casts a slight on the people and on the Garda Síochána. It is terrible. The biggest problem with this legislation is that it does not include a provision for people to be able to pay their motor tax as they go. This is especially important for people who cannot have their vehicles on the road all the year because of a lack of work in the current deep recession. Road hauliers and sole traders who have lorries are trying to keep their businesses going and trying to stay off the dole queues, not claim jobseeker's allowance and provide for their families. To provide a service, they have to pay for everything but they should be allowed to pay their motor tax as they go and at the very least make a monthly payment.

An Ceann Comhairle: Deputy Seán Kenny is sharing time with the Deputy O'Mahony. They have five minutes each.

Deputy Seán Kenny: The primary purpose of the Bill is to provide for a prospective system of declaring vehicles off the road for motor tax purposes, closing a loophole whereby owners can declare retrospectively that a vehicle has not been in use on the public road, which is unverifiable. This Bill will replace the current system whereby owners declare a vehicle off the road retrospectively when seeking to tax a vehicle where there are arrears of tax outstanding.

Where owners tell the motor tax authorities they intend to keep their vehicle off the road for a period, they will not be liable for motor tax. This closes off the existing tax evasion loophole, where owners are able to make a declaration at their local Garda station stating that their car was off the road and avoid payment of arrears of motor tax.

I welcome the fact the Government is putting an end to this, and compliant taxpayers will welcome this move as well. Up to €55 million per annum is not collected currently through this form of tax evasion by people not paying their motor tax. I am confident the vast majority of motorists will welcome the tackling of those who are evading motor tax and not paying their fair share. This is a simple change in the rules governing motor tax for vehicles not being used on the road from time to time.

There are many valid reasons a person may wish to put their car off the road for a while, such as working abroad for a time, and they will be facilitated so long as they let their motor tax office know in advance. There will be no change in the rules for those who pay their motor

tax on time, or those who end up paying arrears where they let their motor tax slip from time to time. This is especially important in the current economic environment. We need to give people a little breathing space. What this legislation is targeting is the persistent evader - those who abuse the system and evade paying their motor tax altogether.

Once the Bill is enacted, a non-use declaration can be made in advance of the vehicle being taken off the road for a period of between three and 12 calendar months. The forms can be submitted initially via motor tax offices and will be available via Motor Tax Online later in the year. A declaration can be made up to one month in advance of the expiry of a motor tax disc or a previous declaration of non-use, while purchasers of new and second-hand vehicles will have ten days from the date of registration or change of ownership to make a declaration. The new declaration will not require vehicle owners to make a declaration in a Garda station, as is the case with the current retrospective declarations. I welcome that.

There will be a three-month transitional period to the new system. During this time, those in arrears must pay the arrears and either take out a vehicle licence or make a prospective declaration of non-use. Those whose vehicles have not been on the road must make a retrospective declaration and either take out a vehicle licence or make a prospective declaration of non-use. Following the end of the transition period, only a prospective declaration of non-use can be made. Those who fall into arrears of motor tax will not be able to make a prospective declaration - rather, the arrears and a minimum of three months' motor tax will be payable before a vehicle can be declared off the road.

In addition to the recommendation in the local government efficiency review group report, the 2011 Annual Report of the Comptroller and Auditor General also contained a chapter highlighting the level of motor tax evasion and recommending that a more robust system be put in place to deal with off-the-road vehicles. It is estimated that the measures could yield up to €50 million in a full year and I am pleased the Government is taking action.

Deputy John O'Mahony: I welcome the opportunity to contribute briefly to the debate on the Non-Use of Motor Vehicles Bill 2013, which puts the responsibility on vehicle owners to declare non-use in advance rather than retrospectively. In view of the amount of avoidance or evasion, it is only fair on those who are compliant that everybody else is brought into line. It is estimated that €50 million will come into the Exchequer as a result. I have no doubt plenty of homes will be found for that money, or savings may not have to be made in other areas. It will go towards protecting vulnerable persons in other areas. From that point of view, the Bill is welcome. However, there are a few issues that the Minister of State may be able to clarify or take into account before the legislation is passed. When the Bill was announced, media reports suggested one had to give three months' advance notice before taking a vehicle off the road. That is fine if it was planned.

Deputy Fergus O'Dowd: It is one month's notice.

Deputy John O'Mahony: I was contacted by a person who has a medical condition and was advised by her consultant not to drive for the next six months. It is difficult for anyone to give notice three months in advance of getting sick. However, the Minister of State has provided clarification as I speak. It is important that such exceptions be taken into account.

There may be an issue for road hauliers. Companies with fleets of trucks may not know from month to month whether they will be doing business and if they will be on or off the road.

24 April 2013

As this is a very important industry, I ask if there can be some engagement. Perhaps those exceptions can be dealt with. I have no issue with the overall Bill and the thrust of it. The issue needed to be addressed, given all the money lost to the economy. There may be other exceptions that have not occurred to me which we should deal with to ensure a level playing field where a vehicle owner does not have sufficient control over circumstances to allow the giving of advance notice.

Deputy Michael Healy-Rae: I thank the Technical Group and all who work so diligently in the Whips' office for allowing me some speaking time. I appreciate that at all times.

I am totally opposed to the Bill before the House, because it is lacking in common sense. I have read the Minister of State's contribution and what is being proposed in the Bill. The Government is castigating people by generalising and presuming that the vast majority of the public are engaged in telling lies. I do not believe that. If the Minister of State studied the speech he has read into the Dáil record he would be aware that he is castigating many of his constituents as liars. He is castigating many members of the highly respectable Garda force as inaccurately reporting events. I abhor that type of castigation. In the area I come from we have been castigated. People have tried to put us into a box and castigate us as something we are not. The vast majority of people are respectable, hardworking and genuine. In the past, if a person presented to a member of the Garda Síochána to say that his or her vehicle had been off the road - due to a breakdown, a period of working away from home, or the fact that an old van, as many of us had, had been left in the yard for a while because the engine had failed or the radiator burst - the Garda knew it was genuinely off the road and would sign the form. The Minister of State and the Government are castigating those people for having told untruths. I disagree with that at a time when the Minister for Justice and Equality-----

Deputy Fergus O'Dowd: That is not true.

An Ceann Comhairle: The Minister of State can reply at the end of the debate.

Deputy Michael Healy-Rae: -----is ill-treating the highly respectable members of An Garda Síochána. If one does not have respect for the Garda force one has respect for nothing. Its members get up in the morning and put themselves in harm's way to protect individuals and society. It is clear from reading between the lines of the Minister of State's speech that he is attacking the members of the Garda Síochána, to which I take grave exception.

Deputy Fergus O'Dowd: That is not true.

Deputy Michael Healy-Rae: While I am a Member of this great House I will stand up for the rank and file members of the Garda Síochána on every occasion because the Minister for Justice and Equality certainly will not defend them.

In his contribution the Minister of State said that many people take a holiday from paying motor tax. Either the Minister of State or the person who wrote his speech should go back to speech-writing school, because their speech-writing leaves much to be desired. To suggest that a person would take a holiday from paying his or her motor tax is rubbish and I condemn it.

I want to raise an issue on behalf of those who own lorries, the majority of whom are in real financial difficulty. One may have a lorry parked by the house, but there may be no work for it. Motor tax on a lorry may be between €2,000 and €3,000 a year. If the Government was interested in being proactive in keeping people in employment, it would introduce legislation to

allow for lorrymen to tax their lorries on a monthly basis, not on a three or six monthly basis. A lorryman could be idle for several months but might get a offer of several weeks work. He should be allowed to tax the lorry for that period to enable him to take on this work and make a few pounds for himself and his family. That is what the Government should be doing in legislation.

My problem with the Government is that it is staring into the skies, wondering from where we will attract foreign investment to create employment, while missing the elephant in the room. The elephant in the room is our honest to God, hard-working people who are doing their best to find a day's work for themselves or even provide for an employee or two. I take grave exception to the way the Minister portrayed his views.

I also take the opportunity to speak about the Road Safety Authority, RSA. I can only be complimentary to the agency as in 2005 there were 369 road deaths, while last year there were only 186. I acknowledge all involved in this excellent work. There is, however, such a thing as people getting it into their heads that they are geniuses about their work and, as we used to say long ago, their heads can become a small bit swelled. Recently the RSA proposed that fully licensed drivers accompanying young drivers on a provisional licence could be breathalysed. Who dreamed this up and thought it was a good idea? The person who drafted this ridiculous proposal should be breathalysed. It is the RSA going completely off the wall. What will it suggest next? Will it suggest that to make the roads completely safe we close them all together and stop traffic?

In his travels around the country the Ceann Comhairle will have seen farmers selling farm goods such as spuds, carrots, tomatoes and onions from stalls on the side of the road, a good development. Again, however, geniuses in the RSA have decided this is an unsafe practice and the Government agrees with them. This is ridiculous. If a farmer wants to set up a little stall beside a van on the side of the road, sell his or her goods and make a couple of pounds for himself or herself and his or her family, not only should he or she be allowed to do so, he or she should be encouraged to do so. It is ridiculous to suggest that because a person travelling in a motor car stops to purchase such goods it creates a road traffic hazard. Again, those suggesting this should be breathalysed because they are off the wall. We should encourage farmers to sell their farm goods. They should pick a safe location on the side of the road, set up their little stall and make a few pounds for themselves. Is that not what this country was all about? It was about people being resilient, hard-working, diligent and using their imagination to make a couple of pounds for themselves. For any Government and the RSA to condemn that practice shows it has gone off the wall.

It must be remembered these are the ones who fell asleep at the wheel when we were building motorways from Dublin to Cork and Limerick. What did the RSA do about ensuring there would be service stations on motorways where people could rest, have a cup of coffee, use a toilet and get a bite of food?

An Ceann Comhairle: Can we, please, get back to what is contained in the Bill?

Deputy Michael Healy-Rae: We will, but you must admit that what I am saying is interesting and true.

An Ceann Comhairle: It is very interesting, but it has nothing to do with the legislation.

Deputy Michael Healy-Rae: I am coming back to it. It was ridiculous that the RSA did

24 April 2013

not demand service stations in the interests of safety when the Government was investing hard earned taxpayers' money in these great roads, roads I am glad have been provided. Were it not for the Fitzpatrick family building a service station at junction 14 on the M8, we would not have a service station on the Dublin-Cork motorway. It is ridiculous. As I am very respectful to you, a Ceann Comhairle, as you know, I am coming back to the Bill.

An Ceann Comhairle: It is not to me. It is a rule of the House that a Member should speak to the Bill.

Deputy Michael Healy-Rae: I am coming back to it.

An Ceann Comhairle: Good.

Deputy Michael Healy-Rae: When it comes to the Government's dealings on this matter, we have gone a step too far. I would have preferred if it had used its time more productively, instead of bringing a Bill such as this before the House and putting down our people, the very ones who work hard in trying to keep themselves going. What does it want to do? Does it want to put everyone on the dole queue or into a box of being unemployed? Would it not allow a little encouragement and a spirit of free enterprise? Would it not be better if we on this side heard it acknowledge that those involved in the transport and haulage sector are suffering severe financial times and that it wanted to help them productively by introducing a simple measure that would allow lorries to be taxed on a four-weekly basis? However, I had to read the Minister's speech three times because I was so shocked by it that I said to myself, "Oh my God. The Nanny State gone mad." If we were in Red Russia, it would not be as a bad. I know the Minister of State is a very nice man and I would rather he was not in order that I could be more severe in my criticism. At the same time, I have to lay my cards on the table. What the Minister tried to defend tonight was actually indefensible. The Bill is crazy as it attacks and accuses people of being dishonest. It assumes €55 million is not paid in motor tax by the majority who genuinely claim their vehicle has been off the road and clear it with their local garda. How dare the Government presume the people-----

An Ceann Comhairle: I apologise for interrupting the Deputy, but as it is 7.30 p.m., we have to adjourn the debate.

Deputy Michael Healy-Rae: That is a shame because I was only starting to get going.

(Interruptions).

An Ceann Comhairle: The Deputy will have another chance the next day.

Debate adjourned.

Public Sector Pay and Conditions: Motion (Resumed) [Private Members]

The following motion was moved by Deputy Sean Fleming on Tuesday, 23 April 2013:

That Dáil Éireann:

notes the:

— rejection by public sector employees of the Labour Relations Commission's

proposals on pay and conditions;

— failure of the Government to disclose all relevant information concerning the draft agreement;

— difficulties that the proposed changes to conditions of employment would have had for many families;

— inconsistency of treatment of different categories of public sector employees under the Government's proposals; and

— disproportionate impact that the proposed measures would have had on the pay and earnings of frontline and shift workers;

recognises the:

— huge sacrifices made by public sector employees and pensioners in recent years;

— ongoing savings being delivered by the current Croke Park agreement;

— significant benefit to the economy and society that the absence of industrial action in the public sector has achieved;

— need to ensure that further reductions in the overall public sector pay and pensions bill occur in a fair and structured manner; and

— importance of a shared commitment to reform by all stakeholders in the delivery of public services; and

calls for:

— immediate engagement by the Government with public sector employees with a view to obtaining a balanced agreement that can secure widespread support amongst public sector employees;

— confirmation that the Government will not legislate for an across the board 7 per cent cut in public sector pay; and

— a commitment to full disclosure of all relevant facts prior to the conclusion of a new agreement on public sector pay.

Debate resumed on amendment No. 1:

To delete all words after “Dáil Éireann” and substitute the following:

“acknowledges:

— that public servants have made a substantial contribution towards the necessary reductions achieved in public expenditure since 2008, including through the unilateral imposition by the then Government of the pension levy and pay reductions applied under the Financial Emergency Measures in the Public Interest Acts 2009; and

— the ongoing contribution made to cost savings in the public service pay bill and to

24 April 2013

improving productivity by public servants under the terms of the Public Service Agreement 2010 - 2014, and the related agreements made under its auspices;

welcomes the contribution made by public servants to economic recovery including through the absence of industrial action;

commends:

— the Government on its early and open engagement with public servants and their union representatives on the difficult but necessary actions required to restore the public finances; and

— representatives of public service employers, unions and the Labour Relations Commission on the development of a balanced set of proposals that would deliver €1 billion in savings on the public service pay bill by 2015;

notes:

— that the Labour Relations Commission's proposals protected the basic salary rates of low and middle income earners in the public service while applying progressive reductions to the remuneration of higher paid public servants, and provided for a negotiated and equitable approach to securing the necessary savings in the public service pay bill; and

— the proud record of the public service in introducing and implementing work-life balance arrangements and that public service employers continue to be committed to equality of opportunity in its employment practices;

agrees that, in view of public servants' non-acceptance of the measures proposed by the Labour Relations Commission, it will now be necessary for the Government to decide on and secure alternative measures that will deliver the additional pay and pensions savings of €300 million for 2013 and €1 billion by 2015 to meet public expenditure targets; and

further welcomes the Government's request to the Labour Relations Commission to explore and report back to Government on whether the basis for a negotiated agreement exists between the parties."

- (Minister for Public Expenditure and Reform).

An Ceann Comhairle: I call Deputy Ross. With whom is the Deputy sharing time?

Deputy Shane Ross: I am sharing time with Deputies Clare Daly, Mick Wallace, Joan Collins and Stephen Donnelly.

An Ceann Comhairle: There is only ten minutes available.

Deputy Shane Ross: That is two minutes each.

I would like to put this particular agreement in the context of what I witnessed today, which was a meeting of the Bank of Ireland AGM where a great deal of public money is going into people's salaries. Unfortunately, the Minister for Finance, on behalf of the Government, voted not just to keep salaries very high but to increase at least one salary. The new governor of the Bank of Ireland was not given €394,000 per annum as was given to his predecessor, which is

about €8,000 per week, but a package of €492,000 per annum, which is almost a 25% increase on the governor's pay last year. One could not help feeling sympathy and that there was justice in any resistance from a public servant today when they see themselves being asked, on comparatively very low pay, to make a very substantial sacrifice when the same Government is prepared to stand over excessive and obscene pay and to allow it increase in other areas.

I have an uneasy feeling about these centralised agreements, and I have an uneasy feeling about Croke Park II because only 45% of SIPTU, the biggest union, voted. That means only one in five of those people followed their union's and their leader's call.

Deputy Clare Daly: The reality is that the dynamic in the overall political situation has changed utterly since the rejection of Croke Park II because what we had was the Minister of State's Government threatening public sector workers to cut off their own heads or it would take the pay from them. They stood their ground and called the Government's bluff and in much the same way as it is trying to intimidate home owners by saying, "Give us all the details of your property or we will come and take the property tax from you", those people will stand their ground also.

The reason people rejected Croke Park II in such large numbers is that contrary to propaganda the overwhelming majority of public sector workers are relatively low paid. Already, they have experienced cuts in their pay of over 20% in recent years and their financial commitments were based on previous salaries. They simply cannot give any more. The idea being put forward that the unions can somehow go into talks and negotiate an alternative solution is lunacy and the sooner the Government and, more importantly, the trade union leaders realise that, the better because there is no more left to give. The Government can dress it up and say it is only €300,000 or €1 billion and that it will get it a different way. There is no other way to get it.

The real lesson to be learned from this vote is that the opposition has been clearly demonstrated. The mask is down. The Government is not as powerful as it was shown to be but that opposition should link up with the growing opposition throughout the country to the home tax and the other movement against austerity. That will teach the Minister's Government a lesson because in this centenary year of 1913, trade unionists and public sector workers have learned that the great no longer look so great.

Deputy Mick Wallace: Last week when I addressed the Minister, Deputy Howlin, in the House I pointed out that women were being disproportionately affected by Croke Park II and that it was fitting that Croke Park II was being buried the same week as Margaret Thatcher was being buried. The Minister took exception to that. He appears to believe there are misconceptions in the public domain in terms of how damaging the Croke Park II proposals are for public sector workers. I want to outline how bad this so-called agreement would have been for workers, especially women, which illustrates the reason the proposals were so comprehensively rejected.

The 24/7 Frontline Services Alliance commissioned an assessment of the pay cuts proposed in Croke Park II, which provided numerous examples of the negative effect on front-line workers of increased working hours without additional pay, reduced overtime pay and allowances, and the freezing of increments.

A psychiatric nurse and a staff nurse, both on gross salaries of less than €50,000, would have seen reductions in their income of over 11%. A paramedic on a salary of €36,700 would

24 April 2013

have faced a reduction of nearly 10%. A care assistant on a gross salary of just over €40,000 would have seen a 9% reduction in income. That report contrasts those examples with the way a Senator on a gross salary of €65,600 would have been affected by Croke Park II. The Senator stood to lose 0.9% of income.

According to the equality audit commissioned by the Irish Nurses and Midwives Organisation, the proposed loss of access to flexible working arrangements as staff progress into senior management positions would have disproportionately and negatively impacted on women. Women are already significantly under-represented at senior management levels in the public sector above the higher executive officer grade. The audit found that this proposal will limit opportunities for women and men with caring responsibilities to seek and secure promotion and that it will copper-fasten vertical gender segregation and gender inequality in the public sector.

Deputy Joan Collins: Deputy Ross put his contribution in the context of what happened today in the Bank of Ireland. That was an important point to make when one considers the vast wealth and wages of a certain section of society and the relentless way the Government is going after ordinary workers who already gave a great deal to the economy.

When does no mean no to this Government? When will it understand that when people say “No”, that is what they mean? This was a decisive rejection of the Government’s attempt to take €1 billion out of the pockets of public sector workers. It was a decisive two to one rejection. Sixteen unions decisively voted “No” yet the Government is trying to say this was some sort of a mistake on the part of the workers and that it might be able to get them to vote again. It should accept the result and stop pretending it was due to a low turnout or that people were confused and therefore it should make them vote again. The workers were not confused. They were clear in what they were doing. Two weeks ago the Minister, Deputy Brendan Howlin, said in this Chamber that he would take 7% out of their pay packets but workers in the public sector said, “We will not be turkeys voting for Christmas. If you want to take this money, come and get it. We will not hand it over to you easily”. That was an insult to the intelligence of public sector workers who voted “No”. They have already taken a 14% to 20% cut in pay because they know it is working people and the poor who have borne the brunt of the crisis. They know that the very wealthy and the elite have walked away scot free. The rich list report indicated that their wealth has increased by €3.6 billion up to €66 billion in the past year on the back of austerity, and the Government is still going after public sector workers. They know austerity is not working, and they know that taking money from low to moderate income families will cut demand and economic activity, which will affect jobs and result in losses. How many more reasons does the Government need? People are peeved. They have the universal social charge, the pension levy, the household tax, the property tax, water taxes, services are being affected etc. Enough is enough.

Deputy Stephen S. Donnelly: Croke Park II was rejected because it is a failed construct. I have no issue with the target to reduce public expenditure by €300 million but I object to Croke Park II, which aims to take it wholly and exclusively from pay and other remuneration. Any proposal to reduce expenditure must comply with three principles, the first of which is that public sector workers must be allowed find the targets within waste and other non-pay areas, and we are all aware that there are many such areas.

Second, any final reduction which may have to come from pay to meet the target, after waste is dealt with, must be applied fairly. However, the formula applied was not fair. The figures for the GRA, for example, show that a garda on €35,000 who works nights and weekends, would

have seen a cut in the Croke Park II deal of €2,500 euro, but a civil servant who sits here and works from 9 a.m till 5 p.m. from Monday to Friday, on €65,000, would not have seen a single cent of reduction to his pay. That is patently unfair. Third, any reduction that must come and which is applied fairly after waste is dealt with, must be done in a way that takes issues such as unsustainable debts for households into account. It must be part of a policy approach.

I commend the motion put forward by Fianna Fáil and I fully understand why public sector workers voted against Croke Park II.

An Ceann Comhairle: I now call on Deputy Regina Doherty, who is sharing time with Deputies Mitchell, Mulherin, Humphreys, Maloney and Harrington.

Deputy Regina Doherty: I thank the Ceann Comhairle for the opportunity to speak on this motion. The motion is about honest, constructive and productive engagement with the public sector. Engagement is the key issue. Even in a crisis, engagement must continue. Negotiations do bring results.

We do not have the luxury of sticking our heads in the sand, as the previous Government did. Its lack of engagement and its sleeping at the wheel fed the fire that engulfed the economy. It was its sleeping at the wheel that resulted in an historic budget deficit of almost 30%. Agreements were made that ran way ahead of inflation. The Government then was spending three times more than it could collect. Today, even though we are in a deep recession, the moves the current Government has made have reduced the deficit to 7.6%. I remind those on the Opposition benches that management, analysis and organisational review are part of our mandate, both legislative and administrative. It is when one holds office that one can effect change, not in retirement and certainly not in memoirs.

I welcome the Government's initiative of introducing a second round of talks to be led by Kieran Mulvey. Creating the conditions to re-engage the parties will not be easy, particularly in light of the potential agenda to be addressed, which has already been alluded to publicly by both politicians and economic commentators. However, such an agreement is essential to the orderly conduct the business of the State in its return to economic sovereignty and in the rebuilding of the State. We are now in the process of rebuilding a new, fit economy, where our taxes actually support the economy.

Nobody said this would be easy and it is not. Any discussion about pay with employees is complex. When the agenda concerns an employer in a difficult financial position and their staff and immediate reductions in payroll costs, the level of complexity increases exponentially. Add the fact that we are talking about the pay of more than 290,000 people at all pay levels and in all roles in the public service and we can understand why the negotiations are enormously complex. Nobody underestimates how difficult reaching an agreement will be, but no one in the talks should underestimate the Government's determination to meet our fiscal targets or its desire to see Ireland's public service meet the challenges of a new era in a flexible and responsive fashion. We would prefer to achieve this through a negotiated agreement, if one can be reached. I believe public servants would also prefer a negotiated solution, rather than the uncertainty that a breakdown in industrial peace in the public service would bring. Their pragmatic approach to the delivery of comprehensive industrial peace across the public service since 2010 has made a significant contribution to the improvement of this country's fortunes.

We are on the cusp of an economic recovery and close to the time when we can wave

24 April 2013

goodbye to the troika. Now is the time for cool heads and creative thinking. It is vital that the country and the Government stick to our plan, which is working. We need to instil a sense of confidence in the Irish economy again. We all want to see a situation where we can invest in our infrastructure for the public good, building schools, primary care centres and public buildings where contractors and people can have the opportunity to work and earn a living, an investment in all our futures. This will come, but we need to continue to work hard on getting our economy back to full health.

We can never allow never allow the stack of cards of public debt and spend, to build up again. This is a Government of the people and an economy of the people. History will write that the steps being taken today by the Government established a new era in the Irish economy.

Deputy Olivia Mitchell: After five years of budgetary adjustments, it is inevitable we all feel we have reached the end of our tether, that we have had enough and that we cannot take any more. However, it would be tragic, when it seems we may be over the worst and on the cusp of recovery, to jeopardise it all and devalue the sacrifices that have been made by every section of society over the past five years, with the small but significant exception of a handful of politicians, and of bankers, who got off scot free. I accept that is galling for everybody. However, no matter how severely we would penalise these people, it would not make a real difference to the budgetary arithmetic, although I suspect it would make us feel a lot better. Most sections of society feel they are carrying a greater burden than others. It is only a small step then for them to feel that this tax increase or that tax cut should be borne by somebody else. Everybody feels hard done by, and the truth is they are. Everybody has had expectations shattered through no fault of their own.

The people who are most hard done by are not the public sector. They are those who have lost their jobs, their pensions and their savings. They are those older people who have lost jobs and will never work again and those young people who have had to leave the country in order to find jobs. Public sector workers have certainly taken a hit, but it is not the biggest hit, not by a long shot. Their jobs are secure, their pensions are secure and these are privileges funded by the rest of the working population. Of course, they also have the privilege to go on strike and take industrial action, something not available to the rest of the population or to those who have lost their jobs. Those in the private sector know that such action would threaten the viability of the businesses that employ them.

Realism is necessary now. The saving of €300 million is not a matter of choice. The Croke Park II negotiations and the ballot were never about the right to reject a cut of €300 million in payroll savings. They were merely about making a decision on how those cuts would be made, not whether they should be made. They must be made. Choice on a matter such as this cannot be left to chance. The truth is the decision was made in this Chamber and voted on validly by the majority of the Dáil in budget 2013. Some people have now suggested we could have an alternative budget and could spend the moneys saved on the promissory deal. This is a complete denial of the fact that the savings on the promissory notes was a saving on what we had to borrow, not money that is hoarded in the Department. Therefore the suggestion of an alternative budget is unrealistic. Surely nobody is suggesting we should borrow more in order to sustain salaries of 15% or 16% of the working population and jeopardise the salaries of the other 84%.

Another suggestion was that we should tax those earning over €100,000. On the face of it, this suggestion is appealing, but in reality we are at a point where if we increase tax any further, this will be counterproductive and will jeopardise the jobs of the majority of people working

in the private sector. Therefore this is not an option. However, that said, I understand and feel that the cutbacks have not been easy for anyone. They have been painful and unpalatable, but no matter how we dress it up, the reality is that we must face up to our problems now and try to contain the borrowing or continue to borrow wherever we can and at whatever price we can, accumulate further debt and then pass on the problems to our children. To be honest, I do not want to be part of any Government that passes on a legacy like that to our children. Nobody wants to sacrifice and undermine the potential prospects, pensions, pay and prosperity of our children.

I commend the union leaders who recommended the deal to their members. I know this was not an easy choice and I know it was difficult for those who voted for it to do so, because nobody wants to vote for a cut in pay. Whatever happens, these people should not be disadvantaged in any new arrangement. I support the Government in making every opportunity available to the unions to come forward and renegotiate, however they can within the envelope of the €300 million. It behoves all of us, on both sides of the House, not to raise expectations unrealistically or to suggest there are expectations outside the €300 million envelope.

Deputy Michelle Mulherin: Deputy Mitchell has said a lot. I definitely agree with it. I do not really want to repeat it all. There is no magic wand in this regard. Once more, we are having to address and sort out a problem with the aim of achieving a better end for everybody. We are working towards an economic recovery that sees us improve the employment situation and offer people a better future. There is no way of getting around it - we have to fund savings in the public sector pay bill. At the moment, we are looking for €300 million. We know that the cuts which have been made over the years to address our fiscal situation have been difficult. We also know that they have been in every area of the public sector bar wages and pensions. It is inevitable that wages and pensions would be addressed because they form such a big section of public sector payments. Of course this leaves the Government in a difficult situation. It leaves us with the prospect of industrial unrest and all the sorts of things that will inhibit and obstruct the recovery we so vitally need.

I welcome the notion that all is not lost. The Government cannot unilaterally say how the cuts ought to be achieved. The public sector workers who will be affected have an opportunity to do so. I should add that the workers in question are very valued. From my dealings with them over the years, I can say that some of our best and most talented people are working in the public sector. That is not the issue, however. The issue is the need to balance the books. The challenge is to achieve the savings that are required in a negotiated way. It is a bit like running a court case - it is better for one to negotiate a settlement that is within one's power than to go into a judge and hand it all over. That is always and ever the case. It is the situation in this case. People can dig their heels in and say "no way", but it will still have to be done one way or another.

The reality check is that the real problem is not for public sector workers. The real problem is in the private sector, where countless people have lost their jobs. They have no union to shout for them. Many people who have jobs are working just three days a week so that they and their colleagues do not lose their jobs but instead enjoy a full complement of work. Many of those who own small businesses such as pubs, bars and restaurants throughout this country are sole traders. They have been adversely affected by the abolition of the employer's rebate for redundancies. They cannot downsize or restructure their businesses or make people redundant. They are forced to continue on because they cannot afford to pay 100% redundancy. When we had the boom, 60% of the cost of redundancy was covered by the State.

24 April 2013

I know of an employer in my constituency who had to make staff redundant at a cost of €40,000 and now cannot afford €10,000 to pay for the tax clearance certificate needed to run the business. The employer has not succeeded in getting finance from the bank. I know of sole traders who are reaching retirement age but cannot retire and wind up their businesses because they would have to pay redundancy and they cannot afford to do so. Their employees would be able to claim social welfare payments if they were made redundant, but the employers themselves would not necessarily or readily be able to do so. A massive inequity is being imposed on people in the private sector because they are not in unison in terms of having a union and they do not have the same volumes. I am talking about employers, sole traders and small businesses, rather than big incorporated businesses that can hide behind the corporate veil. The ordinary shops and businesses on the main streets of our towns, villages and cities which are in this predicament are between a rock and a hard place.

Deputy Kevin Humphreys: I have seen many outrageous motions over my years in politics. The motion tabled by Fianna Fáil tonight is possibly the most blatant example of public opportunism I have seen. It is quite something that the soldiers of destiny, just as they did in the 1970s, marched Ireland into financial crisis in 2008 with their reckless economic policies and thereby destroyed the livelihoods of hundreds of thousands of people on this island. Let me put on the record again that five months ago, Fianna Fáil produced a pre-budget proposal which called for cuts of €350 million in the public sector pay and pension bill between July and the end of the year. Let us put on the public record that Fianna Fáil twice cut the pay of public servants without consultation. Let us put on the record that these soldiers marched us into a bailout programme and ensured Ireland would not be in charge of its own destiny for years to come. Let us put on the record that they included a property tax in the bailout programme and ran on that basis in the general election before promptly deciding it no longer supported such a tax. We remember that when they arranged for the sale of State assets in the bailout, they planned it so that Colm McCarthy's report would not be considered until they had been thrown out of office. We remember that they included in the bailout agreement the need to find €1 billion in savings from the public sector pay and pensions bill that were not specified in the original Croke Park deal.

Let us remember how they ensured before they left office that all their Ministers had enormous pensions and lump sum payments. Let us remember how they signed off on the super salary of the chief executive of Bank of Ireland, as we saw at today's meeting in the Burlington Hotel. Let us remember how they said that no item in the bailout could be changed. Let us remember how Deputy Micheál Martin constantly repeated the mantra that nothing could be changed. This Government renegotiated the interest rates. It introduced the jobs stimulus in 2011 and the stimulus package in 2012. It scrapped the promissory notes in 2013. Let us remember how Fianna Fáil gave the banks - Anglo Irish Bank and Irish Nationwide - a blank cheque worth over €30 billion, for which we are still paying. Let us also remember that the current leader of Fianna Fáil was a member of the Cabinet that made these decisions. Those involved in Fianna Fáil have always been consistent in one regard - whichever way the wind is blowing, they will chase it. No position is too entrenched to change. All that matters is the pursuit of votes, of power and of attention. The Government has to clean up the mess that Fianna Fáil left behind. We have to deal with the disastrous deal they left us with. We have to reform our institutions and repair the damage that has been done.

I am proud to be a member of the Labour Party in government, which is fighting for fairness and trying to ensure the hundreds of thousands of people who were left unemployed by

Fianna Fáil are given a chance to work or retrain. We are fighting to ensure union members are consulted about their pay and conditions, rather than being subjected to unilateral pay cuts and diktats as they were by the previous Administration. We are fighting to protect those on the minimum wage and in low-paid employment. As I do not want to take up much more time, I will conclude by saying that Fianna Fáil implemented many fair and unfair things. The one thing that has always stuck in my throat is how Fianna Fáil attacked the minimum wage. That is what they left behind them. I was prepared to give them a fair chance and accept they might have changed, but I have to say this motion shows they have not changed their stripes. The only thing they are interested in is Fianna Fáil. Rather than focusing on Ireland, they are interested in their own political careers and where they are going. This Government is determined to get this country back on its feet and its people back into work. I am sorry to say all Fianna Fáil is doing is chasing the fantasy economics of Sinn Féin.

Deputy Eamonn Maloney: I will be as brief as I can. To the relief of my colleagues in Fianna Fáil, I will confine my remarks to the position of some of the other people on the left of the House on this issue.

8 o'clock

Given the subject matter of this motion, I have to declare an interest. I joined a trade union when I was a teenager and was a member of Jim Larkin's Workers Union of Ireland and, subsequently, with the merger, a member of SIPTU. I am very proud to be able to say that. Obviously, I was not a member of a public service union, rather a member of a general workers union but I still retain my solidarity for all trade unions.

I say this because, for a newcomer, I find the debates here often take strange directions. In the debate before the ballot on Croke Park II, as a union man I thought we had some strange contributions from the Opposition side of the House and we have had some strange comments in the days since the ballot was announced. It galls me to an extent that I have listened to people here who I know were never in a trade union in their life, never stood on a picket line, never attended a union meeting and perhaps may never have worked for a day in their life - I am sure I will be corrected. It galls some of us that some of these people came in here prior to and following the vote, giving lectures to the Labour Party and, in some instances, lecturing trade union leaders who did the best they possibly could for the people they represent in a very difficult situation, given the country is bankrupt.

No negotiations ever end up in a win-win situation. As somebody who has been around unions for a sizeable part of my life, I know it is in the nature of things that people do not get everything they want. However, whatever about the merits of this agreement that has been rejected, I want to compliment people like Jack O'Connor who, in the first place, protected the people who are on the lowest wages. Whether one is a trade unionist, a Labour Party person, a believer in socialism or whatever the case might be, it is fundamental to look after those who are the weakest. People like Jack O'Connor should be complimented for this, although I will argue the other part of it with them. However, to take stick from people who, as I said, never stood on a picket line in their life, is a bit much.

Of course, I do not mean all of those in the House as I know there are those here who are staunch union people, and I respect them. However, why is this done? The previous speaker, Deputy Kevin Humphreys, alluded to it. On the part of some, it is not done because of solidarity with the trade union movement. It is done for naked political opportunism, that is all, so that

this deal with not take place, things will get worse for the Government, perhaps we will have more evictions and perhaps we will have higher unemployment. It is naked political opportunism, not solidarity with public service workers.

In conclusion, I notice some of those who have been lecturing us and lecturing those in the trade union movement are very selective in terms of public service issues. One would expect people who purport to be so radical, when they are criticising the cuts in the public service, would include those at the very top of the public service - those like judges and retired judges, retired Ministers and other politicians who are on very lucrative pensions. However, I notice some of these people did not allude to that, and I know why. It is because, despite the fact that, when it suits them and depending on the speech, they refer to themselves as public servants, some of them are on a salary and allowances here. What they have not told the public service is that a handful of them are getting €40,000 tax free. That is why they do not allude to it. It is naked hypocrisy to lecture the Labour Party or trade union leaders when they themselves will not tell the full story.

Deputy Noel Harrington: I have to wonder what is the purpose of this motion given it is proposed by the last people in this House qualified to say anything credible about public servants and sustainable pay, conditions and work practices - those in Fianna Fáil. The hypocrisy, as I see it, is that the previous Government in dealing with any proposal surrounding public service pay and conditions simply capitulated and threw taxpayers' money at whatever the issue of the day presented. The complex nature of delivering public service reform while at the same time negotiating fair pay rates for all scales and sectors of the public sector was a bridge too far and too challenging for a Government led by the only self-proclaimed real socialist in town, for too long ably assisted by some of his back-slapping yes-men, some of whom had the temerity to put their names to this motion.

The measures that his Government put forward could only be described as short-sighted, basic and, ultimately, far too expensive for a country whose economy would shortly run aground. The benchmarking process and ultimate agreement is a classic example of the absentee leadership that typified Government policy from 1997 until 2011. This, and the introduction of a myriad of different allowances and payments for different posts and sectors, left the public pay regime unintelligible to the most forensic examination to a point where even the workers cannot tell what is core pay and what is an allowance. Schemes like Better Local Government, the arrival of the HSE and the debacle that became the decentralisation ego trip have all contributed to a more expensive, top heavy and less efficient public service that had to be addressed. I should add that flat percentage payment increases during this free-for-all created greater inequality among our public servants and left a much greater gap between those at the top and those at the bottom of the scale of public service workers. Of course, one would have needed vision, understanding and courage to have done it differently.

The sacrifices the men and women of the public service have made in recent years have been particularly difficult but this has led to a more efficient public service which is becoming fit for purpose. I also note that much of this pain was taken on without any industrial action whatsoever. This is commendable, unlike the motive behind this motion. The Government recognised this in adopting the Labour Relations Commission's recommendations that the highest paid public servants, those earning more than €65,000, would be hit first and hardest. Little wonder their union came out as strongly against as it did.

One of the main issues that surfaced during the negotiations directly affected those earning

more than €35,000 but less than €65,000. The basic pay was to remain untouched but some allowances would have been affected. I previously mentioned the monkey's fist of the remuneration regime agreed by the previous Administration, and unravelling this is naturally complex and confusing. Those earning less than €35,000 would not have their pay affected high up or low down. I believe it is fair that they would be asked to participate in reforming the services where modest changes to work practices would be on the table.

I should state the cost of public sector salaries is now nearly €19 billion of Government expenditure. I would combine this with the cost of the total expenditure on social welfare at nearly €20 billion of gross Government expenditure. Some 90% of private sector workers in this country are looking at these figures with concern. They are struggling from day to day just to retain their jobs in challenging sectors such as, for example, retail and construction. In quoting this, we must also remember the 250,000 people who lost their jobs as a result of Fianna Fáil's direct and disastrous Government policies. It is difficult not to reflect that all of our collective focus should be on getting these people back to work.

I have spoken to people who voted against the agreement. They accept that cuts were necessary and they even accept that they themselves would have to contribute again. However, one person pointed out to me that, like turkeys that know Christmas is coming, why would they vote for it?

I note the motion specifically calls for engagement, no legislation and full disclosure. Talk about a conversion from a party that previously acted unilaterally to cut pay levels. It is a pity when the economy was roaring that some of the same signatories did not recognise that modest reform and more nuanced corrections could have achieved so much. The inevitable departure of the Celtic tiger left them completely baffled and totally at a loss as it arrived despite their policies and they did not have a clue where it came from in the first place.

All the evidence leads to one conclusion, namely, that Fianna Fáil ran this country with only one objective in mind - that of buying elections with taxpayers' money. Its former leader even claimed so in the Dáil. No one on this or any side of the House who was elected in the last election wants to impose pay cuts on anyone, whether in the public or private sector, but the precipice the taxpayers were facing when Fianna Fáil left office left us with no choice when the troika came in to explain and tell us how a country should be governed. Those opposite need to reassess their options. The old method of opposing the Government for the sake of opposition is not going to work. They need to come forward with responsible alternatives that will get Ireland back to work again. This motion does not do that. I will be supporting the Government's amendment to this motion.

Deputy Michael P. Kitt: I compliment Deputy Sean Fleming on putting down this very timely motion. We should acknowledge and recognise the significant sacrifices that have been made by public sector employees in recent years because sacrifices have been made and ongoing savings have been delivered by the current Croke Park agreement, which should not be forgotten. Sometimes we take it for granted that we have industrial peace in the public sector but it is something of which we should be very proud. There is potential for reform by all stakeholders in the delivery of public services.

In case people think only trade union members could address this issue and debate, I wish to put on record that I was a member of a trade union during my teaching life for many years and I can contribute on teaching and educational matters in this House. I will say a few words on the

24 April 2013

teaching issue because teachers were particularly affected by some of the proposals I have heard discussed. I saw a press statement from the three teaching unions - the ASTI, the INTO and the TUI - which was headed "Teachers' unions to ballot for industrial action following rejection of LRC proposals". This was on 19 April. The executives of the three unions have decided to conduct a ballot of members for industrial action up to and including strike action. Certainly, industrial action by the three teaching unions will be triggered in the event of the Government proceeding unilaterally to impose salary cuts or to worsen working conditions. We addressed that in our motion. According to Pat King, the general secretary of the ASTI, "teachers have already taken a 14 per cent reduction in pay and have delivered additional work and substantial savings under the Croke Park Agreement". He went on to say that "young teachers, many of whom find themselves in precarious employment situations, have had inferior terms and conditions imposed on them in a most inequitable manner." I have often made the point that young teachers face many difficulties in getting employment. I certainly could not accept the proposals relating to smaller salaries for them and for gardaí and nurses. The general secretary of the INTO, of which I was a member, said:

Following the very strong rejection by teachers of the LRC proposals the ball is now in the government's court. Any move to unilaterally cut teachers' salaries or worsen working conditions will be strongly resisted up to and including strike action.

The general secretary of the TUI, John McGabhann, said:

Teachers and lecturers objectively considered the LRC proposals and found them to be unbalanced and unfair. They hit those in part-time, lowly paid work hardest, are regressive and are now, deservedly, dead in the water. We have an existing agreement and will continue to honour it. We expect the Government to do the same. If they choose not to we will take whatever industrial action is necessary.

I welcome the fact that LRC has been invited to become involved again and get the front line back at these talks. People outside the talks need to get back into them. We all agree that the Minister must make the savings of €300 million and must get the arithmetic right but as well as looking at all these situations, we must also talk about restoring the country to economic well-being. The Government can take a step back, as has been suggested, but not for too long. We must get the talks going again. I welcome the involvement of Kieran Mulvey of the LRC who will contact the parties to see if there is a basis for further engagement that might lead to an agreement.

Time is of the essence and from listening to the Minister, he knows that time for discussions is running out. It is very important, as was stated in our motion, that the Government does not legislate for an across-the-board 7% cut in public sector pay. There is dismay in the public sector, with 66% of public sector workers voting to reject the Croke Park II deal. The unions that opposed the Croke Park II agreement produced an equality audit of the proposal that was very clear that there were issues relating to family and what they saw as an attack on women. The front-line and shift workers were the people who were most definitely hit. I hope that, as the 24/7 Frontline Services Alliance said, the Government realises the detailed analysis of the loss that would be suffered by different categories of workers, particularly staff nurses and paramedics. It is a massive additional hit to workers. Engagement by the Government with public sector employees is very important and could and should lead to a balanced agreement that can secure support among public sector employees.

Deputy Dara Calleary: I thank Deputy Sean Fleming for putting forward the motion to allow us to discuss this issue this evening. I suspect that I have more sympathy for the Minister for Public Expenditure and Reform and the Minister of State with responsibility for public service reform than most people on this side of the House having been in the very early stages of that Department and the Croke Park agreement. One of the things about the Minister that has frustrated me in the past few days is the fact that he keeps emphasising that we have a cheek to raise concerns about Croke Park II because we implemented unilateral cuts. Yes we did and they were very difficult, which is one of the reasons there are 19 of us here. Many fine colleagues paid a very serious price because of the opposition to those cuts and because they supported them. The Labour Party did not support them at the time.

In spite of that and the lack of trust between the public service unions and the Government that followed those cuts, we managed to proceed with and get agreement on the Croke Park agreement which was then used as the template for public service reform and industrial peace since 2010. When one looks at the situation across the world where many public and civil servants took to the streets to pursue objectives, what we had here since 2010 is a tribute to everybody who was involved - the implementation committee, the Department, the Ministers of the day and, more particularly, everybody on the ground who delivered substantially under Croke Park. They delivered changes in work practices, particularly in An Garda Síochána and the health and prison services, at a time when they knew there would be no increase.

People have taken very tough hits in the service. There is now an even greater breakdown of communication than had been the case in 2010 after two pay cuts. There seems to be a complete gulf in communications. It is very difficult to understand why the Government was unable to get the extension of Croke Park over the line when we were able to get the original Croke Park agreement through. One must look at the sequence of events since the draft agreement was made.

The Government sat back. It was not as passionate about supporting the agreement as the other side was about opposing it. Deputy Kitt spoke about how an equality analysis was carried out. There were a range of statements and surveys showing the difficulties of the proposed agreement. The thing that stuck in the craw of many workers was the continued assurance of Ministers that anybody whose core income was under €65,000 would be unaffected. That is true but one's core income could be so low that one depends on overtime and premium payments to make up the difference that pays one's mortgage and food bill. One gets those premium and overtime payments because one is working at 3 a.m. or 4 a.m. defending the public interest and looking after the public's health and people's property. If those overtime and premium payments are being gutted, as they were in this deal, the assurance that one's core pay is not being affected is of little comfort. That is what kicked in on the agreement. People who were depending on premium and overtime payments because of the nature of their jobs looked at others who did not get overtime or premium payments but were on a much higher core salary and saw that their conditions were not going to be affected. That introduced the element of unfairness in this deal. This was not tackled but was allowed to take hold because it was true.

One then had the pot for those unions that stayed in and other difficulties. On one weekend at the beginning of October, the Minister for Public Expenditure and Reform was saying one thing and another Minister was saying the complete opposite. At the same time, those opposing the deal were absolutely resolute and organised. If the Government reflects on what happened in those few weeks, it will note that this was when much of the damage to the agreement occurred. It fails the fairness test because of the dependence on overtime and premium payments.

24 April 2013

If the Government had first addressed the issue of the dependence of many on their so-called premium and overtime payments and then worked on an agreement, the industrial relations climate in the public service might be better now.

The inception of the Department of Public Expenditure and Reform was welcome. I supported its establishment and had envisaged such a Department in October 2010. Public sector reform is essential to the country's recovery. If this reform is implemented in the right way, it will produce savings and also a transformed service that can deal with the changing needs of citizens. I refer to many excellent examples. Revenue online has transformed how we pay taxes and deal with Revenue. Motor tax is payable online. The Internet has significantly changed the way we interface with State services, which services must be moved in that direction. Croke Park I offered a method. When I was a Minister of State, I observed that the higher echelons of the civil and the public service did not believe in public service reform; they think it is somebody else's business. This is an understandable attitude, given the pressures on budgets. However, it must be accepted that reform can deliver budget savings, as well as an enhanced service. I said three years ago that for many Secretaries General and many in senior management, public service reform was an item listed under any other business on the agenda. I am still not convinced it is regarded as anything more than this.

Workers such as teachers, gardaí, nurses and health care professionals in hospitals are the people on the ground and have ideas about reform. They are the ones who can point to the waste of resources and better ways of working. They have put forward ideas which have been passed up the chain, but nothing comes of it. They do not see any sign that their input is valued. This highlights another difficulty encountered in the talks process. The representatives at the talks do not necessarily walk in the shoes of those whom they represent who are the workers on the ground. There was a disconnect on this occasion between some of the negotiators and some of those who worked in the service. It is surely within our capabilities to devise a way for those on the ground who have ideas to suggest changes to their work practices which would result in savings and, more important, in a better service for the patient, the student or the client. Their views need to be respected and taken on board. We have yet to really embrace the ideas of those on the ground which have the capacity to transform services.

It is very important that Mr. Kieran Mulvey is given the space to get on with his job. The LRC is an excellent organisation and Mr. Mulvey has given very significant service to the State. I have utter faith in him. He is the one person in this equation in whom people have trust. Messages from trade unions that they will not co-operate with the LRC are not helpful. If they are serious about trying to achieve a good deal for their members, they need to get involved.

The Government needs to change its use of language. Those earning less than €65,000 are not protected from cuts. I refer to those whose income is predominantly made up of overtime or premium payments. They are taking a hammering in these proposals. They do not like hearing they are protected because they are not. The Government needs to stand back and allow Mr. Mulvey and the LRC do their work. The co-operation of everyone is required in the interests of members. If Croke Park I was achievable after two unilateral cuts, as the Minister, Deputy Brendan Howlin, likes to refer to them, surely it is within the abilities of the Government to deliver a Croke Park extension.

Deputy Niall Collins: This is a very important national issue. Nobody has a monopoly of opinions or wisdom. No particular political party acts as the single spokesperson for the trade union movement or the public sector. We are all public representatives and entitled to reflect

the views on both sides of the debate. It is disrespectful to Members who all have a mandate to have to listen to members of the Labour Party trying to assert that they are the only spokespersons for public servants and public sector workers. The trade union movement will confirm that this is not the case.

Public servants were taken for granted by the Government throughout the talks process. That is the view they have expressed to me and many others. Unfortunately for the country, the result has shown that they have been taken for granted and the process is now paralysed.

A completely new model of social partnership will be required. For too long we have relied on the existing model which has been in use since the early 1990s. There has been a succession of national partnership agreements which have worked in some fashion. However, history has shown that they have not worked as well as they might have. The current model which is now bust pits employer against employee, larger unions against smaller unions, and the private sector against the public sector. It is very divisive and being played out every day. It is undermining the national mood and dominating the national debate. I agree that it is important to have social cohesion and social harmony and avoid any form of social unrest. Unfortunately, we are heading headlong into that storm and we need to make an effort to remove ourselves from that course of action.

The agreement was reached following all-night talks. The parties were, effectively, in a bunker in Lansdowne House. They were locked in until they came out with an agreement. It is similar to how a pope is elected by having to wait until the white smoke appears. That is not the way to do business which should be conducted in an open and constructive manner. Locking in the parties builds momentum for arriving at a deal at any cost. As we have seen, arriving at a deal at any cost results in a lot of collateral damage. The GRA, the AGSI and the 24/7 Frontline Services Alliance, left the talks process. This was not good because the process must be inclusive.

The morning after the agreement was finally reached I took part in a panel discussion on a radio show with a Minister. I will not name the person concerned because she is not in the Chamber. The Government's spin was that the agreement was fair and proportionate, yet the detail of the deal had not been published and the same Minister had not read it. However, she told radio listeners that the deal was fair and proportionate.

People were being taken for granted, but society has moved on. The spin and the sound bite have to be taken out of the presentation by the Government. People want an honest presentation of the facts and figures. The Government lost the dressing room straightaway in that regard. It lost the public servants throughout the process because trade unions and some associations had been marginalised. A new form of social partnership is needed which should be inclusive of the non-trade union groups and associations such as the GRA and the AGSI. I refer to the demonstration held in the basketball arena in Tallaght while the talks were in progress. It was a powerful demonstration by the groups involved and rank and file workers. At that point, the alarm bells should have been ringing and the Government should have sat up and realised it was in trouble and could not rely on the old guard and the larger trade unions to get the deal over the line. Lessons must be learned from that.

The Government will learn the lessons from the weaknesses of the Croke Park II process, but we also need to discuss the wider issue of reform. Many of the reforms that took place under Croke Park I are positive. Unfortunately, much of what was intended never happened.

It was never really discussed in the House that every working day of the week, disputes were taking place in the Labour Court and Labour Relations Commission on issues that had been taken as read under Croke Park I. It should not have happened. There is an onus on public sector workers and their employers and the unions to avoid that type of thing. If something is agreed, it should not require the clogging up of the Labour Court or Labour Relations Commission to interpret it. Squabbles and disputes which should not be taking place are holding back the effectiveness of the public service. If Croke Park II or Croke Park III, or whatever the Government intends to call it, achieves anything, it should address situations in which retired teachers are brought back to fill temporary posts or provide substitution, holiday, maternity or illness cover. There is a cohort of young, highly qualified teachers who are eager and crying out for jobs. They have commitments and families to rear and mortgages to pay. The Minister of State, Deputy Brian Hayes, has them in his own constituency. It is not good enough for the Government to say that boards of management are the employers and that the Department cannot interfere as it merely pays the salaries. We must take greater ownership of that issue in particular.

I ask Deputy Brian Hayes to clarify, as Minister of State in the Department of Public Expenditure and Reform, the issue of the Garda payroll budget. It has been widely reported that the payroll budget provided to the Garda this year is sufficient to pay for a force complement of only 12,000. It was reported by Tom Brady and no denial was issued by the Department of Justice and Equality. I sought the relevant documents under the Freedom of Information Act, but my request was declined. The Department informed me that the documents could not be released as they were subject to ongoing negotiation. I am told the Garda force will have to be reduced and that the vehicle for achieving cuts in numbers will be to offer a three-year career break. If the roster is based on a complement of 13,000, where are we going? Is the new roster going to collapse? At a point in time when we need new recruitment into the Garda, it is regrettable that the Minister for Justice and Equality is resiling from it. I will be taking up the matter up with him.

The commercial semi-State sector must come under greater focus when we consider the new form of social partnership, which we should be debating tonight. The inflated salaries of CEOs and top-line management in those bodies affect every citizen directly through the cost to the consumer of products and services. It is a significant issue. Those salaries must be dealt with. It is not good enough to treat the commercial semi-State sector like the banks and say the Government takes a hands-off approach. If the State is a shareholder, it must have a direct input. On public sector reform, recruitment, promotion, discipline and leadership, I note that managers must be empowered to lead. There is an issue with the recruitment of managers currently. For example, has even one local authority manager come from the private sector? I am aware of only two directors of services having come from the private sector. These are self-perpetuating bodies which are running an old boys' club.

The Labour Party says Fianna Fáil gave the banks a blank cheque, but that is not the case. I deflect that bit of populism. I will not even go down the road of discussing the Labour Party's refusal to exercise its mandate on Richie Boucher at today's annual general meeting.

Deputy John Browne: I am glad of the opportunity to say a few words on the motion before the House. We all agree that public servants are dedicated, committed and conscientious and we have all recognised the sacrifices they have made in recent years with huge cuts to their pay. Croke Park II was doomed to failure once the Government threatened workers with a 7% cut if they did not vote "Yes". One cannot threaten workers that one will impose something if

they do not do what they are asked. We all recognise the anger of gardaí, nurses, ambulance drivers and the others who voted. They were very angry that they were threatened and told “Do this or else”. We must all recognise that the trade union movement has been good for Ireland. National agreements were the key to industrial peace over the past 20 years. I remember entering the House in 1982 when strikes of all types were taking place. There was an oil strike, an ambulance workers’ strike and every other kind of strike. The national agreements from the Haughey era onwards brought peace to the country. We did not have as many strikes as we might have.

Politicians must understand something. How can they ask workers to take a pay cut when they see Richie Boucher getting €31,000 on top of his existing €800,000? The ordinary worker is not a fool. He or she rails at that sort of thing. How can union leaders tell their members that they must take a severe pay cut in the national interest when most of those who are negotiating are on €120,000 or €130,000 a year? Front-line workers are not to blame for the current crisis and they should not be the victims of austerity. We all know and have met teachers, doctors, nurses, ambulance drivers and firemen who carry out their work with diligence and at great danger to themselves. The Government wants to cut their pay and expects them to work extra hours without any financial compensation. The Ministers in this Government obviously do not understand the individual circumstances of those who were being asked to take pay cuts. Those workers have mortgages, kids in college, illness issues, etc., yet the Government wants to impose a unilateral pay cut across the board. That is not acceptable. Reference has been made to the fact that income tax is not being increased, but workers’ pay will be decimated by the household charge, water charges, the television licence increase, car tax increases, etc.

I feel sorry for the Minister, having heard Jack O’Connor say that an election is on the way to solve the problem, the horse having bolted on Croke Park II. As that man did not even know his members were going to vote against the deal, the Minister should not put much store in what he says. I agree with Deputy Dara Calleary that we should now leave Kieran Mulvey to do his job without interference from Ministers, the unions or the fat cats in IBEC. IBEC shouts from the rooftops every so often to lecture us on pay cuts for ordinary workers while the fat cats are well looked after on large salaries. I would certainly take what it says with a grain of salt. I ask the Minister of State to ensure Mr. Mulvey is given all the arms of the State to bring about a solution, and I hope we will not see a vote in the House on unilateral pay cuts of 6% or 7%, as Ministers have threatened. I hope we will see proper negotiations and reach a conclusion to the satisfaction of all.

Minister of State at the Department of Finance (Deputy Brian Hayes): Taking up the point made by Deputy John Browne, the Government has no intention of cutting across the work of Kieran Mulvey and the LRC over the coming weeks. People who are experts in the area and have a track record of bringing people together to work out a solution need time and space. It is the fervent hope of the Government that we can still find some agreement.

I am a great believer in the principle that jaw-jaw is always better than war-war. At a time of such uncertainty, the last thing the country needs is industrial warfare. I recognise the extraordinary sacrifices of public servants in this country. Some 30,000 people have left the service over the course of the past few years. The total public sector pay and pensions bill four years ago was €20 billion; from this year, it will be €17.5 billion. Much of that was done by the previous Government.

Deputy Éamon Ó Cuív: All of it.

24 April 2013

Deputy Brian Hayes: It is good to have a historical perspective, even on this side of the House.

Deputy Dara Calleary: It is because we did it that the Minister of State, Deputy Brian Hayes, is on that side of the House.

Deputy Brian Hayes: I did not interrupt anyone. From speaking to people across the European Union institutions, I know that the reduction in the number of people working in the service at a time of exceptional demand and the reduction in the public sector pay and pension bill without loss of days through strikes and industrial action is quite an achievement.

There are two fundamental principles required and I hope everyone in the House accepts them. We must find savings of €300 million this year and annualised savings of €1 billion by 2015. We want to do this through agreement and discussion with trade unions. There were a myriad of reasons people voted against Croke Park II. The proposal was fair and balanced and those at the top of the tree had to pay more because they have broader shoulders. There was flexibility in the deal; for example, prison officers and those who worked in the Defence Forces managed to negotiate a deal because of the flexibility offered. Those earning over €100,000 saw permanent reductions in income while those earning less than €65,000 did not see reductions in basic income, although there were reductions through premium pay, overtime and allowances. In the context of the proposed agreement, we guaranteed that increments would be paid, albeit at a phased level. It was a fair and balanced agreement but we are now in a new space. I ask people to look at this afresh and see if we can move forward.

The situation will not be helped by the comments of Sinn Féin. The party is totally incapable of telling people the truth on this issue. It maintains we can take out everyone earning over €100,000, of whom there are 6,000 out of 290,000, and reduce their salaries to €100,000. I read the Sinn Féin pre-budget submission, which refers to an annualised cost saving for 2013 of €102 million. If we take half of that for this year, €50 million, it amounts to one sixth of the savings we need this year. It cannot be done by taking out everyone earning over €100,000, putting them up against the wall and inviting former comrades in the IRA to do what they can to them. That will not solve the problem and the Sinn Féin members know it.

Deputy Niall Collins: They do not.

Deputy Brian Hayes: They do know it and they continue to get away with it. It is my task - and, I suspect, that of the Opposition - to remind Sinn Féin of the lie perpetuated in its documents and based on its figures. We need to move the situation forward. If we are to make the savings, it must be done across the board and in the fairest way possible. It must be done in a proportionate way, as in the Croke Park II proposal. Mr. Mulvey has a good record and needs the time and space, with politicians butting out of the debate for the coming weeks, to see if a way forward can be found. I hope it can.

Deputy Éamon Ó Cuív: The audacity of the Government never ceases to amaze me. These are the people who introduced funny mathematics into Irish politics, with the idea that cutting a few top wages would save billions. Sinn Féin is very modest with its proposal for a few hundred million euros. When Fine Gael, and particularly the Labour Party, were in opposition, they used to come in with savings that amounted to €1 million or €500,000 and the savings were going to solve the whole economic problem. Imitation is the sincerest form of flattery and Sinn Féin has certainly learnt lessons from funny mathematics. Members of the Opposition remem-

ber the €4 billion in savings that the Minister for Health, Deputy Reilly, was going to find in the health budget by eliminating waste. I wished I had a one-on-one opportunity to give him the Estimate and ask him to put his finger on the savings.

I do not think the Government understands that the public service has rejected the deal. If there were threats, they came from the Government to get the deal through to the effect that legislation would be introduced to force through the deal. That would have caused industrial chaos and I am glad the Government had the common sense to realise it must listen to people when its ideas were rejected and that it must work another way.

With a budget of €50 billion, I could never understand how the Government got itself into this situation. The Minister of State said the Croke Park agreement was a good and groundbreaking deal. We were getting major reform in the public service and I have seen how some public servants have worked in a fantastic way to make changes and savings. Some are better than others. The Croke Park agreement was due to run until the end of the year. When governments enter into agreements, even if a new government comes in, the tradition is to honour the agreement of the old government. Otherwise, it is impossible for anyone to do business with any government. Inevitably, the cycle of agreements of all types straddles different governments. I cannot understand why the Government rushed the fence and created an arbitrary €300 million figure that it must find from one source, the wages of public servants, rather than seeing out the Croke Park agreement and beginning negotiations at this time, allowing plenty of time to develop a successor agreement. In industrial relations, one needs trust. How can one trust a government that could not see out an agreement entered into in good faith by the trade union movement? As the Minister of State pointed out, the success we have had in cutting the cost of the public service wage bill is testament to the fact that Croke Park I was a very good and a very fair deal.

The second issue with which I would like to deal is the unreality of going to public servants, many of whom are between the ages of 30 and 50, and, in particular, to front-line workers who are even more concentrated between those ages because of the lack of recruitment in recent years and because of the nature of the jobs they do. For example, gardaí, who normally retire after 30 years, are in the 30 to 50 age group. We all know people in that age group have mortgages, face financial pressures and are trying to rear families but they do not have enough money. We also know that in many cases during the boom, the public service wage in a household was the subsidiary wage and mortgages and commitments were taken on based on two wages, of which it was the smaller. We now know that in many cases, that wage is the primary one and that, combined with the wage cuts in the public service, loss of overtime and loss of other benefits, it has put an intolerable burden on families.

The Government wonders why the agreement was rejected. Let us be honest about it. If one is between 55 or 60 years of age, one's mortgage is paid and one's family is grown up and educated. Of course, one can take a wage cut, although one might have to tighten one's belt a bit but it is all doable and sustainable. Many people in the public service are in a totally different financial situation from others. However, because this Government has been singularly anti-family in its budgets, the middle group, in particular, has reached the point that it has told the Government quite clearly that it cannot take any more. This year the Government hit it with child benefit cuts, property tax, a PRSI increase and car tax. That is hitting families which, in many cases, have mortgages that are disproportionate to the salaries they have.

If the Minister wants to go back to public servants again, he should deal with the mortgage

24 April 2013

issue and not by saying 95,000 people can reach personal arrangements which will mean they will have to account for their personal circumstances in a way that somebody even in receipt of jobseeker's allowance would not have to. At least if one gets jobseeker's allowance, one gets the money and nobody checks whether one has a Sky package. It is time we started to understand the situation ordinary people are in.

Why will the Government not raise taxes for those earning more than €100,000, many of whom are in the private sector? Why was there such a paltry cut comparatively to salaries of more than €100,000? I have done the mathematics on this and I used to point it out when in government but those opposite did not want to listen. It would not raise a huge amount of money but it would be symbolically important and people would understand that those who can pay most will do so.

People are at breaking point and are very disillusioned that this Government seems to be oblivious to the problems faced by ordinary, decent and hardworking families. Will the Government pause and deal with the mortgage issue first and not by keeping a record of expenses of ordinary families trying to rear children, who are our future? When that is done, let us go back to the table at the end of this year and honour an agreement entered into by Government and workers in good faith. Then the Government might make some progress and get people to listen.

Deputy Sean Fleming: I welcome the opportunity to conclude this debate. I will start by reiterating what is contained in the motion. It recognises the huge sacrifices made by public sector employees and pensioners in recent years; the ongoing savings being delivered by the current Croke Park agreement; the significant benefit to the economy and society that the absence of industrial action in the public sector has achieved; the need to ensure that further reductions in the overall public sector pay and pensions bill occur in a fair and structured manner; and the importance of a shared commitment to reform by all stakeholders in the delivery of public services. I cannot understand why everybody in this House does not agree to that and why the Government will not accept this motion. I am surprised by that but then again, having listened to the debate, I am not really surprised because I was quite entertained by what was said by some Government backbenchers. A number of them accused us of making unilateral cuts to public servants' pay. The next speaker complained that we were paying public servants too much. However, even considering those contrasting views, we ended up with Croke Park I which was passed and continues in operation to the end of this year. That agreement has ensured reduced staff numbers, reform, pay savings and non-pay savings. The third report on progress up to the end of last year will be published shortly.

The Taoiseach said again today that there is no guarantee of job security if there is no new deal, which is not helping the process. However, I remind him that there is a guarantee. Croke Park I guarantees job security and it runs until the end of this year. There is no reason it should be set aside.

Yesterday, the Government asked Mr. Kieran Mulvey, the chief executive of the Labour Relations Commission, to contact all parties to see if it is possible to come back with some proposals. The Government was right to do that and to want to re-engage with its employees, which an employer should do. However, that process must be given a chance and for the Taoiseach to say this morning that there is no guarantee of job security if we do not get a deal is unhelpful.

Half an hour after the Taoiseach said that, Government Deputies voted through the start of

the 2013 Estimates which included the Croke Park II pay deal adjustments that were negotiated by the LRC. On the one hand, the Government is handing it over to Mr. Kieran Mulvey for a couple of weeks while on the other hand, it is threatening people's job security and voting through the Estimates, including the rejected pay deal. The Government is damaging any prospect of goodwill. The actions of the Taoiseach and the Minister, Deputy Howlin, in the Chamber this morning have made Mr. Kieran Mulvey's job even more difficult and they should have considered that before they took these actions but then again, the Minister, Deputy Howlin, probably presumed that because the Labour Party was in government, the unions would fall for the deal and it would go through. The Minister set out to divide and conquer and before the deal was even finalised, he ensured a large number of public sector employees were excluded from the process by ensuring they walked out. If he had wanted to keep them in the talks, they would have stayed but he did not want to do that. In the couple of weeks when the voting was taking place, he threatened a 7% pay cut across the board. Another Minister from the same party said on television one Sunday night that there was wriggle room if the deal was rejected, which added to the confusion. A deal can be achieved if there is fairness and if a disproportionate burden is not placed on some people.

9 o'clock

The Minister for Public Expenditure and Reform has complicated matters by confirming since the deal was rejected that there will be permanent changes affecting the pay and hours of work of staff at the lower pay levels in the public service, whereas the cuts for the majority of those on salaries above €65,000 will be reversed. There are temporary cuts for higher earning staff, while there are permanent cuts for those on lower wages.

Fairness is the key. The motion calls for three simple steps: immediate engagement by the Government with public sector employees with a view to securing a balanced agreement that could secure widespread support among public sector employees - I do not see the problem with this and do not understand how anybody could; confirmation that the Government will not legislate for an across the board 7% pay cut - I cannot see how it could do this if it is asking Mr. Kieran Mulvey to examine the matter; and a commitment to full disclosure of all correspondence that has not been made public and which was issued as part of the proposed deal to various trade unions. I cannot understand how everybody in the House could not agree to this. I, therefore, call on the Government parties to support the motion.

Amendment put:

<i>The Dáil divided: Tá, 81; Níl, 48.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Bruton, Richard.</i>	<i>Browne, John.</i>
<i>Butler, Ray.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Collins, Niall.</i>
<i>Byrne, Eric.</i>	<i>Colreavy, Michael.</i>
<i>Carey, Joe.</i>	<i>Crowe, Seán.</i>
<i>Coffey, Paudie.</i>	<i>Daly, Clare.</i>

<i>Conaghan, Michael.</i>	<i>Doherty, Pearse.</i>
<i>Conlan, Seán.</i>	<i>Donnelly, Stephen S.</i>
<i>Connaughton, Paul J.</i>	<i>Dooley, Timmy.</i>
<i>Conway, Ciara.</i>	<i>Ellis, Dessie.</i>
<i>Coveney, Simon.</i>	<i>Ferris, Martin.</i>
<i>Creed, Michael.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Daly, Jim.</i>	<i>Fleming, Sean.</i>
<i>Deasy, John.</i>	<i>Fleming, Tom.</i>
<i>Deenihan, Jimmy.</i>	<i>Grealish, Noel.</i>
<i>Deering, Pat.</i>	<i>Halligan, John.</i>
<i>Doherty, Regina.</i>	<i>Healy, Seamus.</i>
<i>Donohoe, Paschal.</i>	<i>Healy-Rae, Michael.</i>
<i>Dowds, Robert.</i>	<i>Kelleher, Billy.</i>
<i>Doyle, Andrew.</i>	<i>Lowry, Michael.</i>
<i>Durkan, Bernard J.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>English, Damien.</i>	<i>McConalogue, Charlie.</i>
<i>Farrell, Alan.</i>	<i>McDonald, Mary Lou.</i>
<i>Feighan, Frank.</i>	<i>McGrath, Mattie.</i>
<i>Ferris, Anne.</i>	<i>McGrath, Michael.</i>
<i>Fitzgerald, Frances.</i>	<i>McLellan, Sandra.</i>
<i>Fitzpatrick, Peter.</i>	<i>Martin, Micheál.</i>
<i>Flanagan, Charles.</i>	<i>Murphy, Catherine.</i>
<i>Griffin, Brendan.</i>	<i>Naughten, Denis.</i>
<i>Harrington, Noel.</i>	<i>Nulty, Patrick.</i>
<i>Harris, Simon.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Hayes, Brian.</i>	<i>Ó Cuív, Éamon.</i>
<i>Hayes, Tom.</i>	<i>Ó Fearghail, Seán.</i>
<i>Heydon, Martin.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Hogan, Phil.</i>	<i>O'Brien, Jonathan.</i>
<i>Howlin, Brendan.</i>	<i>O'Dea, Willie.</i>
<i>Humphreys, Heather.</i>	<i>O'Sullivan, Maureen.</i>
<i>Humphreys, Kevin.</i>	<i>Pringle, Thomas.</i>
<i>Keating, Derek.</i>	<i>Ross, Shane.</i>
<i>Kehoe, Paul.</i>	<i>Shortall, Róisín.</i>
<i>Kenny, Seán.</i>	<i>Smith, Brendan.</i>
<i>Kyne, Seán.</i>	<i>Stanley, Brian.</i>
<i>Lynch, Kathleen.</i>	<i>Tóibín, Peadar.</i>
<i>Lyons, John.</i>	<i>Troy, Robert.</i>
<i>McEntee, Helen.</i>	<i>Wallace, Mick.</i>
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	

Dáil Éireann

<i>Maloney, Eamonn.</i>	
<i>Mathews, Peter.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Noonan, Michael.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Timmins, Billy.</i>	
<i>Tuffy, Joanna.</i>	
<i>Twomey, Liam.</i>	
<i>Varadkar, Leo.</i>	
<i>Wall, Jack.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

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

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

<i>The Dáil divided: Tá, 80; Níl, 47.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Bruton, Richard.</i>	<i>Browne, John.</i>

<i>Butler, Ray.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Collins, Niall.</i>
<i>Byrne, Eric.</i>	<i>Colreavy, Michael.</i>
<i>Carey, Joe.</i>	<i>Crowe, Seán.</i>
<i>Coffey, Paudie.</i>	<i>Daly, Clare.</i>
<i>Conaghan, Michael.</i>	<i>Doherty, Pearse.</i>
<i>Conlan, Seán.</i>	<i>Donnelly, Stephen S.</i>
<i>Connaughton, Paul J.</i>	<i>Dooley, Timmy.</i>
<i>Conway, Ciara.</i>	<i>Ellis, Dessie.</i>
<i>Coveney, Simon.</i>	<i>Ferris, Martin.</i>
<i>Creed, Michael.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Daly, Jim.</i>	<i>Fleming, Sean.</i>
<i>Deasy, John.</i>	<i>Fleming, Tom.</i>
<i>Deenihan, Jimmy.</i>	<i>Grealish, Noel.</i>
<i>Deering, Pat.</i>	<i>Halligan, John.</i>
<i>Doherty, Regina.</i>	<i>Healy, Seamus.</i>
<i>Donohoe, Paschal.</i>	<i>Healy-Rae, Michael.</i>
<i>Dowds, Robert.</i>	<i>Kelleher, Billy.</i>
<i>Doyle, Andrew.</i>	<i>Lowry, Michael.</i>
<i>Durkan, Bernard J.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>English, Damien.</i>	<i>McConalogue, Charlie.</i>
<i>Farrell, Alan.</i>	<i>McDonald, Mary Lou.</i>
<i>Feighan, Frank.</i>	<i>McGrath, Mattie.</i>
<i>Ferris, Anne.</i>	<i>McGrath, Michael.</i>
<i>Fitzgerald, Frances.</i>	<i>McLellan, Sandra.</i>
<i>Fitzpatrick, Peter.</i>	<i>Martin, Micheál.</i>
<i>Flanagan, Charles.</i>	<i>Murphy, Catherine.</i>
<i>Griffin, Brendan.</i>	<i>Nulty, Patrick.</i>
<i>Harrington, Noel.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Harris, Simon.</i>	<i>Ó Cuív, Éamon.</i>
<i>Hayes, Brian.</i>	<i>Ó Fearghail, Seán.</i>
<i>Hayes, Tom.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Heydon, Martin.</i>	<i>O'Brien, Jonathan.</i>
<i>Hogan, Phil.</i>	<i>O'Dea, Willie.</i>
<i>Howlin, Brendan.</i>	<i>O'Sullivan, Maureen.</i>
<i>Humphreys, Heather.</i>	<i>Pringle, Thomas.</i>
<i>Humphreys, Kevin.</i>	<i>Ross, Shane.</i>
<i>Keating, Derek.</i>	<i>Shortall, Róisín.</i>
<i>Kehoe, Paul.</i>	<i>Smith, Brendan.</i>
<i>Kenny, Seán.</i>	<i>Stanley, Brian.</i>
<i>Kyne, Seán.</i>	<i>Tóibín, Peadar.</i>
<i>Lynch, Kathleen.</i>	<i>Troy, Robert.</i>

<i>Lyons, John.</i>	<i>Wallace, Mick.</i>
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>Maloney, Eamonn.</i>	
<i>Mathews, Peter.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Noonan, Michael.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Timmins, Billy.</i>	
<i>Tuffy, Joanna.</i>	
<i>Twomey, Liam.</i>	
<i>Varadkar, Leo.</i>	
<i>Wall, Jack.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

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

Question declared carried.

24 April 2013

The Dáil adjourned at 9.20 p.m. until 10.30 a.m. on Thursday, 25 April 2013.