



TITHE AN OIREACHTAIS

**An Comhchoiste um Airgeadas, Caiteachas Poiblí
agus Athchóiriú**

Clár Oibre 2012

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HOUSES OF THE OIREACHTAS

**JOINT COMMITTEE ON FINANCE PUBLIC
EXPENDITURE AND REFORM**

Work Programme 2012

March 2012

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Joint Committee on Finance Public Expenditure and Reform

Work Programme to end year 2012

1. Background

The Joint Committee on Finance Public Expenditure and Reform was established by order of the Dáil on 9 June 2011, Senators were appointed to the Committee by order of the Seanad on 16 June 2011. Deputy Alex White elected as Chairman and Deputy Liam Twomey elected as Vice Chairperson at the inaugural meeting of the Joint Committee on 23 June 2011

2. Select sub-Committees

The Committee has three Select sub-Committees: (1) sub-Committee on Finance (2) sub-Committee on Public Expenditure and Reform; and (3) sub-Committee on the Department of the Taoiseach. The function of each sub-committee is to consider Bills, Estimates and other business referred to it by Dáil Éireann which relate to the relevant Department.

(1) Legislation (Bills).

The following Bills which the sub-committees must deal with are currently progressing through the Oireachtas:

1. Central Bank (Supervision and Enforcement) Bill 2011 referred by the Dáil to the Select sub-Committee on Finance
2. Public Service Pensions (Single Scheme) and Remuneration Bill 2011 referred by the Dáil to the Select sub-Committee on Public Expenditure and Reform.
3. The 2012 Finance Bill (the Finance Bill will be published on the 9th February and the Committee stage is scheduled for Tuesday & Wednesday 28th & 29th of February and Thursday the 1st of March.
4. Fiscal Responsibility Bill (yet to be published).
5. Treaty Establishing the European Stability Mechanism Bill (yet to be published).

In addition the Government Legislative Programme for 2012 will make provision for the publication of a number of other Bills, which may be referred to the Select sub-Committees for consideration in due course.

(2) Estimates and other Financial Matters

The Estimates are Ministers' spending plans for the coming financial year. When the Estimates are referred to Select Sub-Committees for examination, the Committees have a valuable opportunity to question the Minister about proposed spending. Note: the Select sub-Committees are required to consider the estimates but are not empowered to amend them. The Estimates which the Select sub-Committees can examine are:

Select sub-Committee on Finance
Vote 5 (Office of the Comptroller and Auditor General)
Vote 6 (Office of the Minister for Finance)
Vote 8 (Office of the Appeal Commissioners)
Vote 9 (Office of the Revenue Commissioners)
Vote 10 (Office of Public Works)

Select sub-Committee on Public Expenditure and Reform
Vote 1 (President's Establishment)
Vote 7 (Superannuation and Retired Allowances)
Vote 11 (State Laboratory)
Vote 12 (Secret Service)
Vote 15 (Valuation Office)
Vote 16 (Public Appointments Service)
Vote 17 (Office of the Commission for Public Service Appointments)
Vote 18 (Office of the Ombudsman)
Vote 42 (Public Expenditure and Reform)

Select sub-Committee on the Department of the Taoiseach
Vote 2 (Department of the Taoiseach)
Vote 3 (Office of the Attorney General)
Vote 13 (Office of the Chief State Solicitor)
Vote 14 (Office of the Director of Public Prosecutions)

(3) Referrals of Motions and Other Matters

From time to time, matters may arise and may be referred to a Select Sub-Committee by the Dáil. It is not possible to say in advance what those matters might be or when they might arise. However, there are no items currently referred to the Select Sub-Committees.

3. Joint Committee

The duties of the Joint Committee are discharged in two ways (1) there will be items of business referred to it by one or both Houses and (2) it can select business for consideration itself, from the areas within its terms of reference. In practice, the Joint Committee's work will comprise (a) the examination of EU business and (b) selected key policy priorities. In November 2011 the Joint Committee agreed to establish a sub-Committee of the Joint Committee, relative to EU Affairs on Finance Public Expenditure and Reform

(1) EU business

The Joint Committee, in recognition of the volume and complexity of EU Draft Legislative Acts and Non-Legislative Documents due to the Euro crisis [a large volume of work emanates from Europe as the crisis is considered at an Intergovernmental Level, an EU level and an EU Zone level], the Joint Committee agreed to establish a sub-Committee of the Joint Committee. The sub-Committee will streamline the work of the Joint Committee in examining both draft legislative and non-legislative proposals and meet separate to the Joint Committee. This will firstly prioritise EU related work and

secondly separate EU matters from the diverse range of national and local matters. The sub-Committee will develop its own work programme within the requirements of the Lisbon Treaty, the EU Scrutiny Act 2002, and the orders of reference of the Joint Committee.

EU Draft Legislative Acts

EU draft legislation which is under preparation will come before the newly established sub-Committee, relative to EU Affairs on Finance Public Expenditure and Reform, although it is not possible to be certain as to the timeframe.

Non Legislative Documents

Non-legislative documents should also be examined by the sub-Committee:

EU Councils

Irish Ministers attend Council meetings in their relevant policy areas, and it is intended that the Ministers will come before the Joint Committee in advance of and following the Council meetings to brief the Committee.

(2) Key policy priorities

The Joint Committee is empowered to consider such other policy issues as it may select within its terms of reference. In July 2011 the members, in contemplation of publishing a work programme, agreed that it was first necessary to establish the view from altitude, on the major issues facing the economy. Accordingly, during the period 1 – 15 September 2011 the Joint Committee met and questioned Minister Noonan; Minister Howlin; The Governor and Deputy Governor of the Central Bank; the CEOs and Chairpersons of NTMA and NAMA; the two pillar banks (AIB & BoI) and Anglo Irish Bank (now renamed the Irish Bank Resolution Corporation Limited and including the former Irish Nationwide Building Society). With this overview the members would be in a position to proactively select areas for further consideration. The headline issues related to 11 areas and are set out in appendix 3

The Joint Committee, at its meeting of 8 February 2012 agreed that for 2012 it would base its work programme on the headline issues as identified in appendix 3, but by way of four distinct modules covering matters which members would suggest for specific consideration as matters upon which the Committee would report to both the Dáil and Seanad:

Module A – Debt [sovereign, non-financial corporate and personal]

The Joint Committee is aspiring to prepare and publish two reports, as follows;

- One, with a target completion date in March 2012, on the Promissory note

- Two, with a target completion date in April 2012, on the Irish Debt Dynamic (attempting to quantify all debt).

In the course of this work, the Committee will consider the following matters as suggested by members:

- Investor debt in the housing market
- Debt burden in the 30-39 age cohort
- Bondholders and Payment of Promissory Notes
- Mortgage solutions
- Banking Debt
- Debt dynamic in the state.

Module B – Macro-economy and Budget 2013

It is an objective of the Joint Committee to prepare and publish a report on this module in the autumn. This module will also allow for engagement with the Troika, and for consideration of the Programme of Assistance under the Memorandum of Understanding (MoU). It will provide for a pre-budget debate and information exchange on different options that may be taken both on the revenue and on the expenditure sides, for example, proposals on new or different forms of revenue.

In the course of this work, the Committee will consider the following matters as suggested by members:

- How much of the €10 billion in directed EU-IMF programme funds from the National Pension Reserve Fund were used in the recapitalisation of the banks
- The amount to be paid in interest on MoU loans and to separate the interest payable on the various loans
- Proposed solutions to the economic crisis
- Monitoring and Evaluation of the Fiscal Advisory Council's economic forecasts
- Meetings with Minister for Finance and Minister for Public Expenditure and Reform to discuss the budgetary reform process

Module C – Reform

The Joint Committee plans to prepare and publish two reports, as follows;

- One, with a target completion date of June, on the Croke Park Agreement and Public Sector Reform
- Two, with a target completion date of July on Section 32(2) of the Freedom of Information Act 1997

The Joint Committee intends also to aspiring to consider the following 'themes'

- political reform
- FOI and lobbying
- Comprehensive Review of expenditure
- Sale of State Assets
- Public sector leadership – Should the generalist model be dropped.

In the course of this module the Committee will consider the following matters as suggested by members:

- Croke Park Agreement
- Public ownership of State Companies
- Public Sector Reform
- Amalgamation of State Agencies and Organisations
- Cost of Superannuation and Retired Allowances
- Sharing of information and data between Public Bodies
- State Legal Fees
- Registration of Lobbyists
- Public Sector Pensions.

Module D – Banking

The Joint Committee is aspiring to publish two reports, as follows;

- One, on the matter of bank lending
- Two, on the operation and effectiveness of NAMA

The Joint Committee will also consider the following 'themes' in the course of its work on this module:

- What is NAMA's policy in regard to pursuing developers for the full amount they owe the agency?
- Salary payments to developers.
- What is the profile of investors with access to finance purchasing properties in Ireland or other jurisdictions, are they predominantly overseas institutional investors?
- How much of the €16.4 billion came from the NPRF, and how much of the NPRF is left at the disposal of the Government to use, if it so wishes, in the form of a stimulus?

The question of an inquiry into the banking collapse and related issues will be kept on the agenda for the committee.

Agreement of Work Programme.

This Work Programme for 2012 of the Joint Committee on Finance Public Expenditure and Reform was agreed by the Committee at its meeting on 7 March 2012. In accordance with Standing Orders of Dáil Éireann and Seanad Éireann, it was agreed that the Work Programme be laid before both Houses of the Oireachtas.

It was also agreed that the Work Programme would be published on the Committee's page of the Oireachtas website.



Alex White, TD
Chairman
7 March 2012

Terms of Reference

**a. Functions of the Committee – derived from Standing Orders
[DSO 82A; SSO 70A]**

- (1) The Select Committee shall consider and report to the Dáil on—
 - (a) such aspects of the expenditure, administration and policy of the relevant Government Department or Departments and associated public bodies as the Committee may select, and
 - (b) European Union matters within the remit of the relevant Department or Departments.
- (2) The Select Committee may be joined with a Select Committee appointed by Seanad Éireann to form a Joint Committee for the purposes of the functions set out below, other than at paragraph (3), and to report thereon to both Houses of the Oireachtas.
- (3) Without prejudice to the generality of paragraph (1), the Select Committee shall consider, in respect of the relevant Department or Departments, such—
 - (a) Bills,
 - (b) proposals contained in any motion, including any motion within the meaning of Standing Order 164,
 - (c) Estimates for Public Services, and
 - (d) other mattersas shall be referred to the Select Committee by the Dáil, and
 - (e) Annual Output Statements, and
 - (f) such Value for Money and Policy Reviews as the Select Committee may select.
- (4) The Joint Committee may consider the following matters in respect of the relevant Department or Departments and associated public bodies, and report thereon to both Houses of the Oireachtas:
 - (a) matters of policy for which the Minister is officially responsible,
 - (b) public affairs administered by the Department,
 - (c) policy issues arising from Value for Money and Policy Reviews conducted or commissioned by the Department,

- (d) Government policy in respect of bodies under the aegis of the Department,
 - (e) policy issues concerning bodies which are partly or wholly funded by the State or which are established or appointed by a member of the Government or the Oireachtas,
 - (f) the general scheme or draft heads of any Bill published by the Minister,
 - (g) statutory instruments, including those laid or laid in draft before either House or both Houses and those made under the European Communities Acts 1972 to 2009,
 - (h) strategy statements laid before either or both Houses of the Oireachtas pursuant to the Public Service Management Act 1997,
 - (i) annual reports or annual reports and accounts, required by law, and laid before either or both Houses of the Oireachtas, of the Department or bodies referred to in paragraph (4)(d) and (e) and the overall operational results, statements of strategy and corporate plans of such bodies, and
 - (j) such other matters as may be referred to it by the Dáil and/or Seanad from time to time.
- (5) Without prejudice to the generality of paragraph (1), the Joint Committee shall consider, in respect of the relevant Department or Departments—
- (a) EU draft legislative acts standing referred to the Select Committee under Standing Order 105, including the compliance of such acts with the principle of subsidiarity,
 - (b) other proposals for EU legislation and related policy issues, including programmes and guidelines prepared by the European Commission as a basis of possible legislative action,
 - (c) non-legislative documents published by any EU institution in relation to EU policy matters, and
 - (d) matters listed for consideration on the agenda for meetings of the relevant EU Council of Ministers and the outcome of such meetings.
- (6) A sub-Committee stands established in respect of each Department within the remit of the Select Committee to consider the matters outlined in paragraph (3), and the following arrangements apply to such sub-Committees:

- (a) the matters outlined in paragraph (3) which require referral to the Select Committee by the Dáil may be referred directly to such sub-Committees, and
 - (b) each such sub-Committee has the powers defined in Standing Order 83(1) and (2) and may report directly to the Dáil, including by way of Message under Standing Order 87.
- (7) The Chairman of the Joint Committee, who shall be a member of Dáil Éireann, shall also be the Chairman of the Select Committee and of any sub-Committee or Committees standing established in respect of the Select Committee.
- (8) The following may attend meetings of the Select or Joint Committee, for the purposes of the functions set out in paragraph (5) and may take part in proceedings without having a right to vote or to move motions and amendments:
 - (a) Members of the European Parliament elected from constituencies in Ireland, including Northern Ireland,
 - (b) Members of the Irish delegation to the Parliamentary Assembly of the Council of Europe, and
 - (c) at the invitation of the Committee, other Members of the European Parliament.

b. Scope and Context of Activities of Committees (as derived from Standing Orders [DSO 82; SSO 70])

- (1) The Joint Committee may only consider such matters, engage in such activities, exercise such powers and discharge such functions as are specifically authorised under its orders of reference and under Standing Orders.
- (2) Such matters, activities, powers and functions shall be relevant to, and shall arise only in the context of, the preparation of a report to the Dáil and/or Seanad.
- (3) It shall be an instruction to all Select Committees to which Bills are referred that they shall ensure that not more than two Select Committees shall meet to consider a Bill on any given day, unless the Dáil, after due notice given by the Chairman of the Select Committee, waives this instruction on motion made by the Taoiseach pursuant to Dáil Standing Order 26. The Chairmen of Select Committees shall have responsibility for compliance with this instruction.
- (4) The Joint Committee shall not consider any matter which is being considered, or of which notice has been given of a proposal to consider, by the Committee of Public Accounts pursuant to Dáil

Standing Order 163 and/or the Comptroller and Auditor General (Amendment) Act 1993.

- (5) The Joint Committee shall refrain from inquiring into in public session or publishing confidential information regarding any matter if so requested, for stated reasons given in writing, by—
- (a) a member of the Government or a Minister of State, or
 - (b) the principal office-holder of a body under the aegis of a Department or which is partly or wholly funded by the State or established or appointed by a member of the Government or by the Oireachtas:

Provided that the Chairman may appeal any such request made to the Ceann Comhairle / Cathaoirleach whose decision shall be final.

**JOINT COMMITTEE ON FINANCE, PUBLIC EXPENDITURE AND
REFORM**

List of Members

Chairman:	Alex White (LAB)
Deputies:	Richard Boyd-Barrett (IND)
	Michael Creed (FG)
	Jim Daly (FG)
	Pearse Doherty (SF)
	Stephen Donnelly (IND)
	Timmy Dooley (FF)*
	Sean Fleming (FF)
	Joe Higgins (IND)
	Heather Humphreys (FG)
	Kevin Humphreys (LAB)
	Peter Mathews (FG)
	Pádraig Mac Lochlainn (SF)*
	Mary Lou McDonald (SF)
	Michael McGrath (FF)
	Michael McNamara (LAB)*
	Olivia Mitchell (FG)
	Kieran O'Donnell (FG)
	Arthur Spring (LAB)
	Billy Timmins (FG)
	Liam Twomey (FG) (Vice-Chair)
Senators:	Sean D. Barrett (IND)
	Thomas Byrne (FF)
	Michael D'Arcy (FG)
	Aideen Hayden (LAB)
	Tom Sheahan (FG)
	Katherine Zappone (IND)

Notes:

1. Deputies appointed to the Committee by order of the Dáil on 9 June 2011
2. Senators appointed to the Committee by order of the Seanad on 16 June 2011
3. *Deputy Timmy Dooley appointed on 21 June 2011 in place of Deputy Seán O' Fearghaíl
4. Deputy Alex White elected as Chairman on 23 June 2011
5. Deputy Liam Twomey elected as Vice Chairperson on 23 June 2011
6. *Deputy Michael McNamara appointed on 8 December 2011 in place of Deputy Thomas P. Broughan
7. *Deputy Pádraig Mac Lochlainn appointed on 14 December 2011 in place of Deputy Jonathan O'Brien

**Head-line issues arising from the Joint Committee meetings with
Ministers Noonan and Howlin, The Governor and Deputy Governor
(Central Bank), NTMA, NAMA, AIB, BoI and the Irish Bank
Resolution Corporation Limited.
1-15 September 2011**

**1. Anglo Irish Bank (Irish Bank Resolution Corporation Limited)
including the former Irish Nationwide Building Society**

- The time period and policies required to successfully complete the orderly wind down of Anglo.
- The support and co-operation of Anglo in engaging with the investigations being undertaken by the Director of Corporate Enforcement and An Garda Síochána.
- The steps undertaken by Anglo in relation to securing monies from the former CEO, currently residing in the United States.
- The issue of recouping the €1 million bonus awarded to the previous Chairman of Irish Nationwide and a timepiece valued at €21,000.
- The issue of Director's loans in Anglo and the total outstanding balance of these loans.
- The amount owed to the ECB, the Central Bank various creditors and bondholders.
- The effect of the saving secured from subordinated bondholders under burden-sharing and the impact, if any, on the 2012 promissory note payment.
- The issue of Board Members signing-off on Accounts when it was subsequently revealed that the balance sheet was seriously impaired.
- The issues of accounting service providers engaged by Anglo and serious anomalies in standards and practices involved in the auditing of Anglo's accounts.
- The issue of the transfer of assets by developers outside of NAMA.
- Problems relating to title of properties located outside this jurisdiction and implications arising for Anglo and NAMA.

2. Banking/Financial sector

- The Anglo Irish Bank promissory note. The projected costs of the promissory note in full when interest payments are include. Is there a way to reduce the immediate cost of the note?
- The effects of ending upward-only rent reviews would have on the banking system, NAMA and the property market.
- Burden sharing with senior bondholders
- Corporate governance and the conduct of the board of the covered institutions.
- Examine the appointed of State directors to the credit committees of banks to effect a hands-on approach. Departmental officials should be able to determine what exactly is taking place and report back to the Minister.
- Remuneration of bank officials and progress on recruiting/appointing CEO to AIB and whether the salary cap will affect the recruitment of a new CEO.
- Besides debt write-downs, are there other issues being dealt with by the banks on a one-to-one basis? What additional recommendations must come for actions that are not being taken by the banks?
- In the context of household debt, how will these figures rise or decrease, given the austerity budgets being introduced by the Government?

- Code of conduct in dealing with distressed borrowers
- That accountants and accountancy firms be investigated with respect to their signing off on the account books of banks where it appears money was being hidden or moved and/or the full position was not disclosed
- Stress tests conducted by BlackRock Solutions in March 2011 - How confident are we that those stress tests have reached the bottom of the potential loan losses at the covered banks.
- When can the banks return to the wholesale funding markets thereby ending reliance on emergency liquidity.
- When can the banks Return to private ownership
- Culture change in the Pillar Banks – Corporate Governance and the number of serving board and executive board members from the “boom time” still in place.
- Management restructuring in Pillar Banks - How many of the Board, the Executive Board and second tier management are still employed and at what level?
- Future prospects/plan for EBS?
- The policy if the Pillar Banks in response to the findings of the Vickers Report and the necessity to safeguard/ring-fence core retail operations from investment and speculative practices.
- Annual reporting and corporate governance in regard to Directors Loans.
- Extent of impairment of the buy-to let book in the Pillar Banks.
- Effect of reduction of interest rate on the EFSF loans. What, if any, are the knock-on consequences for customers and borrowers?

3. Central Bank and Regulation

- The proposals of the Central Bank in regard to debt management service providers being regulated by the Central Bank?
- Proposals for regulating pay-day loan companies.
- The Central Bank required letters of comfort from the previous Minister for Finance. Why were they requested? Is the State now liable as a result of the letters that were sent without the approval or the knowledge of the Dáil? Have those letters placed a contingent liability on the State?
- What can be done to extend the lending requirements that have been imposed on the Pillar Banks by the State as a result of the recapitalisation?
- How Central Bank view the buy-to-let market?
- Three years on from the Guarantee of the Banks the same management (Senior and 2nd tier) and board personnel continue *in situ* within the banks – what personnel change management procedures are being proposed by the Central Bank.
- What is the point in pillar banks if they also become too big to fail and what will the Central Bank do to regulate the Pillar Banks?
- Has stress testing been carried out on the impact of significant rent supplements cuts on the buy-to-let sector and subsequent repossessions?
- Will the Central Bank put in place an independent advocacy system so that distressed borrowers who are dealing with banks have the independent representation they require?

4. Credit Unions

- What impact do the Governor and Deputy Governor expect the enhanced minimum competency code and the new fitness probity regime to have on a largely voluntary movement such as the credit unions?
- The issue of lending restrictions in credit unions which are impeding growth
- Does the Regulator carry out an impact analysis of a credit union on which it has imposed lending restrictions?

- Examine the Financial Regulator/Central Bank instruction to Credit Union to invest in FRNs (floating rate notes) and how burning bond holders resulting in very substantial losses to Credit Unions with haircuts of 80% or higher.

5. General Reform issues

- Effective legislative proposals on lobbying.
- Examine the new housing policy initiated - will this now end direct social housing provision and replace it with leasing arrangements. Will this entail long-term leasing arrangements with NAMA or NAMA or developers to provide social housing; how is this good value for money?
- The ESRI estimates that the public sector pay premium is still 40%. Can the public sector pay be reduced premium under a new benchmarking process?
- The pros and cons of public asset sales. The privatisation of Eircom shows lessons can be learnt.
- Root & branch review of NAMA – Its work in taking over distressed assets; it did not recapitalise the banks to any effective extent and it lost €1.1 billion last year - is the taxpayer losing €1 billion a year to keep up property prices?

6. Macroeconomic

- Examine the medium-term fiscal consolidation path for the four-year period 2012 to 2015 which is to be published as part of the pre-budget outlook. What level of detail will be made available as part of that plan? Will it update the national recovery plan which covered the four years up to 2014 or global figures?
- Examine the ESRI suggestion that the adjustment in the 2011 Budget should be higher
- What additional steps are required to achieve a return to sustainable growth and balanced public finances and at the same time give comfort to the markets.
- The wisdom of the priority put on getting back into the private bond market. When and how should Ireland return to the international bond markets to ensure it is fully funded and however many months ahead should be funded?
- What is the national debt of Ireland at present? What is its composition between the sovereign debt and that taken-on as a consequence of the banking crisis? What is the sustainability of the debt in light of current domestic and international economic fears/projections? What will be the peak of the nominal debt value and the debt-to-GDP ratio?
- What policy tools or options are available if at the end of the current MoU Ireland is still not in a position to return to the sovereign debt markets because of prohibitively high cost of borrowing?
- Burden sharing, debt restructuring, debt forgiveness what are the policy implications
- Examine with the Central Bank/NTMA, the figure for the actual saving for 2011, 2012 and 2013 as a result of the reduction in the interest rate. Examine how the savings will be worked out – the criteria that will be used to calculate the savings?
- How much of the €10 billion in directed EU-IMF programme funds from the National Pension Reserve Fund were used in the recapitalisation of the banks in July?
- The amount to be paid in interest on MoU loans and to separate the interest payable on the various loans.
- Should the focus be to try to stimulate demand and growth to ensure a real possibility of us being able to work our way out of this crisis?

- The NAMA exercise puts the public at risk for €70 billion, how much of the €70 billion is it expected to get back?
- €12b interest payment due on a bond in 2014 – what challenge does this represent?
- The inter-bank market in Europe, is it suggested that this cease.
- Quantitative easing – if that is going to be done, what would the downside and up side issues that policy makes must take into account? How would it affect Ireland and how would Ireland deal with any inflationary problem in Ireland, the Eurozone or the wider European Union?

7. Mortgage distress

- Is the Central Bank satisfied with the way the banks are dealing with the mortgage arrears crisis? In what direction is the trend going? When will arrears peak? What criteria and policy instruments are required to work through distressed mortgages? What criteria and policy instruments are needed for banks to sanction negative equity mortgages?
- Can the limited protection in the code of conduct on mortgage arrears be extended to other forms of personal debt?
- Of the €16.4 billion injected into the banks, how much was for the purpose of projected losses that the stress test identified for domestic mortgages.
- Establish a mortgage debt resolution agency that would have the legal capacity to impose settlements on the banks. What framework/code of conduct can be put in place to address concerns regarding banks and distressed mortgage holders?
- Is the recapitalisation of the banks that has taken place sufficient to cover any restructuring or rescheduling of the mortgage loan book that will be necessary?
- Are all mortgage providers, including sub-prime providers regulated in Ireland?

8. NTMA - NAMA

- What is the NAMA's policy in regard to pursuing developers for the full amount they owe the agency?
- Salary payments to developers.
- What is the profile of investors with access to finance purchasing properties in Ireland or other jurisdictions, are they predominantly overseas institutional investors?
- Transfer of assets by developers to family members prior to the enactment of the NAMA legislation can these be reversed, if necessary, through court action or is amending legislation required. How many such transfers have been reversed and if they have been voluntarily reversed? In regard to comments that the developers will not be able to buy back their properties at haircut prices, what is the policy within NAMA to ensure that this happens – does this need legislation?
- How much of the €16.4 billion came from the NPRF, and how much of the NPRF is left at the disposal of the Government to use, if it so wishes, in the form of a stimulus?
- What is the value of the debt that has already been extended by NAMA to developers?
- Under section 2 of Part 8 of the Act, there is a requirement to contribute to the social and economic development of the State, how is this being delivered by NAMA
- Has NAMA, in regard to houses acquired, explored the transfer of such properties to local authorities?
- Upward-only rent reviews could reduce the cost of commercial property, how will this impact on NAMA?

- Examine the valuation date of 30 November 2009 set by the agency and the cost of changing the date.
- will NAMA include non-real estate assets such as art, helicopters and cars in its published monthly enforcement properties list
- The effect NAMA may have on competition, particularly in the hotel but also in other sectors?
- Does NAMA require new bankruptcy laws before it can deal with developers who are ultimately insolvent?
- How would the value of assets drop by 20% in circumstances where there was no rent review?

9. Department of Finance

- Review the Wright report [and the report of the Joint Committee on Finance (30th Dáil) - Report on Macroeconomic Policy and effective fiscal and economic governance] in terms of a renewed budgetary process; enhanced ministerial accountability to Parliament; the Government's fiscal plan, releasing more departmental analysis to inform public debate and providing third party validation of departmental analysis and the Government's fiscal plan through a fiscal council.
- Examine the issue of the 'professional qualifications' of the staff of the Department of Finance - the Wright Report mentioned that of the 542 staff in the Department of Finance, only 39 were trained as economists (7% of staff), this compares to Canada at 60% and the Netherlands at 40%.
- Review the probity and operational culture of the Department of Finance which advised Wright that it drew attention to the dangers the economy faced but did that the Department did not put this advice in writing.
- Review the level of increase, if any, in employment levels following the VAT reduction, in particular, in employment levels in the catering and tourism sector.
- Pause capital expenditure and reintroduce a proper public capital programme that reflects the economic reality.

10 Department of Public Expenditure and Reform

- Difficulty (taxation and legislatively) with regard to pension provisions for people stepping from the private to the public sector. Pensions are portable within the private sector. Portability of pensions between the Public and Private Sectors must be addressed.
- Focus on public sector leadership that embraces a changes vision/culture of public service performance within both the Civil Service and the wider public service – Should the generalist model be dropped.
- The capital projects that are going ahead should be fully re-costed in the context of lower costs and access to international capital markets.
- Will a framework be used to identify the highest priority capital projects and what gets the green light for spending?
- Will the relevant Department produce a technical appendix, so that these decisions and costs can be evaluated externally?
- Is a 'decision criteria' being used to decide what should be cut and what should be proceeded with?
- A critical criteria for programme support should be based on growth, employment and the meeting of compelling social needs. Should these be given equivalent weight?
- What does compelling social need mean and how is it determined?
- Review the first annual report on the Croke Park agreement.
- Examine and report on how to empower public servants to take responsibility for decisions taken.
- The comprehensive spending review - what is the timeframe and who will do the work? In regard to public sector numbers, what controls does the

Minister have in place to ensure that the reduction in public sector numbers comes from appropriate areas and does not impinge on front-line services?

- Agencies that are in receipt of public money must account for its distribution in the accountancy sense and, secondly, must indicate the deliverable achieved on foot of the funding and the impacts generated. A feature of recent years was not ascertaining whether fund allocated actually produced the result expected.

11 Small and Medium Enterprises

- Consider/review the report of the independent review group the Minister is setting-up on lending to SMEs
- Examine the issue of how the Pillar Banks are not helping the SME sector. The claim is advanced that there are no viable business plans coming forward with a reality being the lack of demand for loans. Is the practice of demanding personal guarantees from customers still a policy of the Pillar Banks?
- Examine The Credit Review Office report and the independence of data.
- Review how many UK suppliers may be reticent slow to extend credit to Irish companies exporting to the UK.
- The difficulty for exporters getting credit because of the image of Ireland.
- Set up fund similar to the stabilisation fund that was set up to deal with the currency crisis in the past.
- The effects the black market has on the economy
- Examine the pillar banks (the €3 billion funds of each bank) in regard to lending to the SME sector and statistics on business/commercial loans applications refused.
- Examine in terms of regulation, the consistency of treatment of customers by banks. Customer should know exactly how an application for credit will be assessed.