



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Déardaoín, 23 Deireadh Fómhair 2014*

*Thursday, 23 October 2014*

Chuaigh an Leas-Cheann Comhairle i gceannas ar 9.30 a.m.

***Paidir.***

***Prayer.***

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## **Business of Dáil: Motion**

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

That notwithstanding anything in Standing Orders Private Members' business No. 158, motion re: Irish Water (resumed) shall be taken from 10.45 a.m. today to 12 noon and shall resume after Order of Business and shall conclude after 90 minutes.

Question put and agreed to.

## **Ceisteanna - Questions**

### **Priority Questions**

#### **National Broadband Plan Implementation**

1. **Deputy Michael Moynihan** asked the Minister for Communications, Energy and Natural Resources if he will provide an update on the national broadband mapping project; the actions he will take to improve broadband services in rural Ireland; and if he will make a statement on the matter. [40484/14]

**Deputy Michael Moynihan:** Will the Minister provide an update on the national broadband mapping project, the improvement of the broadband service particularly in rural Ireland and parts of urban Ireland, and the entire broadband agenda?

**Minister for Communications, Energy and Natural Resources (Deputy Alex White):** Through the national broadband plan, NBP, the Government aims to ensure that high speed broadband is available to all citizens and businesses in Ireland, through a combination of commercial investment and a State-led intervention. The commercial telecommunications sector is currently investing approximately €2.5 billion in network upgrades and at least 1.6 million of the 2.3 million addresses in Ireland are expected to have access to commercial high speed

broadband services over the next number of years.

Under EU state aid guidelines member states cannot intervene where commercial investors have plans to roll out services. My Department is currently finalising a national map which will identify those areas that require State intervention. An initial examination has already identified a significant number of areas that will require State intervention.

As part of the mapping process, a stakeholder consultation was launched in June. Some 32 submissions have been received and non-commercially sensitive versions of these responses are due to be published by my Department this week. I expect to publish the map shortly. Those accessing it will be able to identify their own house or premises and see whether it is in the proposed intervention footprint. Where a house or premises is not in the proposed intervention area it means it either currently has or will in the near future have access to commercial high speed broadband services. The map will be subject to change as new information becomes available or commercial investments are announced in the future.

A further public consultation on a detailed intervention strategy will be launched in mid-2015. The Department is also working closely with the European Commission with a view to obtaining state aid clearance for the programme.

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

A detailed procurement process will be undertaken in order to select a potential preferred bidder or bidders towards the end of 2015. This complex and ambitious project is a key priority for the Government. It aims to conclusively address current connectivity challenges in Ireland. Our goal is to ensure that quality broadband services are available to all citizens regardless of where they are located.

**Deputy Michael Moynihan:** When the national broadband mapping project and its details were announced in April 2014 the EU state aids guidelines were not mentioned. When will we get clearance from the EU? There is a huge problem with broadband. Every day people contact me about it. Some providers have been contacted continuously since mid-July about broadband, Eircom and others and complaints made to the Commission for Communications Regulation, ComReg. The Minister and the Government need to take a hands-on approach. The Minister said that he hopes to announce this later this week but today is Thursday, when this week does he hope to make this announcement? When will the mapping happen?

**Deputy Alex White:** I did not say I would make any particular announcement this week. I said we would publish the results of the consultation and the various submissions we received on the website this week. In respect of the map I said it would available shortly. I expect that to be during the month of November.

The state aids aspect could not be new to the Deputy. The state aids rules are well known and have been in place for several years. There are constraints on what any member state can do to intervene in the market because these services are largely provided by the private sector. Where the private sector says it will not or cannot go because it will not make a profit it is up to the State to intervene. The Deputy is right about that. I appreciate his frustration and that of many around the country at how long these interventions are likely to take but I want to give the House an insight into the sort of work we are doing. The Deputy asked me to take a direct hands-on approach. I give him an absolute assurance that is what I am doing, directly as Minister, leading this process in the Department.

Over the coming months we need to do a comprehensive cost-benefit analysis to underpin the funding we need; assess the likely final net cost to the State; assess how the funding is to be secured, whether off-balance sheet and how the funding model might impact on the Exchequer balance sheet; assess whether infrastructure financed through State funds should be owned by the State or a commercial company; decide whether we go with a winner-takes-all approach such as one contractor, or divide the competition into lots; decide the likely contract duration for the future; assess how service quality is to be measured; decide the governance arrangements for the contract given the long-term nature of the intervention we intend to make; assess the impact of the intervention on the telecommunications market in Ireland, for example the impact on the universal service provision for voice telephony; prepare a database of assets or State agencies whose assets are available for use by telecommunications operators; finalise the intervention map; and formalise the EU state aid provisions. There is a myriad of activities required.

**Deputy Michael Moynihan:** Is it nearly time that the Government considered a public service obligation for broadband, similar to that for voice telephony which the Minister mentioned, such that broadband must be delivered to every community? The time is coming for serious action on this.

I raised this as a Topical Issue matter some weeks ago in respect of Banteer. I am inundated with queries from communities, including Castlemagner, in north Cork and from Rockchapel where there is no broadband in the school. We need to see the Commission for Communications Regulation and the Minister getting involved as part of a whole-of-government approach to this issue, which is critical if we are to ensure there is sustainability within local communities. I welcome the Minister's statement that he will take a hands-on approach and that the Department will play a lead role. It is time to look at what we can do from a legislative perspective to ensure broadband is accessible to every household in the State.

**Deputy Alex White:** Unfortunately, it is not the kind of initiative that simply passing a law will make happen. While I agree with the Deputy that this is urgent and important - we can all agree with that - I am aware that the passing of legislation, of itself, will not make this happen. The Deputy knows it is more complex than that. I am not sure what precisely he is proposing when he suggests there should be a public service obligation in respect of broadband. On which entity would such an obligation rest? I do not know precisely what is being suggested. The Deputy has rightly taken a close interest in this issue, as I have. Almost every day, I make an inquiry in my Department about this critically important issue and discuss it with my officials. The Deputy is right to say that it is of enormous importance for communities, individual citizens, business, tourism and a range of activities, particularly in rural Ireland.

**Deputy Michael Moynihan:** Schools.

**Deputy Alex White:** Absolutely. We have made very good progress in the secondary school system.

**Deputy Michael Moynihan:** Primary schools.

**Deputy Alex White:** Absolutely. Broadband is a critically important requirement for communities, citizens and businesses right across the board. We will deliver it. People are probably looking for fewer announcements from me and more delivery

**Deputy Michael Moynihan:** That would be great.

## Hydraulic Fracturing Licence Applications

2. **Deputy Michael Colreavy** asked the Minister for Communications, Energy and Natural Resources if he will consider ending Tamboran's licensing option for hydraulic fracturing considering similar moves in the Six Counties. [40556/14]

**Deputy Michael Colreavy:** The Minister of State, Deputy McHugh, is probably aware of the activities of Tamboran Resources in Belcoo over the last seven or eight weeks. It came like a thief in the night and announced that it was going to start exploratory drilling. Thankfully, the Northern Ireland Minister, Arlene Foster, stopped the company's work because the quarry it was going to drill in Belcoo did not have planning permission. Tamboran Resources is now taking legal action against the Northern Ireland Executive. Have we learned anything from that and from the actions of Tamboran Resources? I refer to the activities it is about to engage in against the Six Counties.

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Joe McHugh):** A licensing option confers upon the option holder the first right, exercisable at any time during the period of the option, to an exploration licence or licences over all or part of the area covered by the option. I can confirm that in accordance with the rules governing the two-year licensing option granted to Tamboran Resources in March 2011, the company exercised the right conferred upon it by the option and submitted an application for a follow-on exploration licence prior to the expiry of the licensing option in February 2013. In summary, the period of the licensing option ended almost 20 months ago and the right to apply for an exploration licence has been exercised.

Successive Ministers and Ministers of State at the Department of Communications, Energy and Natural Resources have confirmed that they will make no decision on such an application pending the outcome of the Environmental Protection Agency's research programme into the use of hydraulic fracturing. This research, which commenced recently, is expected to conclude in 2016. It has been made clear to the company that no decision will be taken on any application that proposes the use of hydraulic fracking in exploration drilling until the EPA research programme has been completed and the Government and other interested parties have had time to consider its findings. The appropriate time for making decisions on the issue of hydraulic fracturing will be after there has been an adequate opportunity to reflect on the findings of the EPA research.

**Deputy Michael Colreavy:** I thank the Minister of State for restating the current position. We are on the hind foot in relation to hydraulic fracturing. I do not understand why expressions of interest were even requested in the first instance. I do not know what persuasion or logic was used when it was decided to look for expressions of interest, nor do I know what persuasion or logic was used in order to issue the exploratory licences. I am aware that an energy company in Canada has taken legal action against a state government that exercised its right to keep a clean environment. It is clear that Tamboran Resources, and companies like it, will take legal action against this State if it does the right thing by protecting our environment and our tourism and agriculture interests. By delaying a decision to ban fracking entirely, we are facilitating a company to take legal action against the State.

**Deputy Joe McHugh:** As the Deputy knows, and as the previous Minister of State confirmed, the situation at the moment is that no decision on an application of this nature will be made in advance of the outcome of the EPA research. It is important to point out that there

were many meetings during the summer. When I was in the Deputy's part of the world, which is quite close to the Border, I met some of those who have concerns. This is also an issue in Northern Ireland. It is important to mention that there is a Northern Ireland element to the EPA study, which will take at least two years. The Northern Ireland Department of the Environment and Queen's University are involved in it. My own opinion is that it is possible that the study will take longer than two years. It is important for us to be kept up to speed at each step of the research programme. I have asked my officials in the Department to ensure we do not close the door and let the EPA carry on with its study for a period of two years or more. We have to build an information-sharing exercise and a review option into this process. It is important to point out that this is a North-South study, in real terms. It affects places on the other side of the Border that are quite close to Deputy Colreavy's home area. There are concerns on both sides of the Border. It is important to reiterate that no decision will be made for at least two years until the study of this sector is completed.

**Deputy Michael Colreavy:** I understand the Minister of State's response, which is in line with what he has said previously. I repeat that we are on the hind foot. I am not blaming the Minister of State or this Government for that. They were handed a poisoned pup. Expressions of interest should never have been requested. Research should have been done before expressions of interest were sought or exploratory licences were granted. The current indecision is facilitating a company to prepare for legal action against this State. When that happens, somebody will stand here - it might be me - to say "I told you this company would do this". We need to acknowledge that those expressions of interest should not have been sought and those exploratory licences should not have been issued. We should ban fracking from the island of Ireland now. We should not let the company put forward the case that we built up its expectations through indecision. That is what we are doing.

**Deputy Joe McHugh:** The option was built into the first licence. An application was made for a follow-on licence. That was 24 months ago. Nothing has happened. The timeframe of the EPA study will decide whether a licence or follow-on licence application will be considered. I will state categorically again that such an application will not be considered. Previous Ministers and Ministers of State have emphasised this. I am reiterating it again today. The EPA study began in August of this year. It will last a minimum of two years. It will probably take longer. I have said on the public record that I have my own concerns about the whole area of hydraulic fracturing. We have to use the political mechanisms that are in place, such as the North-South Ministerial Council. The partnership model that is in place is headed up by the EPA and involves its counterparts in Northern Ireland as well as Queen's University and the Northern Ireland Department of the Environment. We should use this opportunity to exhaust all avenues of research and opinion on the impact of this activity on the two pillars of environment and health. That needs to be done comprehensively. Let us also build in a review option during the study instead of handing it over for a period of two or more years. In that way, the House or the joint committee would have an opportunity to make an input or give feedback.

**Deputy Michael Colreavy:** I would welcome that.

**An Leas-Cheann Comhairle:** Before I call Deputy Boyd Barrett, I ask Members to watch the clock, please.



## Alternative Energy Projects

3. **Deputy Richard Boyd Barrett** asked the Minister for Communications, Energy and Natural Resources his views on the conversion of Moneypoint power station to biomass as a move towards meeting our European targets for renewable energy; and if he will make a statement on the matter. [40482/14]

**Deputy Richard Boyd Barrett:** My question concerns the raging debate about the need to consider options such as biomass as opposed to plans for industrial wind farm, which have been the subject of much of the focus. Some €3.8 billion is planned to be spent on boosting our transmission system to facilitate controversial large wind turbines. There are major arguments against this and I do not have the time to go through all of them, but many people believe that this is not the best route to take. For example, the simple measure of converting Moneypoint to biomass would go a long way towards meeting our greenhouse emission targets at a fraction of the cost of industrial wind farms. Is the Government considering this option and what is its response?

**Deputy Alex White:** This is a timely question, what with the European Council meeting today and tomorrow about targets, so I thank the Deputy for raising the issue.

The 2009 EU renewable energy directive set Ireland a legally binding target of meeting 16% of our energy requirements from renewable sources by 2020, to be achieved through 40% renewables in electricity, 12% in heat and 10% in transport. Policy interventions are designed to incentivise the market to deliver the necessary renewable generation capacity. The REFIT schemes are the primary means through which electricity from a range of renewable sources is supported in Ireland. These schemes are paid for by electricity customers through the public service obligation.

Although wind energy is expected to contribute most towards the achievement of the 2020 target, diversification of the renewable generation portfolio in the longer term will be important for creating a sustainable and carbon-free electricity system. Biomass will have a role to play and, depending on electricity demand, the full implementation of current policies could mean that up to 5% of electricity might be generated from biomass in 2020.

The choice of technology is, however, a commercial decision for individual project developers and the fuel used in the plant at Moneypoint is a matter for the operator. I have no role or function in that regard. Notwithstanding this, I am advised that a number of important issues would demand further consideration before biomass could be used at Moneypoint. These include the following: the conversion of Moneypoint to biomass would require significant levels of capital investment by the operator; support tariffs substantially higher than those available for wind, which has been the most cost-effective renewable technology in the Irish electricity market, would also be required, which would lead to increased electricity prices; substantially more biomass than is available domestically would be required, with large amounts of the resource having to be imported, leading to questions about sustainability and security of supply; and the commitment of substantial amounts of biomass to Moneypoint would divert scarce biomass away from the renewable heat sector where biomass can be used more efficiently and where fewer alternative technologies exist.

As I have stated, any decision on the choice of technology in Moneypoint is a matter for its operator, having regard to national and EU energy policy.

**Deputy Richard Boyd Barrett:** We must consider matters such as this holistically. We plan to spend €3.8 billion to boost the transmission system so as to facilitate plans for industrial wind farms. This affects people in the midlands, but there is also major concern about and opposition to the proposal to build one of the world's largest wind farms on the Kish bank in Dublin Bay. Conversely, it is estimated that it would cost approximately €380 million to convert Moneypoint, just 10% of our planned spend. It is true that there is not enough biomass in the country to fuel it, but it is also true that the largest coal-burning plant in Britain was recently converted to biomass and has found a source of biomass to supply it at a fixed, reasonable cost.

There are strong arguments to the effect that biomass is much better at helping countries to meet targets. We would need to expand our biomass capacity indigenously, but it is important to note that Coillte has a significant amount of land that could be developed to expand biomass. According to the McCarthy report, 500,000 acres of its land are not being used to grow trees.

**Deputy Alex White:** I am interested in all of the issues that the Deputy raised and I genuinely thank him for doing so. The Green Paper on energy was published this year by my predecessor, Deputy Rabbitte, and we are moving towards having a White Paper in the middle of next year. I want the involvement of all Members across the House in this issue.

Deputy Boyd Barrett is right about the concerns, particularly in rural areas, regarding wind turbines. I understand, appreciate and respect those concerns. However, we must make decisions for the country's future. If we pull back from wind energy, we must replace it with something else. I am glad that the Deputy acknowledges this. It is easy to say that we should pull back from wind energy without offering an alternative but, in fairness to the Deputy, he proposed biomass. We have considered it. The argument is that the conversion of Moneypoint would cost in the region of €380 million, but that figure has not been independently verified. Regardless, it is a matter for the operator. The Moneypoint facility cannot burn biomass currently, so an investment would be required. One would also need to consider the question of state aid approval in respect of any new support for biomass. Were the targets for biomass similar to our targets for wind energy, there would be a significant additional cost. As such, there would be a knock-on cost for the consumer and the State. These are the issues with which we must wrestle.

**Deputy Richard Boyd Barrett:** I welcome the Minister's statement that we must get together to discuss this matter. Many people with enthusiasm for, knowledge of and interest in this issue must be included urgently. If we do not believe that industrial, large-scale wind farms are the answer, we must develop alternatives. We need that debate quickly. I am convinced that the industrial wind farm model does not give the best value for money and is not the best way to reduce carbon emissions. Although it needs to be investigated, biomass appears to be a better option in the long term and more appropriate for this country, in that we are capable of growing trees at a fast rate and have a great deal of land on which to do so. For example, Coillte has 500,000 acres of land with which it is doing nothing. We could utilise that land to develop alternative forms of renewable energy.

**Deputy Alex White:** The Deputy's argument is a compelling one, but the other aspect of this debate that we must understand is that biomass, unlike wind, is a scarce resource. We published a bioenergy plan some time ago. Perhaps the Deputy might read it. The view is that biomass is more likely to have a significant role in the heat and transport sectors as opposed to the areas the Deputy is advocating. I am willing to have this debate, but it should be based on facts and evidence. I respect and understand people's concerns about wind energy, particularly



turbines, but we must also recognise that we have targets to achieve by 2020. If we pull back from one route, we must take another. Wind has proven to be the most accessible and cheapest form of renewable energy in the State so far, but if we can come up with an alternative, let us debate it together and see how we manage.

## Post Office Network

4. **Deputy Michael Moynihan** asked the Minister for Communications, Energy and Natural Resources his plans to secure the future of the post office network here; the impact that the Government's e-payment plan will have on post offices; and if he will make a statement on the matter. [40485/14]

**Deputy Michael Moynihan:** My question concerns all issues relating to the post office network, which is at a crossroads according to the information I have received from postmasters and postmistresses around the country. Will the Minister outline his plans to secure the network's future?

**Deputy Alex White:** It is Government policy that An Post should remain a strong and viable company, in a position to provide a high-quality postal service and maintain a nationwide customer-focused network of post offices in the community. The network stands well positioned to become the front-office provider of choice for Government and the financial services sector for both electronic transactions as well as the more traditional over-the-counter transactions. However, it would be wrong to ignore the significant challenges posed to the future of the post office network in the current economic climate while also taking account of changes in technology and general retail behaviour. The future of the post office will only be secured by its continuing to provide services that large numbers of people and business users want to use and that are sustainable in the long term.

*10 o'clock*

Action 6 of the policy document, Supporting Public Service Reform: eGovernment 2012-2015, states: "Public Bodies will continue to push out e-payment facilities appropriate to their customers' requirements". In line with this, the Department of Social Protection has developed its payment strategy, which lays out a roadmap for a progressive movement towards increased use of electronic channels in the disbursement of welfare payments. The progressive change to the use of electronic transfer for social welfare payments is one factor being considered in the whole-of-Government review of the scope for providing additional public services through local post offices. This process is currently under way under the auspices of the Cabinet committee on social policy. An Post is aware that this review is ongoing and engagement with the company is being undertaken when and as appropriate. I have also discussed this matter recently with the Irish Postmasters' Union, which was highly receptive to exploring avenues for securing new lines of business for the network.

**Deputy Michael Moynihan:** The current position in respect of the post office network is that information is emerging that An Post intends to cut the remuneration packages for postmasters. Moreover, An Post appears to be playing a game in communities throughout the country. While I do not know what game it is playing, in the case of postmasters and postmistresses who are considering their future but who wish to ensure the post office will remain within their community, even though these post offices are viable, An Post will not give a guarantee that they

will be tendered for or maintained. An Post is stating it is necessary to go through the consultation process and I fear this process may simply be a smokescreen or a box-ticking exercise. As I have stated in this Chamber many times previously, it is time for Members to accept the need for a public service obligation in order that the An Post network be maintained and the company should then pursue the business. Moreover, in those communities in which postmasters and postmistresses are considering their own futures, it is time for An Post to be upfront at the outset. It must agree to tender and to seek expressions of interest and that because the post office in question is viable, it will be maintained. It should stop playing this mind-game with communities nationwide.

**An Leas-Cheann Comhairle:** I will come back to the Deputy.

**Deputy Alex White:** That is the second new public service obligation the Deputy has advocated since 9:30 a.m. Public service obligations of course must be sustained and must be paid for by somebody and whether it be the customer or the State, someone must carry the cost. That said, I understand the Deputy's point. I had a good meeting with representatives of the Irish Postmasters' Union some weeks ago and they clearly were concerned about a number of issues such as, for example, the general move to e-payments because in their view, which they put directly to me, any reduction in the value of the social welfare contract would affect both their income levels and the number of viable post offices. The offices most at risk are the smaller rural offices. However, I emphasise again there is no Government plan to close post offices. I recall again that the number of post offices closed since the present Administration came to office is 17, whereas the number closed between 2004 and 2011 was 345.

The Government is taking this issue very seriously and it will be addressed by the Cabinet committee on social policy. It had an initial consideration of the network at its meeting on 28 April last. I am unsure when the next meeting is scheduled - I should have checked before coming into the Chamber - but I believe it will be within the next couple of weeks, during early November, when all these issues will be addressed.

**Deputy Michael Moynihan:** At the outset, the reason I used the phrase "public service obligation" is because I feel so strongly that both broadband and An Post's services should be available to every community and citizen in the State. I believe the State has an obligation to make sure these services are available, whether one lives a mile from O'Connell Street or in a remote rural area. The Minister has met representatives of the Irish Postmasters Union, which has rightly been advising postmasters and postmistresses on what is the perceived policy of An Post. Has the Minister met An Post? Has he put it to the company fairly and squarely that it appears to be playing a game with communities throughout the country in respect of their post offices? I refer to viable post offices that have transactions going through them and have a community to maintain them. It is time that An Post gave a commitment that it will seek expressions regarding tenders and will retain such a post office within a community. The Minister must talk to An Post and explain to it that if it is Government policy to maintain the post office network, An Post as an agency of the State must continue that policy and deliver it. In addition, when will the whole-of-Government report that was commissioned by the Minister's predecessor come to a conclusion and when will Members have a discussion on it in this Chamber?

**Deputy Alex White:** I have met representatives of An Post and I do not accept or certainly have no information available to me to suggest that a game of any kind is being played, as suggested by the Deputy. All Members wish to achieve the same outcome and want a service to be available as universally as possible nationwide. However, one must recognise the changes that

have taken place in the pattern of living, of doing business and of economic activity at a local level in particular. Therefore one must try to match the compelling imperative of maintaining a post office network nationwide with the economics of the current position and this is what the Government is trying to do. The Departments and agencies of the Government must be involved in terms of the business being there for the post office network but I do not believe the post office can rely solely on that. There is an obligation all round for all stakeholders to ensure the maintenance of a viable post office network. This is what the Government intends to do and the Cabinet committee will report as soon as possible.

### **Public Service Obligation Levy Application**

**5. Deputy Richard Boyd Barrett** asked the Minister for Communications, Energy and Natural Resources if he will provide a detailed explanation of what is being done with the revenues generated by the public service obligation charge on gas and electricity bills; the amount of money being generated by this charge; and if he will make a statement on the matter. [40483/14]

**Deputy Richard Boyd Barrett:** The Minister can see there is a theme to all my questions today on the area of renewable energy.

**Deputy Alex White:** Yes, I had noticed that.

**Deputy Richard Boyd Barrett:** This particular aspect relates to the public service obligation. As the Minister is aware, there is much anger about sneaky, regressive charges imposed on people in respect of property, parking, water or whatever. I seek detailed information about what is actually happening to the public service obligation levy of €64 per annum that is imposed on people's electricity bills. The levy increased by 50% this year, which is another burden on many hard-pressed families. Where is the money going because it is increasing the cost of living for people? I acknowledge the need to meet our sustainable energy targets but I have concerns or suspicions about where this money is going and whether it is being used in the best way to develop renewable energy and a secure energy supply for this country.

**Deputy Alex White:** While a healthy scepticism is always important, in this case I believe being suspicious is going a little too far. However, I thank the Deputy for the question and will explain this to him as best I can. The public service obligation, PSO, levy has been in place since 2001 and is the overall support mechanism for electricity generation constructed for security of supply purposes, including peat generation, and for the development of renewable electricity. It is levied on electricity customers only and there is no PSO levy associated with gas bills.

**Deputy Richard Boyd Barrett:** I apologise; that was a mistake.

**Deputy Alex White:** That is okay, it is just for the record. The levy is designed to compensate electricity suppliers for the additional costs they incur by purchasing electricity generated by PSO-funded producers. The PSO levy is vital to enable Ireland meet its 40% target for electricity generated from renewable sources by 2020, which in turn is important for the achievement of Ireland's 16% EU 2020 target for renewable energy.

The Commission for Energy Regulation determines the PSO levy, which is a charge on all

electricity customers without exception. The legal basis for the PSO levy and its method of calculation are set out in regulations made under the Electricity Regulation Act 1999. The annual levy amount for 2014-15 is €335.4 million. This equates to €64.37 per annum for residential customers, €221.66 per annum for small to medium-sized business customers and €34.20 per kilovolt-ampere, kVA, for medium and large customers.

The biggest driver for the levy rise for this year is the lower predicted wholesale market electricity price, which is currently estimated to be approximately 10% lower than last year. This results in lower predicted market income for the plants. In other words, if the wholesale price falls, the plants involved get less for what they are selling. Consequently, there is a lower predicted market income for those PSO plants and therefore, a higher levy is required to cover their allowed costs. The lower wholesale electricity price is currently being driven by lower international gas prices which we have seen since spring of this year. If these lower gas and wholesale prices are sustained, it will reduce the wholesale cost of electricity that suppliers pay. It is a bit complicated. I might come back to it later.

**Deputy Richard Boyd Barrett:** I need to study the Minister's answer carefully, and I can see it contains quite a lot of detail. What I want to know is the extent to which this money is being used to subsidise private companies. There are many aspects to the anger around Irish Water but one aspect is that money out of people's pockets could be going into the pockets of highly paid executives and consultants and into what is legally a private entity which might be privatised further down the road. Essentially, we are subsidising making other people very rich. I want to know if that is happening with the public service obligation levy. Is the money going into the pockets of private companies? How much of it is going into the pockets of private companies? What are they doing with the money? Is it being used to pay people exorbitant salaries, big bonuses and God knows what else and to make other profits for the shareholders in private companies? I want to know that detail. Can the Minister give us information on the companies that are getting it?

**An Leas-Cheann Comhairle:** I will come back to the Deputy.

**Deputy Alex White:** It is in the nature of a subsidy because if the prices these plants can obtain in the wholesale market for their product go down, they have been given a guarantee that the price will be kept at a certain level. We do that for a public interest reason, not just to put money in the pockets of independent commercial people but to ensure we keep up our production of renewables in the country. There is a public interest in doing that. They are private companies. The Deputy can describe it as a subsidy to private industry. I cannot disagree that that is what it is, but it is done for a public interest, which is to ensure the particular plants we want to see operating and the renewables we want to see produced actually happen so that we can keep to our targets, reduce our dependence on fossil fuels and increase our dependence on renewables. That is one of the reasons. It is true that these are private companies but the State does not run industry in this country. Obviously, we have the ESB, which is a hugely successful commercial semi-State company, but for us to vindicate the public interest, for example in regard to renewables, we must have this subsidy system in place, and we have had it in place since 2001.

**Deputy Richard Boyd Barrett:** Exactly. We have the ESB, Coillte and Bord na Móna, all of which are hugely successful, and we at least have some capacity to have oversight of those, although I believe we need more, but what oversight is there of private companies? There is fury and anger over the bonus culture in Irish Water, the salaries of its chief executives, the

potential that we are subsidising a private company and so on. The Minister is aware of the anger about that. What is going on with €300 million of public money coming out of people's pockets? To whom is it going? Is there any oversight of the way it is being spent? Is this the best way to do it rather than through our own semi-State companies that we own, where all the benefit and value comes back to us and over which we have some real oversight? There have been allegations of political cronyism, particularly in the area of the wind turbine business, that people are in senior positions in that business who have political connections to the Government parties. We need transparency on this and I want to know who the companies are, the mechanisms that are in place to make sure this money is not just being put into consultants' pockets or going towards the payment of big salaries, bonuses and so on. Can we get detailed information?

**Deputy Alex White:** I have no political connections with any of the companies-----

**Deputy Richard Boyd Barrett:** I am not saying the Minister does.

**Deputy Alex White:** -----and I am not aware that my party or any of the parties in government have such connections. I can give the Deputy a table - there is no point in reading it out here - of different entities and bodies that benefit from the public service obligation, PSO, contract and the various relevant figures for 2014 and 2015, and for 2010, 2011 and 2012. I have that in front of me and can furnish the Deputy with it.

**Deputy Richard Boyd Barrett:** On the question of oversight.

**Deputy Alex White:** These are essentially price guarantees. I come back to my earlier point. There is a public interest in ensuring we produce renewables and that this occurs in our system. Effectively, it is a price guarantee. The oversight the Deputy is calling for is to ensure the money that comes out of the fruits, so to speak, of the PSO achieve what it needs to achieve, and I am satisfied that it does. I am satisfied that this does no more than what it says on the tin, which is effectively to be a price guarantee for these companies. It is another issue. We could have a general debate about private sector bad, public sector good, and I am always interested in participating in it. We will not nationalise all of these companies, much as the Deputy might like us to do. That is not realistic, but we can have the debate. I welcome the Deputy raising this issue.

**An Leas-Cheann Comhairle:** We have to make some progress so I am moving on to Other Questions.

## **Other Questions**

### **Renewable Energy Generation Targets**

6. **Deputy Richard Boyd Barrett** asked the Minister for Communications, Energy and Natural Resources his plans for meeting our renewable energy targets; and if he will make a statement on the matter. [40410/14]

**Deputy Richard Boyd Barrett:** The thread of these questions continues so I might take up where I left off. A major concern is that private wind energy companies is not the best way



to invest our money in terms of developing renewable energy. In an article in *The Irish Times*, which the Minister probably read, Dr. Anthony White, who is the co-founder of BW Energy and is a low carbon and power market specialist, stated:

If wind power is so cheap, why does it need special treatment, in the form of guaranteed feed-in tariffs, and why are Ireland's household power prices today 20 per cent higher than the European average?

If it is so "green", why have Ireland's CO<sub>2</sub> emissions per kWh from power generation actually increased since 2009.

Those are serious questions.

**(Deputy Alex White):** The 2009 renewable energy directive set Ireland a target of meeting 16% of total energy demand from renewable sources by 2020. I will skip over the figures I gave earlier to the House.

There is currently over 2,400 MW of renewable generation connected to the Irish grid. It is estimated that a total installed capacity of between 3,500 and 4,000 MW will be required in 2020. This is renewable generation from whatever source. Around 3,300 MW of additional renewable generation, predominantly from wind generation, has accepted grid connection offers. However, achievement of the renewable electricity target will be challenging. In order to achieve 40% target by 2020, an increase in the rate of build of both renewable generation infrastructure and the electricity transmission network will be required. Comprehensive engagement with local communities on the benefits for citizens of realising the potential of our indigenous renewable electricity resources will be essential to the roll-out of the infrastructure required.

Progress towards the renewable heat target is also proving challenging. Estimates by the Sustainable Energy Authority of Ireland show that current policies will not deliver fully on our target of 12% renewable energy in the heat sector by 2020. In this regard, the analysis underpinning the draft bioenergy plan I mentioned earlier, which was published this month, sets out how an additional bioenergy focused measure in the heat sector would be a cost effective means of meeting Ireland's renewable energy heat target. The draft plan recommends, subject to State aid clearance and further Government approval, that a renewable heat incentive would be introduced in 2016 that would incentivise larger heat users to convert to renewable heating solutions.

The deployment of sustainable biofuels, as the Deputy is advocating, through the biofuels obligation scheme, will be the primary mechanism through which progression to the target for renewable transport will be achieved as well. Increased deployment of electric vehicles will also contribute towards the target of 10% of the energy in transport from renewables.

**Deputy Richard Boyd Barrett:** I have made the point. Serious questions need to be answered, and Dr. Anthony White raised some serious questions about whether the significant investment of €3.8 billion we are putting in in a particular area of industrial wind and so on is the best place to invest it. We need to answer those questions very quickly. When the Minister says he wants to consult with all those who are interested, what is he proposing in that regard because there is a lot of stakeholders and people interested? I note with annoyance and anger that it costs €1,000 to attend some of these big conferences. Could we have a conference that ordinary people interested in this area could attend to discuss these matters?

A proposal put to me by people interested in afforestation, and which I believe is implemented in many parts of Europe, is for district energy heating systems and local energy co-operatives. Under the proposal, there would not be a big, centralised, industrialised model; rather, one would determine the extent to which specific areas and towns could generate their own energy, with some assistance from the State in terms of land and local community support, potentially developing local employment and resulting in much greater economic benefits. Could the Minister comment on that?

**Deputy Alex White:** The consultation with citizens and local communities has not been adequate and must improve radically. As I mentioned, the Green Paper was published earlier this year. We have received many submissions and responses to it and have gone through them. We have organised a series of nine or ten seminars across the country as an initial response to the submissions. I launched the series some weeks ago. Deputy Colreavy attended the seminar where we launched the second phase of the consultation process. The objective is to work out our energy strategy for the country for the next 20 years, or the next generation. I want to publish by next summer a new strategy to which we can all buy in. We have six months. The Deputy says this should be done urgently. I acknowledge there is some urgency but we need the six months. We are having the seminars and are not charging anybody to enter. One must submit a written expression of interest in attending but we are not charging €1,000. I want to engage with communities, individuals and the Members of this House.

**Deputy Richard Boyd Barrett:** I genuinely welcome that response. I agree that we need a little time, although we should not take too much time. There is urgency but we need real consultation and buy-in. We need to tap into the expertise, knowledge, ideas and enthusiasm of communities and people who know about this matter. I must press my proposal, which has been given to me by others who know more about it than I do but which is a very good idea. I refer to the idea of district energy heating and local energy co-operatives. It requires joined-up thinking with Coillte, which, as I said to the Taoiseach some days ago, has 500,000 acres of land, as identified in the McCarthy report. The company believes the very narrow commercial wood-growing approach is just not viable for it, but it might be very viable for local communities to take some of that land at a peppercorn rent and develop projects thereon growing trees and creating other energy systems, such as small-scale hydroelectric and wind systems, thereby generating real employment. The Minister should seriously think about that and engage with the people proposing this.

**Deputy Alex White:** I am aware of those kinds of initiatives and would certainly like to support them as best I can. If the Deputy has any additional information that he wants me to have, he should please furnish it to me, and I will certainly consider it.

There is significant scope for district schemes. I have seen evidence of their success in other countries, including in northern Europe. I did not see the schemes in operation but I have read about them and understand them. To date, our progression towards our quite exacting targets – we will receive more tomorrow – has been through onshore wind projects predominantly. I saw Dr. White's article but wind technology has been widely acknowledged so far as the most cost-efficient technology in terms of how the REFIT schemes work and the kinds of interventions that need to occur. This was further supported by an interim report on energy subsidies published by the commission last week. Our current support structures for renewable energy are among the most cost-effective in Europe. I am being absolutely objective in giving the House that information. If we want to shift from that, we need to understand that it is not just a question of abandoning something because we must replace it with something else. Thus far,

wind technology appears to have been the most successful, cheap and reliable form of renewable energy production. Let us see what we can achieve.

## **Wind Energy Generation**

7. **Deputy Richard Boyd Barrett** asked the Minister for Communications, Energy and Natural Resources his views on the viability and value for money of wind energy as the primary renewable energy being pursued here; and if he will make a statement on the matter. [40409/14]

**Deputy Richard Boyd Barrett:** I genuinely welcome the Minister's engagement. This is my last shot on the same theme. There are some serious questions to be answered and I would like a little more detail. The Taoiseach was pleading to the European Union for concessions on our targets yesterday because of the difficulties we are having. He states we have a big agriculture sector and refers to other factors. The Minister said that we are not meeting the targets in some areas. Therefore, we must address this. Dr. Anthony White states in his article that our focus on wind energy could be part of the problem. I would like the Minister to revert to me on this. Dr. White points out that carbon dioxide emissions per kilowatt from power generation have actually increased since 2009. Therefore, the expansion of wind energy has not contributed significantly to the reduction in carbon dioxide emissions. This may explain why we are not doing well in meeting our targets; we are looking in the wrong area.

**(Deputy Alex White):** Onshore wind energy has been the most cost-efficient renewable electricity technology in the Irish market. We have installed wind generation capacity of over 2,200 MW, and provisional 2013 figures indicate that 16.5% of electricity demand was met by wind generation. Detailed analysis by the Sustainable Energy Authority of Ireland, SEAI, and EirGrid found that, for 2011, wind generation did not add to consumer prices as it lowered wholesale prices sufficiently to offset the costs of the public service obligation levy, and other associated costs, related to renewable electricity.

The recently published SEAI report on quantifying Ireland's fuel and carbon dioxide emissions savings from renewable electricity in 2012 found that, as a result of wind generation, almost 600 kilotonnes of oil equivalent of fossil fuels were displaced, valued at €180 million, with a consequent carbon dioxide saving of 1.5 million tonnes, valued at €11 million. Analysis undertaken by my Department, SEAI, EirGrid and the Commission for Energy Regulation assessed the costs and value of choosing the path towards 40% renewable electricity generation in 2020 compared to a scenario where renewable electricity would remain at 2013 levels. This analysis informed a report which is expected to be published shortly.

In addition to wind energy, bioenergy will play a critical role in diversifying our renewable generation portfolio and contributing to our renewable targets. To support the sector, I recently published a draft bioenergy plan, which will be subject to strategic environmental and appropriate assessments. The draft plan addresses the role of biomass in renewable electricity and how biomass is likely to make a more significant contribution in terms of renewable heat and transport.

Over the medium to longer terms, our wave and tidal resources, currently at the research, development and demonstration stage, will make a valuable contribution to renewable electricity. The Offshore Renewable Energy Development Plan identifies this opportunity for Ireland and proposes an initial market support scheme, limited to 30 MW, to support the sector's de-

velopment.

**Deputy Richard Boyd Barrett:** I welcome the consideration of bioenergy and the willingness of the Minister to scrutinise these issues seriously. I have indicated my disposition towards focusing more on district energy and local energy co-operatives using a sustainable mix of energy-production technologies that will be more in tune with community interests and potentially generate local employment. Much of the emphasis has been on industrial wind turbines. How is it that although wind generation has expanded by 40%, it is being claimed that carbon dioxide emissions per kilowatt of power generated have increased? Perhaps the Minister will confirm whether this is true. Might it be because there are hidden environmental costs contributing to carbon dioxide emissions? This is the contention of many of the critics of industrial wind turbines. Are we taking into account the big emission cost of the expansion or beefing up of the transmission network?

**Deputy Alex White:** We are going to need the network. I am not really quite sure why it is being suggested that the expansion of wind energy generation has achieved the opposite to what was intended.

**Deputy Richard Boyd Barrett:** That is the contention.

**Deputy Alex White:** It is hard for me to see how that could be true but I am not going to dismiss any argument on my feet here. These are the kinds of issues that it would be helpful for the Oireachtas joint committee - it is not my role to say what the Oireachtas joint committee should do - to have witnesses in, for example, Dr. White of the sustainable energy authority and all the others who are involved in this issue, and question and cross-examine them as witnesses, and let us all try to get to the evidence on all of these arguments. If a case is made, if somebody writes an opinion editorial in *The Irish Times* one day and there is another the next day that one misses, or someone writes a letter to the newspaper with the opposite argument, it would be better for the committee to pull together systematically all of the arguments being made, perhaps cross-examine the witnesses in that way and see where we go.

**Deputy Richard Boyd Barrett:** I agree with the Minister. That is exactly what we need to do. Unfortunately, I am not on that committee. I wish I was, but I am on two committees already. However, I will sit in.

**Deputy Alex White:** One cannot be on every committee.

**An Leas-Cheann Comhairle:** Deputy Boyd Barrett is not doing too bad this morning.

**Deputy Richard Boyd Barrett:** I have an interest in this area.

What the Minister suggests is fair enough. Let us look at it honestly and let us get all the different opinions in and give them a chance to put forward their views. Many of them feel they are not being fully listened to and that a particular lobby that has had all the hearing is getting all the support and resources, which is not necessarily the most useful cost-effective and environmentally sustainable way to develop renewable energy, and that must be addressed if we are to move this matter forward.

**Deputy Alex White:** I again draw the attention of the Deputy and the House to the Green Paper-White Paper process and the six months or so between now and the summer that I indicated where there should be no excuse for any of these arguments not being considered and

scrutinised, and the opportunity that then presents to us, not only the Government but the country and Parliament, to put in place the best possible energy policy for future generations. That is what we should use this process for.

I appeal to Deputy Boyd Barrett, the Opposition spokespersons and all Members of this and the other House to participate in this process, whether through the committee or directly in the consultation process that arises from the Green Paper. We will publish this definitive strategy next summer. Let us all get involved in it.

### **Broadband Service Provision**

8. **Deputy David Stanton** asked the Minister for Communications, Energy and Natural Resources further to Parliamentary Question No. 40 of 11 March 2014 regarding the State-led investment aspect of the national broadband plan, when he expects to be in a position to commence the public procurement process; and if he will make a statement on the matter. [40359/14]

**Deputy David Stanton:** This issue of broadband arose earlier in a question which I am sorry I missed. I have received complaints from places, such as the outskirts of Fermoy, in particular, Knockraha, which is outside Cork city, where Eircom tells us it is not economically feasible to upgrade the exchange to enable broadband to be provided to the residents, and those who are working from home, in small businesses etc., are finding it extremely difficult. This is urgent. Schools in some rural areas are also finding it difficult. Perhaps the Minister can give us an update.

**Deputy Alex White:** The question relates to the State-led investment aspect of the plan and when I expect to be in a position to commence the public procurement process.

Under the national broadband plan the Government aims to ensure that high-speed broadband is available to all citizens and businesses in Ireland, through a combination of commercial investment and a State-led intervention.

The commercial telecommunications sector is currently investing approximately €2.5 billion in network upgrades and at least 1.6 million of the 2.3 million addresses in Ireland are expected to have access to commercial high-speed broadband services over the next number of years.

Under EU state-aid guidelines, member states cannot intervene where commercial investors have plans to roll out services. A comprehensive mapping exercise is under way in my Department to identify those areas that require State intervention. An initial examination has already identified a significant number of areas that will require State intervention.

As part of the mapping process, an initial stakeholder consultation on certain technical aspects of the proposed plan was launched in June last with a deadline of 15 September. Some 32 submissions were received as part of this process and non-commercially sensitive versions of these responses are being published today on my Department's website - that was the reference I made earlier to Deputy Moynihan about something happening this week.

I intend to publish shortly the map to which I referred. Those accessing this map will be able to identify their own house or premises and see whether it is in the proposed intervention



footprint. Where a house or premises is not in the proposed intervention area, it means it either currently has, or will in the near future have, access to commercial high-speed broadband services. The map will be subject to change as new information becomes available or commercial investments are announced in the future.

A further public consultation on a detailed intervention strategy will be launched in mid-2015. My Department is also working closely with the European Commission with a view to obtaining state aid clearance.

**Deputy David Stanton:** I thank the Minister for his reply. Could he be more specific as to when these maps will be published to allow the public to see what services they can expect to be available in the homes? When does he expect to be in a position to get EU state aid clearance from the European Commission? Can he give an indicative timetable on that? Can he say a little more about the public procurement process? What kind of timescale is involved in this?

**Deputy Alex White:** On the publication of the maps, I intend that should be done during the course of November. On obtaining state aid clearance, the expectation is that could be obtained during the course of 2015, I hope in the period from the middle to the autumn of 2015. Obviously, we are subject to the exigencies of the application process, the detailed information that must be furnished and the interaction that needs to occur. The detailed procurement process the Deputy mentions will then ensue. That must be undertaken in order to select a potential preferred bidder or bidders, and I expect that to happen towards the end of 2015.

It is a complex and ambitious project. It is a key priority for the Government and for my Department. We will conclusively address the connectivity challenges that Deputy Stanton referred to in particular areas. I agree there is frustration and a real need for quality universal broadband services to be available for citizens, business, schools and for all of the services and activities we need to ensure a functioning economy and society.

**Deputy David Stanton:** I ask the Minister his views on the need for high-speed broadband connectivity in schools in rural areas, whether he would agree this should be a priority, and if he has had any consultation with his colleague, the Minister for Education and Skills, on this issue.

**Deputy Alex White:** On schools, we have essentially completed the project in the secondary school system. That is a significant and important initiative. I have seen it in operation in a number of schools and it is a considerable achievement of my Department and the Department of Education and Skills.

On the primary school sector, I have had some discussions with officials recently. There is a view, because there are far more primary schools across the country some of which are in relatively more remote areas, that we should integrate the plan for extending broadband to primary schools into the national broadband plan rather than have a specified programme for primary schools. I am interested in how to deliver it quickest. It may be the best way to do it. I do not yet have a final view on that and I am interested in Members' input in that regard, but that might be the most efficient and best way to expedite it.

**Deputy Michael Moynihan:** The frustration evident in Deputy Stanton's question brings me back to the points I made earlier. It is time we had a full debate in Dáil Éireann on the broadband strategy and how we go forward. All we have are targets, initiatives and plans, but there is no real impetus down to the schools and communities in rural areas. I call for an urgent debate here with all Members of the Oireachtas, including Seanad Éireann, because this is a

crucial issue as we go forward.

**Deputy Alex White:** The scheduling of debating time is not a matter for me; it is for the Whips. If a debate is what is being suggested, it certainly will not be opposed by me.

I plan to ensure that we have a quarterly report available to the House. Deputy Moynihan and the other Members see targets and dates and perhaps the best way of ensuring the process is structured is to provide a quarterly report, perhaps to the committee. I am open to discussion as to how best we might do that. In order that one is not being told of something occurring in spring, summer or autumn next, at the end of each quarter one would be able to see what happened in that quarter to progress the project and what is planned in the following quarter. Members will be able to benchmark me against what is outlined in the quarterly report on each occasion. I have no objection to a debate.

### **Geological Survey of Ireland**

9. **Deputy Michael Colreavy** asked the Minister for Communications, Energy and Natural Resources the additional scope of the Tellus project following an increase in funding in this year's budget. [40391/14]

**Deputy Michael Colreavy:** The Tellus project received additional funding in the recently announced budget. I assume there is an expanded scope or coverage of the project. Could the Minister of State describe what is involved in the expanded project?

**(Deputy Joe McHugh):** I thank the Deputy for tabling the question on this exciting project that will be most helpful in terms of the information provided to many sectors and key stakeholders. The Estimates for my Department published as part of budget 2015 include provision of €3 million next year for the Tellus project, which is a comprehensive environmental and resource mapping project being undertaken by the Geological Survey of Ireland. The project has already completed one phase of geological data collection of the rocks, soils and waters in the Border counties, funded by European Regional Development Funds. It is currently undertaking a second phase of geophysical data acquisition and soil sampling across counties Longford, Roscommon and Westmeath. The allocation in 2015 will allow for a further phase of geophysical surveying and soil sampling and analysis to be undertaken. The areas for surveying under this next phase will be based on progress on the existing three midland counties this year, assessment of logistics of terrain to be flown in contiguous areas and consideration of the priorities of other sectoral stakeholders' interests, such as agriculture and the Environmental Protection Agency's, EPA, Office of Radiological Protection.

The long-term objective is to complete eventually national coverage of geophysical and geochemical surveying. I understand a cost-benefit analysis by University College Dublin, UCD, demonstrated a 5:1 return on investment to the State for such a comprehensive survey, which of course has to be managed within available resources. Information from this project is freely and openly available to all citizens. I encourage everyone to access the information, including primary schools and secondary schools. It is collected to assist environmental management and support sustainable development of natural resources across Ireland. I am advised that the data collected to date has already proven to have application across many sectors including informing agricultural productivity, radon mapping, mineral exploration and environmental management.

**Deputy Michael Colreavy:** I agree with the Minister of State that the project is worthwhile and the information is useful. I expect the information will be particularly useful to energy companies considering setting up operations in this country. Has private industry provided funding for the project or is it only Government expenditure? Will the data from the project be matched with the survey results on areas considered to be at high risk of potential water contamination in order to inform decision making in the future?

**Deputy Joe McHugh:** The previous survey was funded through INTERREG in conjunction with the Department. The allocation of €3 million this year is solely from the Department. A broad range of benefactors exist. The organisations that have already been using the information include local authorities, the Environmental Protection Agency, EPA, and Teagasc.

Deputy Colreavy mentioned groundwater. The information is invaluable in terms of providing up-to-date information on potential water contamination. Anybody can access the information, including companies, as it is widely and publicly available. The project includes a partnership approach involving organisations such as Teagasc.

I am impressed with the consultative nature of the project. The public was informed about it even before the low-flying aircraft appeared in the skies over Westmeath, Longford and Roscommon. You will be pleased to hear, a Leas-Cheann Comhairle, that an information booklet was disseminated in both Irish and English. The consultation has been helpful. If anybody sees an aircraft flying at a height of approximately 90 m with an apparatus suspended approximately 45 m below the aeroplane, that is part of the survey. The information is critical. Information is in the public domain and it is important to work together on the project. The direction in which the project is going has not yet been identified but we will use the information from the current survey on the three counties outlined. Ultimately, the project will form part of a national mapping analysis.

**Deputy Michael Colreavy:** I have no further questions as the Minister of State has answered all my questions.

*Written Answers follow Adjournment.*

### **Irish Water: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy Barry Cowen on Tuesday, 21 October 2014:

That Dáil Éireann:

notes:

- that the 2009 Fine Gael Party NewERA document advocated the establishment of Irish Water;
- the announcement of the Irish Water charges plan on 30 September and the introduction of the new domestic water tariff system on 1 October;
- the €172 million set-up costs of Irish Water;
- the €80 million being spent on consultants within the set-up of Irish Water;

- the €500 million ongoing estimated spend on water metering across the country;
- the €300 million in total annual domestic revenue accruing to Irish Water;
- the performance related award bonus structure within Irish Water; and
- the 700 staff due to be employed within Irish Water by the end of 2015;

further notes:

- the Government's plans to subsidise Irish Water's domestic revenue stream through several options by an estimated €125 million;
- the estimated domestic revenue stream, after Government subsidies, of approximately €150 million-€175 million; and
- the number of changes to the water charges system introduced by the Government since 1 October;

condemns:

- the Government's failure to address excessive spending on outside consultants;
- the lack of information for members of the public and lack of a complaints system;
- the lack of communications between the Oireachtas and Irish Water;
- the lack of additional spending on the water infrastructure network; and
- the Government's refusal to acknowledge the ability to pay or otherwise; and

calls on the Government to:

- fully review the appropriateness of the Irish Water model from a funding and service delivery point of view;
- assess the actual sustainability of the funding streams of Irish Water;
- confirm that it has no intention of privatising Irish Water;
- establish an equitable regime for reliefs on domestic water tariffs;
- ensure the body is subjected to full Oireachtas scrutiny, not just internal political party forums; and
- cease any payment of bonuses within Irish Water.

Debate resumed on amendment No. *a1*:

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

“supports the establishment of Irish Water as a long-term strategic investment project to deliver the necessary water services infrastructure and quality of services required to meet statutory compliance and demographic needs, benefiting Irish citizens and busi-

nesses;

recognises that managing our water resources effectively is also essential to ensure that Ireland can continue to attract major overseas investment and employment;

recognises that the legislation establishing Irish Water prohibits the privatisation of the company;

notes that:

- following on from the requirement to introduce water charges as part of the agreement with the troika, the Government provided for the introduction of a fair funding model to deliver a clean, reliable and affordable water supply with a charging system based on usage;

- the Commission for Energy Regulation, CER, has published its decision on water charges on 30 September 2014 taking account of the policy framework set by the Government;

- the CER have examined the establishment costs of Irish Water and approved €172.8 million on the basis that this investment will enable Irish Water to drive substantial cost savings and service quality improvements over the interim review period and for many years to come; and

- the CER has approved an extensive capital investment programme for Irish Water and, in its examination of Irish Water's costs in the period ahead, set challenging annual efficiency targets for both operational and capital expenditure;

recognises the importance of ensuring that there is full public understanding of the rationale for the establishment of Irish Water and that issues of legitimate public interest arising in that context are addressed, in order to support public trust and confidence;

emphasises the commitment of Irish Water to addressing the issues involved, with a particular priority on actively reviewing its communications strategy to better reflect the needs of all stakeholders, including elected members;

welcomes:

- the progress with the roll-out of the domestic metering programme being delivered by Irish Water with some 450,000 meters installed to date, supporting some 1,300 jobs; this level of meter installation now significantly exceeds the 400,000 target for end-2014 already indicated to the CER;

- the indications that progress remains on track for the installation of 1.05 million meters, with programme completion likely to be ahead of the target - mid-2016 rather than end-2016; and

- the Government's package of measures to ensure that domestic water charges are introduced in as fair and equitable a basis as possible, with particular reference to the following elements:

- Irish Water's Government subvention averaging €537 million per



annum in 2015 and 2016;

— each household will receive an annual free allowance of 30,000 litres of water and a corresponding allowance for wastewater;

— there will be an additional free allowance for every child under 18 years of age to cover a child's normal consumption of water supplied and wastewater treated, 21,000 litres;

— household benefits package and free fuel allowance recipients will receive a €100 “water support” payment per year, benefiting 653,000 households;

— income tax relief on water charges will be available, at the standard rate, worth up to €100 per household per annum when claimed in the following year;

— charges to be capped for people with high water usage due to medical needs; and

— Irish Water to take account of the quality of services provided to customers, including circumstances where services are reduced or restricted, for example, due to boil water notices; and

— the Government's intention to provide funding to increase investment in public water services infrastructure on average by €100 million in each of the years 2015 and 2016, including for a scheme to provide each household with a free fix of the first leak on a customer's water supply pipe; and supports the Government's overall water funding package, which balances the need for a sustainable funding model to support long-term investment in the sector, taking account of the relevant European rules on Government accounting, while ensuring that domestic water charges are introduced in the most affordable, fair and equitable manner possible.”

- (Minister for the Environment, Community and Local Government).

**Acting Chairman (Deputy Brian Walsh):** Deputies Richard Boyd Barrett, Shane Ross, Seamus Healy, Clare Daly and Tom Fleming are to share ten minutes. They have two minutes each. Is that agreed? Agreed.

**Deputy Richard Boyd Barrett:** In fact, there are only four of us so we will have two and a half minutes each. The people of this country gave their verdict on water charges last Saturday week when 100,000 people took to the streets and said they could not and would not pay the charges, and the Government had no right to impose yet another crippling tax on low and middle income households and to make them pay for what is a basic human right. That was the overwhelming sentiment; water is a human right. One's access to a right cannot be dictated by one's ability to pay. The Minister will be sure on 1 November that the demonstration was not a flash in the pan, because on the next occasion, instead of having 100,000 people on the streets of Dublin there will be thousands of people in hundreds of locations across the country as the movement against the hated water charges moves into every town and county in the country. The resistance will only escalate from there. It is about time this Government realised that the

people will not accept water charges and will resist them every step of the way. The Government should listen to the people when they say water is a human right. This is our resource and the Government has no right to hand it to a private company, to the consultants who are milking Irish Water, to charge us for a natural resource that belongs to the people.

Finally, I wish to highlight a shocking fact that has not been aired in this debate. I refer to the general conditions for a water and wastewater connection agreement, which, incredibly, states that under the terms and conditions for customers signing up to the agreement, Irish Water demands that a customer must receive written permission from it to put water flowing off a roof or even off paving stones into Irish Water's sewers. This is water from the sky - not treated water coming in through the pipes - but the water from the sky. Given that the charge is made up of 50% of water coming in and 50% water going out, this is setting the legal basis to charge people for water from the sky. This is what was done in Detroit and in Bolivia and it is shameful. This is being legally established in the conditions which people will sign up to. We are not going to pay for that; we will pay when God sends us the bill and God does not exist.

**Deputy Finian McGrath:** Leave God out of it.

**Deputy Seamus Healy:** This water tax is the ultimate hypocrisy. During the course of the last general election, the Labour Party opposed water charges. In the final days of that election campaign, the Labour Party produced the infamous Tesco advertisement which I have in my hand and which reads, "Look what Fine Gael have in store for you. Fine Gael - every little hurts". The advertisement includes a statement that Fine Gael wants to tax water at €238 per annum. This is utter hypocrisy.

The water tax is now being introduced by a Labour Party Minister. The Government has no mandate for this tax. The Minister of State's party stood in the general election in opposition to the tax and now it wants to introduce it, with no mandate whatever. These are hated charges and it is effectively robbery from people who cannot pay. Families have had enough and this is the straw that will break the camel's back. Irish Water is an affront to hard-pressed families who cannot put food on the table. The start-up costs amount to €180 million, with €80 million paid to consultants and huge bonuses for senior Irish Water management even if they do not meet their targets. If they need to improve they will still be given a bonus.

The Minister stated in his contribution that a water meter is being installed every 30 seconds. He is completely out of touch with reality because I can tell him that in Clonmel it has taken Irish Water contractors four days to do what they should have done in a day. I compliment and thank the residents for turning out to oppose the installation of these meters. I call on residents in other estates in Clonmel, Tipperary and throughout the country, to oppose the installation of these water meters.

Gardaí are being used and abused by Irish Water and the contractors and they do not like it because they believe they are being undermined. This should be stopped immediately.

**Deputy Clare Daly:** In the late 1990s when Deputy Brendan Howlin was Minister for the Environment, a comprehensive review of the funding of local authorities was undertaken, including how water should be provided and funded. KPMG consultants were engaged at the time. Their written report concluded that the metering of domestic water supply would be an uneconomic proposition, having regard to the revenue generated; that the charge for domestic water and sewerage facilities is thus more in the nature of a tax and should be consolidated into

general taxation. At that time it was agreed that the local authorities would receive all of the motor taxation revenue in order to fund those services. However, when this Government came to power it changed that policy and decided to put its hands into that money, take it from the local authorities and instead transfer it to pay the banking debt. Now the Government thinks it can dress that up in yet another austerity charge to get people to pay again for something for which they have already paid.

Listening to the Government one would think that there was never a pipe fixed nor any investment undertaken. In the 1990s, the Dublin local authorities reduced leakage rates to very acceptable best practice international levels simply by investment. Instead of wasting hundreds of millions of euro as is being done to install water meters and to set up this giant quango, investment in the infrastructure is a far better way forward.

People are very upset at the bonus culture particularly when set against what is happening for ordinary people in the workplace. They are upset by the discourtesy of Irish Water and they are upset at the ongoing mess. However, the big problem is that they cannot afford to pay and they will not pay for something for which they have paid already. That the Minister for Finance, Deputy Michael Noonan, would say that this was a modest charge, is sickening. The very reason the assessed charge is continuing is because the charges will be astronomical.

I was at a packed public meeting in New Ross the other night at which people showed me their meter readings. For example, a meter that was installed in July is now reading 93,000 units; a man showed me that his meter reading rose 3,500 litres between Sunday and the meeting on Wednesday. These bills are going to be astronomical and the movement against them will be even bigger on 1 November.

**Deputy Tom Fleming:** In these times of crippling austerity there is nothing that more infuriates the public than the squandering of public moneys and the imposition of new charges and taxes which further compound the existing and continuing hardship on a very suppressed public, hundreds and thousands of whom are living on a shoestring budget and enduring hardship in all its forms on a daily basis.

Irish Water has been built on a very weak foundation of a chronically weak and inadequate water network whereby many millions of gallons of water is lost through leaking pipes every day and many areas of the country have contaminated and polluted water supplies. In my own county, day after day on local Kerry radio there are announcements of broken pipelines, of water being temporarily cut off from periods of anything from 12 to 24 hours at a minimum and boil water notices are very frequently announced. These intermittent supplies are common in many parts of County Kerry and it is ridiculous to expect any of these householders and businesses to pay for a diabolical and inferior service. All Members are aware that this is reflective of a situation throughout the country. Irish Water must respond in a timely fashion to requests by Kerry County Council for approval to proceed with the replacement of these pipelines throughout the county and this work will cost many millions of euro.

I refer to a case of serious lead pollution relating to 275 homes in St. Brendan's park in Tralee where tests have shown lead levels of 15 times higher than the legal limit. The residents have unknowingly been drinking contaminated supplies for the past 60 years and currently Irish Water and Kerry County Council are being prosecuted by the Environmental Protection Agency for failing to replace these pipelines on foot of a pending court case. It is only now that action is being taken and the pipelines are being replaced but it will take a long number of months to do

so. In the meantime these residents should be given an immediate exemption of all charges until such time as the pipelines are replaced. There is also a need for emergency measures to provide drinking water in the interim to these people. I ask the Minister to intervene in this case. I ask the Minister of State, Deputy Ann Phelan, to convey the message to the Minister, Deputy Alan Kelly, to intervene immediately and to sort out the problems for these residents in this estate.

**Acting Chairman (Deputy Brian Walsh):** The next 30 minute speaking slot is being shared between Deputies Buttimer, Kyne, Nolan, Lawlor, Dowds, Mulherin, Costello, Keating and O'Mahony, with three minutes each. Is that agreed? Agreed.

*11 o'clock*

**Deputy Jerry Buttimer:** When people speak about Irish Water, there is a sense of a lack of information and communication. When we hear Irish Water speak about off balance sheet borrowing, there is confusion. The ordinary person has no idea what off balance sheet borrowing means or could mean. It would allow Irish Water to borrow money to invest more money than the Government could on its own. It would mean an extra €100 million in the calendar years 2015 and 2016. After years of under-investment, and Deputy Tom Fleming eloquently told us about the lack of infrastructure development in Kerry, this would mean we would finally have a capital programme of €185 million for water infrastructure investment. This would include €22 million for water supply schemes, €73 million for major wastewater projects and €90 million for wastewater treatment. This is money that was never spent by Deputy Cowen's party when it was in government.

**Deputy Barry Cowen:** A total of €4.6 billion in ten years.

**Deputy Jerry Buttimer:** Let us have a real debate about Irish Water, Deputy Cowen.

**Deputy Barry Cowen:** The Government would not let us. It closed it down.

**Deputy Jerry Buttimer:** We all agree Irish Water has failed to communicate its message in a clear, coherent policy. Before the campaign began it failed to consider the full range of issues and questions which would arise. We have had a confused message from Irish Water, and the confidence of the people in it has been eroded by its failure to communicate properly with them, not to mind the scaremongering by some of the people in the Chamber who would pay for nothing and want the Government to spend everything. They will go back to the policy of boom and bloom and look where that got us.

A simple question in the application form on a medical condition requiring the use of additional water is unnecessarily complicated. The form could be changed. I am chairman of the Oireachtas Joint Committee on Health and Children which has asked the HSE to change various modes of communication, and it has done so.

As each issue has arisen, the company has set out different strategies with different spokespeople. It is time the chief executive spoke to the people clearly and cogently and outlined Irish Water's strategy and its benefits. To protect itself and enhance its image, the organisation must do this.

The regulator has a role to play regarding the size of the bills. Those of us who live in the real world recognise people are concerned about the bills they face. In many cases these bills will not be the amount that Deputy Daly is scaremongering-----

**Deputy Richard Boyd Barrett:** Or you could just abolish the charges.

**Deputy Jerry Buttimer:** -----or that Deputy Boyd Barrett roars about every day. His message is the same every day, to pay for nothing and the Government will pay for everything. That is what his message is.

**Deputy Richard Boyd Barrett:** Tax the corporations to pay for it.

**Deputy Jerry Buttimer:** There is a need to create certainty and offer people assurance. If Irish Water does this, it will be a good day's work.

**Deputy Seán Kyne:** I wish I could say I was happy with everything about Irish Water. I wish I could say it was running smoothly and there were no problems, but I cannot do so. There are many concerns. I agreed with and supported the establishment of a body because, in 2004, when I was a member of the local authority, we received information on an investment programme for the next three to four years, under which every town and village in the county was to be provided with new sewerage systems and connected to new water schemes, but this did not happen. There has been some investment but the grandiose plans laid out were not reached.

We have standards for drinking water and discharge into our seas and lakes to which we must adhere, and this requires investment. The rationale behind establishing Irish Water was to be able to borrow off balance sheet in order that it would not add to the deficit. We have targets under the stability treaty and other treaties by which we must abide and we are still working to reduce our deficit. There are fears with regard to privatisation. The legislation states the company will not be privatised and I believe it needs to be retained in public ownership.

With regard to the communication failures, a slight comparison can be made between Irish Water and Student Universal Support Ireland. In its first year SUSI performed very poorly with regard to information, answering phone calls and responding to communication via e-mail to Deputies and the public. This was rectified over a period and I can see no problems with its message. There have been improvements in Irish Water over the past week with regard to returning phone calls and e-mails, but this must continue and more work needs to be done to ensure all these issues are sorted out. Irish Water is not alone as a semi-State in having communications failures. Any organisation or semi-State body which fails to address the concerns of public representatives fails the people because we represent them and we go to semi-State bodies with the concerns of the people.

Queries have been raised over the past week about call-out charges, and perhaps the Minister of State, Deputy Phelan, or the Minister, Deputy Kelly, will clarify these. If there is a leak on the road or at the meter, it is the responsibility of Irish Water. If there is a leak in one's attic or driveway or the footpath within one's property, it is one's responsibility as a home owner, as it is now and as it was last year. I presume people do not have to call out Irish Water and perhaps we will get clarification on this. I presume they can call out their own plumber or carry out repairs themselves where possible. In such cases they would not have to call out Irish Water.

It is not right or proper for a newly established company to have the level of bonuses we have seen and it should be changed and, as other speakers have stated, this needs to be dealt with by the chairman and the board.

Service level agreements between local authorities and Irish Water are in train. In 2009 and 2010, we had issues because of the big freeze and the resultant problems with leaks and the



necessary repairs. If this happens again, we must ensure the local authorities and Irish Water can work together and quickly to ensure any problem which may develop is dealt with.

There is genuine concern regarding the ability to pay and I welcome the Government measures put in place. There is concern and confusion about this and until all meters are installed, we need to consider a capped charge, especially where many adults live in one household. There should be a flat rate payment until such time as all meters are installed and people can get used to conserving water.

**Deputy Derek Nolan:** The level of anger on the streets of Galway about Irish Water is absolutely off the scale. I cannot genuinely tell people their anger is misplaced because this has been handled appallingly from day one.

**Deputy Barry Cowen:** Hear, hear.

**Deputy Derek Nolan:** The former Minister left an awful legacy for the post-reshuffle Government. When one introduces a new utility company which will charge people money, the first thing necessary is trust in the organisation. Instead of establishing a new ESB we have established a new HSE and the level of confidence does not exist. We have much work to do in the coming months to put in place something in which people can have confidence. One does not need to go much further than Galway to see what happens when water systems are not up to scratch. We had a cryptosporidium outbreak during which the city could not drink its water. People in Mervue and Shantalla could not be confident about the water because of lead pipes.

Water matters and people know this. They know there must be investment in it. We started off with miscommunication and bad communication, which left a vacuum for those who would never support any type of infrastructure or investment to fill with scaremongering and propaganda which has left people confused, worried and angry, and I cannot blame them. We have a very short amount of time in the coming weeks to address people's real concerns. There are genuine concerns about affordability, which I cannot tell people are unfounded. Two adults and two adult children attending university or not working will mean a very high bill for a house. It will be more than €500, which is a lot of money.

**Deputy Barry Cowen:** That is right.

**Deputy Derek Nolan:** It is a very large amount of money and we need to do something about it. We also need to ensure people have confidence the money they pay is used properly and there is accountability. For example, the Committee of Public Accounts for which people have genuine respect in terms of its ability to hold organisations to account will not have a remit over Irish Water despite the hundreds of millions of euro the State will put into it. We need to remedy that and put in place proper Oireachtas oversight so that we can have a committee that will go through the fine details to ensure our money is being spent properly.

If we do not do this now, there is a real risk that we will lose the ability to put in place Irish Water, which we need. We need to invest in water. Just because things are starting to get better, it does not mean we are out of the crisis and that we suddenly have billions of euro to spend; we do not. We need this leverage to put in place the things to allow us to have proper water - the infrastructure and other things we need as a functioning economy and society. However, if we do not get it right very shortly, I fear for where we will be in a number of months.

**Deputy Anthony Lawlor:** I welcome the debate on this issue. I have always been in favour

of people paying for water. It is a finite resource and it costs a lot of money to produce. That message has not been clearly set out when explaining why we are introducing charges through Irish Water. I also favour having a unified body. Kildare County Council is actually paying Dublin City Council for water that is produced in Ballymore and Leixlip; most of the water derives from County Kildare.

I am happy to note that the legislation specifies that this will not become a private company and will be held within the public domain for as long as the Government decides.

A number of issues have been associated with Irish Water and one of the main ones that has boggled me all along is the communication. As Deputy Cowen will know, when Bord na Móna has an issue, Gabriel D'Arcy is out front and when Bord Gáis Éireann has an issue its CEO is out front explaining the problems. We have seen the disappearance of the Irish Water CEO, Mr. John Tierney. He rarely comes forward to explain the situation and when he does come forward to explain something, it leads to more confusion. This needs to be changed dramatically. We need to have a positive communications strategy from Irish Water. It is very simple from my perspective. I can explain to people who come to me why PPS numbers are required. Why can that message not be put out there?

Irish Water has created a bonus culture and we are getting mixed messages associated with that. Given that there are no protocols between Irish Water and local authorities, some estates cannot be taken into charge. People are asking me who they should contact to get a light fixed or a footpath repaired because the estates are owned by developers who are bust. Local authorities cannot take them in charge because there are no protocols with Irish Water. I hope the Minister of State will relay this message because I have raised the issue with the previous Ministers on a number of occasions.

There should be an assessed charge until all the meters are rolled out. Until the people can believe that a world-class delivery of water service will be available, they should not be paying on the meter for water but on the basis of an assessed charge. As Deputy Nolan mentioned, we also need to take cognisance of families with students and the charge associated with that. I encourage the Government to have a cap on the payment for each such individual house.

**Acting Chairman (Deputy Brian Walsh):** I call Deputy Dowds, who has three minutes.

**Deputy Robert Dowds:** I was told four minutes.

**Acting Chairman (Deputy Brian Walsh):** Let me clarify. This is a 30-minute slot with nine speakers Deputy Kyne had four minutes and it is three minutes thereafter.

**Deputy Robert Dowds:** That is fine.

There is no question that the Government's back is against the wall on this issue and yet it is an issue we must sort out. We all know about the mess of communication, the consultancy issue, bonuses and so on. That obviously leaves a very bad taste in people's mouths when they are short of money and they see this as the straw that broke the camel's back in terms of charges.

I ask the Minister of State to consider the following issues. All people should pay a standing charge until all meters are installed. There is a need to clear up the nonsense about a €188 charge for a first call-out. Those kinds of threats should not be made to people. Local authorities should look after minor water repair issues to allow Irish Water to concentrate on the major

issues of infrastructure for the entire country.

At the same time, we must have a good system of producing water both for the people and for economic development. If we do not succeed in this, we will be in really heavy water - if that phrase can be accepted. I point to some of the problems we have to get over. More than 22,000 families are still on boil water notices. The national leakage rate is over 40%. There is insufficient drinking water for the greater Dublin area, including the counties that surround Dublin. We have very little room for slippage because we are operating at well over 96% of capacity most of the time.

We need to invest in water and wastewater infrastructure which requires about €600 million a year. Given the state of the country's finances, Irish Water needs to be able to borrow money that does not appear in the State's balance sheet. It is vital that we succeed in this regard. We are in the last-chance saloon and we must deal with these issues.

**Deputy Joe Costello:** I thank Deputy Cowen for introducing this Private Members' motion as it gives us an opportunity to discuss this timely matter.

Irish Water has not been a success to date as everybody has detailed already. In fact, Irish Water is rapidly becoming an expression of derision countrywide. We can see all the reasons: luxury offices; performance-related bonuses before it even gets properly started; buying expensive external expert consulting services when Bord Gáis Éireann was regarded as the most appropriate body to facilitate the delivery and establishment of Irish Water; and worse still, its failure to communicate to the public its vision, role and confusing charging mechanism. It has no credibility at present. It must be focused and it must step up to the plate.

That being said, the creation of Irish Water is necessary. We have had a disastrous situation with 34 local authorities which have provided a very poor service for the people. In County Roscommon, 22,000 people have been on boil water notices for the past four years. The advent of Irish Water will allow them to have water without the need for boiling by Christmas after such a long period of time. Even though the local authority was informed three years ago that there was ten times the acceptable level of lead in the water being supplied to St. Brendan's Park in Tralee, the residents still have to use exactly the same water because the local authority has not put the funding into fixing it. The work of local authorities in this respect has been very patchy.

The experience with Scottish Water has shown how a consolidated mechanism - a utility that is working well - can save up to 40%. I recently tabled a parliamentary question on the investment made in Irish Water over the last period of time. Over this year, next year and the following year €300 million will be invested - €100 million per annum - just on infrastructure. The amount invested each year is more than was invested by the Fianna Fáil and Green Party Government in the entire period of the Celtic tiger.

**Deputy Barry Cowen:** The Deputy should check those figures; he is wrong.

**Deputy Joe Costello:** That was over a decade.

**Deputy Barry Cowen:** It is not one cent more. There was €4.6 billion in ten years.

**Deputy Joe Costello:** Deputy Cowen can do the figures.

**Deputy Barry Cowen:** Those are the figures. Those are the facts.

**Deputy Joe Costello:** The introduction of water and wastewater charges has come at an unfortunate time, immediately after the departure of the troika and the first recovery budget. One can understand that after those years of austerity, our hard-pressed citizens feel mugged when they thought there was light at the end of the tunnel. One of the canards is that water is a basic human right and, therefore, it should be free. Food is a basic human right but people do not expect their supermarket or corner shop to give it to them for free. That is a simple fact and that argument should be dispensed with once and for all.

Unfortunately, the allowance structure that has been devised is complex and confusing and does not adequately reflect the principle of water conservation. For the next nine months, there will be a crudely assessed charge and it will only be in 12 months that the first metered bill will be sent reflecting household use. Even then, tens of thousands of homes will still not have a meter, which is not satisfactory. The Minister has stated that the Irish Water project is the largest in the history of the State since the introduction of urban and rural electrification in the 1920s and 1930s. Let us get this right. Additional funding mechanisms must be found to address the enormous challenge of providing a quality water service to the entire country as the people emerge from the long winter of discontent, which we have often discussed in this Chamber. Work remains to be done by the Government to streamline the utility and to soften the charges.

**Deputy Michelle Mulherin:** Earlier this week CER officials appeared before the Joint Committee on the Environment, Community and Local Government to discuss the issue of water tariffs in order that we could drill down into them and be satisfied about the various components that are being considered to price water provision. These include fairness, customer protection and so on, but a fair assessment of the meeting is that much of the data the CER is using are not scientific. For example, the representatives could not tell us the difference between the cost of producing water and the cost of treating wastewater. This was their explanation for water in amounting to 50% of the cost and water out also amounting to 50% of the cost. Some people do not, and will not, avail of the water service. Is this fair?

There is a confusion about the call-out charge. This charge is not fair. The allowances are also an issue, for example, for the number of litres of water people use, the allowance for children and so on. I am not being critical of the regulator but the officials have been given a timeframe and an assortment of ingredients to come with charges. We do not have sufficient information at this time to operate solely on a metered system.

**Deputy Barry Cowen:** Hear, hear.

**Deputy Michelle Mulherin:** Many other factors must come into play. Most countries have water charges, which are metered, and they are much cheaper. When a question was posed about this at the meeting, the CER officials explained that these systems took a longer time to introduce and have been on the go for a long time and they described them as incentive-based. We do not seem to be in that place. This, among other issues, is a source of much of the discontent among the public.

On the other hand, we have to do something. Up to 40% of water is leaking from the system while raw sewage is entering special areas of conservation and water courses and water passing through taps is not fit for consumption. Something has to be done because the current system is not working. Notwithstanding the figures that have been bandied about in the debate, water services infrastructure was not delivered in my county when the country was awash with money and, therefore, the system that divided funding between 34 local authorities was flawed.

There are good principles underpinning what is going on, but the bonus issue is a debacle. Until all meters are installed and more scientific data are provided, people should be subject to a fixed charge. However, they are afraid of the charges. Affordability is of great concern and I do not blame people for that. Data are needed to address issues about which there are questions because we must give certainty to people. We want to fix the pipes and get that work done. We need to put a price on that and translate it in an affordable fashion to a fixed price until we are ready to move on with metering, which will, in turn, lead to conservation and all the positive aspects of this project. We need to charge for water but it needs to be affordable and we need to remove the uncertainty for people.

**Deputy Derek Keating:** I welcome the opportunity to make a brief contribution to the debate. There is little doubt that establishing Irish Water as a commercial company has been one of the most serious issues to face the Government in its term of office, having dealt with our financial crisis. The coalition partners have set out a path to recovery following the exit from the troika arrangement. By the time the Government took office, charging the people for water was a done deal and, therefore, it is unseemly that Fianna Fáil Members now seek the moral high ground, sitting back as if they bear no responsibility for what has been visited on the people. Sinn Féin's two-faced approach to policies is evident, both North and South. The party hierarchy say quietly they will pay the water charges while using the people as cannon fodder in this phoney war. As for the Independent Members who form the Technical Group, woe betide Ireland should they ever attain office. They cannot even agree among themselves who can speak, on what and when, as was evident when they brought about the adjournment of the House.

The set-up of this commercial semi-State company has not been without serious problems. The unprecedented volume of queries that has emerged and the inability of Irish Water to give the correct or, at times, any advice, to people are evident to all. I hear every day of people who are in fear of the average being applied to them, when there is scant information on what this average is based. People who make weekly payments towards their gas and electric utility bills want to pay their water charges in the same way, and I have requested the Minister to ascertain whether this can be delivered. These people and others, including the elderly, the vulnerable and the sick, are not clear on which allowances will apply to them when their special requirements are taken into account, but they have a justifiable reason for additional allowances. Irish Water has been allowed for too long to escape responsibility for providing an effective customer service model through which people can know and expect that the information given to them is correct and can be provided to them at the earliest opportunity.

While the national focus is on water, a transparent customer service charter and a system of timely and targeted delivery are needed. The Government has delivered on its commitments in respect of children, free allowances, tax reliefs and water support allowances for those in receipt of the household benefits packages and fuel vouchers; exceptional needs payments access to supports for the vulnerable and socially deprived; rebates to those who move from assessed to metered, where appropriate; discounts of 100% on the water element of the charge where the water quality is impaired; and a free first fix where a leak occurs between the boundary and the dwelling.

The Government has delivered an economy that is the envy of Europe. It has delivered a net increase of 61,000 jobs in 2013, which was the fastest rate of employment growth in the EU or the OECD. We need to do a job and I agree with Deputy Nolan that we have a limited time to get Irish Water sorted out in order that the people can have confidence in that utility.



**Deputy John O'Mahony:** This is another legacy issue the Government has had to address to make up for the massive under-investment in water services under successive Governments.

**Deputy Derek Keating:** Hear, hear.

**Deputy Barry Cowen:** The Deputy is wrong.

**Deputy John O'Mahony:** Everyone accepts that the manner in which water charges have been rolled out has caused confusion and fear, which has been exacerbated by the inability of people to contact Irish Water to get logical answers. The staff at the end of the telephone line do not seem to be equipped to provide answers to those who want to pay for their water. This is a rehash, albeit on a more massive scale, of the arguments we had over SUSI and the household charge, which are a distant memory. I am glad last week's budget demonstrated fairness and reflected an effort to support the vulnerable. I presume when the finance Bill is published, other anomalies will be addressed. For example, people on group water schemes have always paid for their water and they also deserve tax relief.

There have been many calls during the past week for heads on a plate on this issue. I do not agree with that. We need to address this issue quickly to give people certainty. There are many ways this could be done, including an extension of the deadline now rather than at the last minute and elimination of anything that can be construed as a bonus. It has been stated that people at the top are in receipt of 19% bonuses while bonuses for people at the bottom are of the order of just over 1%. Even if acceptable, these bonuses, in terms of the manner allocated, need to be addressed. There is also a need for a total overhaul of the way in which queries are dealt with. I acknowledge there has been an improvement in this regard in recent days. The data provided in last weekend's newspapers in regard to call-out charges are ridiculous. This issue also needs to be dealt with.

There has been total confusion since commencement of the distribution of the registration letters. I was told yesterday by a postman who operates out of a small post office in my constituency of Mayo that hundreds of these letters are being returned every day. If that is what is happening in rural areas, one wonders about the situation in urban areas. This, too, must be addressed.

**Deputy Barry Cowen:** Government rushed it.

**Deputy John O'Mahony:** There is a need for greater clarity and efficiency. The best way forward is the introduction of a flat rate or fixed charge until such time as all meters have been installed. That is the solution and it would provide certainty. Most people accept that water charges are necessary.

This matter has been turned into a political football. As a result of under-investment in this area by previous Governments, this Government has had to address the issue. In the Six Counties people pay a household charge of between €1,500 and €2,000 per annum. Sinn Féin has said that there are no water charges in the North. There would be no need for the introduction of water charges here if every household were paying a household charge of up to €2,000 per annum for services.

**Acting Chairman (Deputy Brian Walsh):** The next 30 minute slot is being shared by Deputies Michael Kitt, Robert Troy, Billy Kelleher, Colm Keaveney and John McGuinness.

**Deputy Michael P. Kitt:** I commend Deputy Cowen on tabling this Private Members' motion. I agree with him that there should be no payment for water in the current circumstances. As every Member of the House has spoken about the confusion that has arisen around this issue, I am sure they, too, will agree with that. The question that arises is who caused the confusion. Prior to the local and European elections we were promised that the average water charges bill in respect of the average two adult household would be €240. This was later increased to €278, which is a 20% increase. This has led to some of the confusion. While an attempt was made to address some of the issues in the recent budget by way of the household benefits and fuel allowances packages, including a €500 tax rebate on water charges which would equate to approximately €100 per household, what is proposed is a very complex system. It is proposed to introduce a combination of charges per litre, an assessed rate in respect of apartments and other dwellings which have no meters, the free allowance, the tax credits and the benefits package, all of which will result in a very complex system.

Irish Water is being exposed as a badly thought out creation. Its creator, the former Minister of State, Deputy Fergus O'Dowd, has disowned it. The bonus driven culture of Irish Water was mentioned in this debate. We still have not been given answers about that. Rather than paying for a super quango, we should be investing in the water network. It has always been the view of Fianna Fáil that we should be seeking to bring our water network up to standard. We are all aware of the substandard water supply in parts of the constituency of Roscommon-South Leitrim because of which 21,000 people in Roscommon must adhere daily to boil water notices. The data in this regard for the country as a whole are 36,000. People naturally are upset at the introduction of this unfair system. Fairness should be at the heart of this issue. Deputy Cowen's Bill on water charges was based on fairness. One cannot charge for a service that does not deliver.

Another important issue is the financial burden on people of having to purchase drinking water every day, as happens in many communities. I commend the National Federation of Group Water Schemes for its advice in its publication, Rural Water News. It makes the point in that publication that while group water scheme households on a public sewer will have to pay an assessed wastewater charge, those with septic tanks will not be liable for any charge by Irish Water. That organisation has also said there is a danger of people being charged for water and wastewater services by default unless they complete and return the application form issued to them by Irish Water. While the registration form was supposed to be returned by the end of October, which is only another nine days away, I understand an additional month's grace may be provided. I am sure the group water schemes will have the same option. There are measures which group water schemes can take to avoid charges. I hope they will do so.

Another important issue is ability to pay, which issue has been referred to by a number of Deputies. I have read the article by the Society of St. Vincent de Paul about people who are unable to pay water charges. A €240 charge was promised prior to the local and European elections. Charges in respect of some households, however, could be as high as €594. A bill of almost €600 is a huge bill. People are concerned that if the public subsidy in this area is decreased, home owners will be required to pay more each year, a concern I understand. There is also speculation that if sufficient water is not used, the charge per litre will be increased. We need clarity on all these issues.

On the group water scheme issue, there are many such schemes in the west which receive grant assistance from the European Union and the Department of the Environment, Community and Local Government. Questions such as whether Irish Water will take over group water

schemes, whether funding is available in that regard and whether Irish Water will provide water from public schemes to the group water schemes need to be answered. There are parts of this country that do not have any water supply. I have referred in the past to Kilreekill, County Galway, where people were furious when they received bills from Irish Water for €100 per household for a water supply they did not have. The headline in *The Connacht Tribune* at the time was: “No water - but here’s your bill anyway”. Obviously, those people will not pay a penny until they are connected to a scheme.

An article in last Tuesday’s *Farming Independent* included commentary from the IFA and farming organisations on a review of water charges for farmers. Farmers in some counties have been told they will pay annual rent of up to €200 per meter. As the Acting Chairman, Deputy Walsh, will be aware, there are many fragmented holdings in County Galway. This means the cost for five meters would be €1,000. I believe it is wrong that this would happen. I am aware also that at a meeting in Kerry, farmers were told there was no clarity on whether farmers would be billed by Irish Water only or by Irish Water and the local county council. These matters must be clarified. The motion tabled by Deputy Cowen is sensible and practical.

**Deputy Robert Troy:** I welcome the opportunity to contribute to this debate. It is worth noting the reason we are having this debate. It is taking place because of Government arrogance and incompetence. Last December, the legislation to give effect to Irish Water was rammed through this House in three hours. Every Fine Gael and Labour Party Deputy voted for the guillotining of debate on that legislation, thus shutting down constructive opposition from this side of the House. They knew it all. They knew how Irish Water was to be set up, what the pricing policy would be, the composition of the board and that the Commission for Energy Regulation was to be charged with the determination of prices. They did not care. It was worth coming in to listen to the contributions of the previous speakers who now have a great sense of worry about the misinformation that is coming out. They are worried about the bonus culture, the set-up costs of €180 million for Irish Water and the hundreds of staff who have been employed by it who still do not seem to have any job to do. I can give the Minister of State an example from my constituency where major water pipes that serve half of County Westmeath have burst on two occasions in the past two weeks. A number of Irish Water staff have been allocated to, positioned and stationed in Westmeath County Council. Who were the staff who were called out in the dead of the night to fix the burst water pipes? It was not Irish Water staff but Westmeath County Council staff-----

**Deputy Colm Keaveney:** Hear, hear.

**Deputy Robert Troy:** -----who were brought out in the thick of the night to ensure the provision of a water supply for people who would be using it the next morning.

Both Ministers and Deputies have come out in recent days and condemned John Tierney for his lack of visibility. Until yesterday he was about as visible as the Taoiseach, Deputy Enda Kenny, has been at an election time debate, that is to say, he was invisible, but it was not his fault nor the fault of the senior executives of the board of Irish Water. What they were doing was simply implementing Government policy.

A public relations lady representing Irish Water comes out to speak on the national airwaves at every opportunity. She is unable to outline the pricing policy or any of the issues relevant to the people who will have to use the water services provided by Irish Water but she is A1 at outlining the rationale for the payment of bonuses or, as the Government likes to call them,

performance-related pay. Only yesterday we learned that workers in need of improvement, that is, workers who are not doing their job, will get paid. Is it any wonder there is outrage felt by the ordinary citizens, middle and working class people who are to the pin of their collar trying to pay the universal social charge, property tax and now another charge that is being lumped on their back to cover the set up cost of €80 million and bonuses. That is not to speak of a call out charge of €188 and a pricing model where a household comprising a mother, father and two adult children going to university will have to pay a bill of more than €500 per annum. I compliment the people who took to the streets to express their frustration at the way these charges are being implemented.

I, and most rational people, understand there is a need to charge for water. They know water is finite resource and that it costs money to treat dirty water and to bring a water supply to the home. Why is it that the same people who pay for everything are left paying for the Minister's incompetence and arrogance who did not allow Members on all sides of the House the opportunity to outline their concerns about the way Irish Water was being set up? If this was solely and exclusively about water conservation, why not bring in a generous allowance for every house over and above which people would pay for it? If this was purely about water conservation, which it is not, why was the proposed original allowance of 37,000 litres per child reduced to 21,000 litres? What this is about is implementing a Fine Gael quango that was promised in its NewERA document in 2009, ensuring the establishment of a super quango and that there were jobs for the boys. Instead of abolishing quangos, it has established another one that pays bonuses to its friends.

**Acting Chairman (Deputy Brian Walsh):** Deputy Kelleher is next on the list to speak. Does he wish to have a few minutes and allow Deputy Keaveney to speak first?

**Deputy Billy Kelleher:** I will speak first. I welcome the opportunity to speak on this issue. The Minister of State should not be surprised that this issue is very topical on the floor of the Dáil because it is topical in every household throughout the country. The reason is because the way the Government has gone about establishing Irish Water and the way it will charge people for the provision of water services in their homes is simply unjust. Great debates have taken place in this Chamber in previous times but the bottom line is that this issue is affecting every household. That is the reason it is critical that people get a buy-in to how we fund our water services in this country. The consequences that have flowed from the proposal put forward by the Government to establish Irish Water are that the public simply have no trust in Irish Water. They see the bonus culture endemic in the organisation. The organisation does not seem to understand what is happening in terms of the cost to families or the cost to the organisation of providing water services and installing water meters. It denies there is a bonus culture and that bonuses will be paid, but we all know that they will be.

The Minister, Deputy Kelly, has been pirouetting around the issue in recent days, saying he will strong-arm Irish Water and bring it to heel, but the point is he is kicking the dog he owns. He should be trying instead to direct Irish Water to a position where it no longer exists and to return to where we were in terms of providing water locally or regionally and in an efficient manner. The first bills Irish Water will send out next year will be ones to pay for itself. They will not pay for the installation of the water meters, repairs of water leaks or the upgrade of facilities to provide water services and the treatment of wastewater. None of the bills that will be sent to households will pay for any of that work, rather they will pay for consultancy fees and the cost of the employees' salaries and bonus payments. That is the reason there is huge anger about this.

I was never one to go following the crowd around the street but the bottom line is people of all shades of political opinion and none are genuinely very exercised about this. It is not about the fact they do not like paying. No one volunteers to post money to the Exchequer or a local authority but they understand that the provision of services costs money. They are adamant, however, that they get value for money spent, that charges should be fair and that the pricing model should take account a household's ability to pay, but none of this has been thought out. The reason it was not thought out is that this time last year the legislation was rushed through the Dáil without any debate and in an arrogant, parliamentary strong-handed way using jack-boot tactics. No one was allowed to raise an issue on Second or Committee Stages. We were not allowed to raise the issues we were elected to raise. For all these reasons, the Government is in the position it finds itself. That is why the Minister, Deputy Kelly, is trying to disassociate himself from Irish Water and show he will bully it and sort it out.

The bottom line is that it was established for one reason only, namely, it was in the Fine Gael manifesto. It was a central plank in its NewERA document and a central plank of the strategy of the Minister, Deputy Coveney, when he was the spokesperson in that area. He was the one advocating a national utility and it was to be a national utility for one purpose only which was that taxpayers would fund its establishment, pay on an ongoing basis for the use of its water services and, over time, it would be dressed up and packaged nicely, effectively and efficiently and sold off to private equity. That is what Irish Water was being geared up for in the NewERA document. It was to be attached to a larger utility such as Bord Gáis or some equivalent that would have the expertise to ensure that in its infancy Irish Water would be able to move smoothly. More interesting is that PwC was the consultancy firm that warned the Government that if it went down this road it would have many problems with the establishment of Irish Water. It identified many reasons not to go down this route but the Government persisted knowing well that there was strong advice to the contrary. That is why this motion is before the Dáil today and why there were thousands of people on the streets of Dublin last week.

**Deputy Robert Troy:** Tens of thousands.

**Deputy Billy Kelleher:** It is why there will be tens of thousands of people protesting in every part of the country over the next couple of weeks. It is unjust, unfair and does not take ability to pay into account and more important, it is a Fine Gael policy to wrap up Irish Water and sell it to the highest bidder.

**Deputy Colm Keaveney:** It is clear from the contributions of Government backbenchers that the future of Irish Water is not good. Irish Water is dead. For anybody who would deny that fact I repeat, judging by the contributions and participation of people who prevented a debate this time last year on this critically important subject, Irish Water is dead.

In 2011 a PwC report, commissioned by this Government, explicitly advised the Government not to proceed with the model it has proceeded with. The Government ignored the advice to set up Irish Water and hand it over to Bord Gáis. The rationale for that shift was to use Bord Gáis' expertise and internal technical supports. Why have we spent hundreds of millions of euro, from scarce taxpayers' resources on outsourcing the expertise that the Government claimed existed in Irish Water? It has been warned consistently about this since 2011. What we have today is a quango. Information is blackened and denied to the Opposition Members tabling freedom of information requests and parliamentary questions. The Government has resisted responding to any oral question.



It is amusing that backbenchers talk about the priority of securing a Deputies' helpline. A critically important resource is being stripped from local democracy. We had an accountable local authority and an organisation to provide answers to locally elected people but that resource has been stripped away. The Minister of State cannot argue that Irish Water is accountable. He cannot say that its executives will answer questions democratically to the Irish people. They might attend before a select group of Fine Gael and Labour Party backbenchers in committees where powerful people will sit around and decide how this should work. We need full transparency from Irish Water before Oireachtas committees. The Government has sought to cover up the inner workings of this arrangement but it should follow the example of successful investment in other contemporary utilities, particularly across the water. It has failed to do this.

Irish Water will reach a whole-time equivalent of 700 staff, with an additional 400 in the call centres, when it is complete. This does not include those working on the ground who are in local authorities. The Government has consented to the engagement of expensive consultants and their expenditure of €85 million since last April. That is a significant cost to the Exchequer. Many of those staff have been transferred from the local authority and left their pension liability with the local authority. I do not know the rationale for that, apart from what Deputy Kelleher said, that it appears the Government is fattening the calf and getting it ready for privatisation. Several concerns about many aspects of the tendering process were raised in the original debate when the legislation was being rammed through the House, have never been answered. That is why the former Minister of State at the Department of Communications, Energy and Natural Resources, Deputy O'Dowd, has said publicly that he is not satisfied, does not believe in the workings of Irish Water and has raised many questions which the Government must answer. At least after his demotion he has done some service to the people of this country by telling the truth. Irish Water is finished.

Irish Water staff have been placed on top of an expensive hybrid of a quango never before seen in this country. This body is not accountable to this House, apart from meeting select committees with Fine Gael and Labour Members and is not accountable to the people. We have consistently warned the Government of our concerns about this.

Under the parent company, recently re-named Ervia, 700 staff are entitled to performance-related pay. I acknowledge RTÉ's commitment to the subject. In its "This Week" programme last week it was revealed that staff whose superiors identified them as "needing improvement" would gain a 19% bonus. How difficult it is for people who are struggling to know that all those people must do to receive a 19% bonus is be mediocre or adequate.

**Deputy Mattie McGrath:** They are not doing their job at all.

**Deputy Colm Keaveney:** This is an insult and an injury to people who struggle every day. One person said to me this week, "It is not the lies that bother me, it is the insult to my intelligence". The Government has lost the middle ground and the public does not support it on this project. This week the Minister of State at the Department of Finance, Deputy Harris, indicated the board would have to change. There has been a media frenzy with language ramped up against John Tierney but the Government has not done the real U-turn here. It has not had the humility to recognise that the public does not support this project. This is a mistake. People fear the prospect of the spiralling cost. They cannot shoulder the weight of this cost. This is a mess. The Government should have had the humility to come into this House and acknowledge that.

The absence of Government backbenchers this morning demonstrates that the Government does not have their support. They will be whipped in here today to go through the motions. The people do not support Irish Water. The Government does not have the support of the middle ground as it should know after the local elections and recent by-elections. The Government is so arrogant it does not recognise that this is a source of great concern for ordinary people. It must have the decency to put a halt to it, not just to ramp up negative back-briefing against the executives of Irish Water. It should be man and woman enough to say enough is enough, put an end to it and end people's fear as they struggle to put food on the table every day. The cost is unacceptable. It is injuring society. The Government had the opportunity to do the right thing. It has so far failed to see or recognise that.

**Deputy Paudie Coffey:** The Opposition is ranting and raving with no suggestions to offer.

**Deputy Barry Cowen:** What is the Minister of State's suggestion?

Debate adjourned.

### **Topical Issue Matters**

**Acting Chairman (Deputy Brian Walsh):** 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 Lucinda Creighton - the deteriorating tax environment for productive investment in small and medium sized enterprises here; (2) Deputy Michael Fitzmaurice - the ongoing difficulties of the Irish road haulage industry; (3) Deputy Michael Lowry - the need for intervention to secure a replacement industry for the Lisheen mine site, County Tipperary; (4) Deputy Peter Mathews - the need to intervene to secure deferred pensions for members of the Irish Airlines Superannuation Scheme; (5) Deputy Mattie McGrath - the high cost of business for hauliers and its effect on the wider economy; (6) Deputy Robert Troy - the lessons that need to be learned by State agencies following the death of an individual (details supplied); (7) Deputy Brian Stanley - the high costs of road haulage fees; (8) Deputy Éamon Ó Cuív - an gá go dtabarf cúnaimh breise do na teaghlaigh a choinníonn Gaeilgeoirí faoi Scéim na bhFoghlaimeoirí Gaeilge i 2015 de bharr an ualaigh a thitidh orthu de bharr táillí uisce tí; (9) Deputy Sean Fleming - the funding of the school meals local project scheme in Scoil Bhríde, Portlaoise, County Laois; (10) Deputy Charlie McConalogue - the investment plans for Malin Head; (11) Deputy Dessie Ellis - the impact of proposed cuts to the Ballymun-Whitehall partnership; (12) Deputy Joan Collins - concerns regarding cuts to the SICAP inner city budget; (13) Deputy Seán Kyne - the need to review the funding application decision for Connemara community radio; (14) Deputy Thomas P. Broughan - the programme and targets in relation to the future strategic infrastructure required for Dublin City and Fingal County Councils; (15) Deputy Seamus Kirk - the issue of cattle rustling around the country; (16) Deputy Maureen O'Sullivan - the need for community rehabilitation services for stroke victims; (17) Deputy Joe Higgins - the strike of JJ Rhatigan workers at Kishogue Community College; (18) Deputy Paul Murphy - the strike of JJ Rhatigan workers at Kishogue Community College; (19) Deputy Ruth Coppinger - the strike of JJ Rhatigan workers at Kishogue Community College; (20) Deputy Brendan Griffin - concerns regarding the number of meetings held by the IDA with investors in County of Kerry in 2014; (21) Deputy Clare Daly - the UN Security Council resolution requiring countries to pass laws outlawing travel to join terrorist groups; and (22) Deputy Mick Wallace - the UN Security Council resolution requiring countries to pass laws outlawing

travel to join terrorist groups.

The matters raised by Deputies Seán Kyne; Thomas P. Broughan; Seamus Kirk and Maureen O'Sullivan have been selected for discussion.

*12 o'clock*

### **Leaders' Questions**

**Deputy Barry Cowen:** The plot in relation to Irish Water thickens every day. It is like a cure searching for a remedy. Phil Hogan said that one normally has to crack a few eggs to make an omelette. In the case of the Irish Water entity that was put in place by this Government, omelettes are being made before any eggs are cracked. This day last week, the Tánaiste was asked specific questions about the bonus scheme in Irish Water. She did not answer the question at all. The Taoiseach informed the House on 7 October last that there would be no bonus scheme or payments in Irish Water. We are led to believe that a report to the Government in 2012 specifically outlined the schemes pertaining to Bord Gáis and, subsequently, to Irish Water. On Monday, the Ministers, Deputies Jan O'Sullivan and Alan Kelly, said the bonus scheme will be dealt with when the new board is appointed. We were told on Tuesday that the Minister, Deputy Kelly, would meet the chief executive officer and tell him a few home truths. Despite those home truths, Mr. Tierney arrived out of a meeting yesterday and said his staff are doing a fantastic job and deserve their bonuses and the bonus scheme within Irish Water. The Taoiseach informed the House at another point on Tuesday that he does not believe anyone who underperforms should be given a bonus or performance pay in the first place. Does the Tánaiste agree that the staff in Irish Water are doing a fantastic job, considering their very performance is determined by a policy direction of the Government? Does she think they are entitled to or should receive bonuses?

**The Tánaiste:** The development of Irish Water and the employment of staff in Irish Water is akin for our times to the establishment of the ESB shortly after the foundation of the State.

**Deputy Mattie McGrath:** That is an insult.

**The Tánaiste:** It was probably pretty unpopular with people like the Deputy at that time.

**Deputy Finian McGrath:** It was not. It was a very popular project.

**The Tánaiste:** Such people subsequently became great defenders of it.

**Deputy Mattie McGrath:** I am not that old.

**The Tánaiste:** When Deputy Cowen's party leader, Deputy Martin, was inquiring about the bonuses during last week's discussion, he asked how much it would cost to go back to the 34 separate local authority water structures and to take the current Irish Water structure back onto the balance sheet. The taxpayers and citizens of this country want an efficient and effective water system. The cost of doing what Fianna Fáil appears to want to do is very significant. It would initially cost €600 million to take it onto the balance sheet, as Fianna Fáil seems to be suggesting. I know that, in reality, it is holding a range of options. The revenues raised would

incur a cost of a further €300 million. The commitment in terms of the capital investment - Deputies on all sides of the House will agree that this is vital - would cost another €1.7 billion over a three-year period. I want the message to be sent to taxpayers that the cost of what Fianna Fáil is proposing with regard to Irish Water would place a burden of €2.5 billion back onto the shoulders of those who ultimately pay taxes. I am saying that Fianna Fáil has not costed its options at all.

There has been an area that is disappointing in relation to Irish Water. I understand the frustrations and concerns of people, as highlighted by Deputy Cowen and other members of his party during this week's Private Members' debate. I think the timeline for Irish Water was certainly too ambitious. It is an undertaking as big as the ESB for our times. It involves bringing together 34 separate authorities. Most important, the investment about which I have just spoken will ensure that by the new year, the people of Roscommon will be able to have a glass of water from their taps.

**Deputy Michael Fitzmaurice:** That would want to happen.

**The Tánaiste:** That is not to be sneezed at. As Deputy Cowen said, the Taoiseach and others are on the record on the issue of how the staff are paid. This matter will be dealt with by the board of Ervia. I do not anticipate any bonus payments in the context of the set-up period. A bonus is a reward for work that is done. We are very much in the set-up period. In any event, it is a structured payment in relation to salaries which actually forgoes increments. As the Deputy knows, and he has seen the documentation, which is in the public domain, the scheme was designed to save money.

**Deputy Bernard J. Durkan:** Hear, hear.

**Deputy Barry Cowen:** I thank the Tánaiste for her response. Unfortunately, she did not answer the question I asked. I did not ask her to reassure the House, or to give any further detail about the cost associated with putting this bonus-driven, gold-plated super quango in place. Some €700 million has been spent to date without a pipe in the ground being fixed anywhere in the country. I asked the Tánaiste to say what she thinks of the bonus system in Irish Water today. Having gone round the houses, she eventually said she does not think any such payments should be made during the set-up period. What does she think?

I will ask her directly again. Does she agree with them, or does she not? Does she agree with them during the set-up? Does she agree with them when Irish Water has been set up and is in place, robbing Peter? It is a very simple fact the Tánaiste is going to have to answer. I would like her to be honest and to answer the question directly. Will the bonus scheme go ahead or will the Government succumb to the pressure that I heard from Labour Party and Fine Gael backbenchers when we debated the Fianna Fáil motion over the past hour? They are blaming the Tánaiste and her colleagues in government for allowing this and putting this in place. That is what they did, whether they like it or not. Does the Tánaiste agree with what they did? Does she agree with it into the future? Will she do something about it? If she does not intend to do so, she should be clear about it. The backbenchers need to know. If that is what they think, they can withdraw their support for the Tánaiste and her Government.

**Deputy Mattie McGrath:** Paddy needs to know.

**The Tánaiste:** The audacity of Fianna Fáil, in forgetting that it agreed at the time-----

**Deputy Finian McGrath:** The Tánaiste is taking out the violin.

**Deputy Mattie McGrath:** Freagair an cheist.

**The Tánaiste:** The Deputies opposite have probably wiped it from their memories, and I can understand why.

**Deputy Barry Cowen:** That carry-on won one election, but it will not win another one.

**The Tánaiste:** When the troika came into Ireland, the guys opposite - they are all guys - decided to sign off-----

**Deputy Finian McGrath:** Sexist.

**Deputy Seán Crowe:** They cannot do anything about that.

**The Tánaiste:** I see Sinn Féin is all guys today as well. I am glad to see Deputies Maureen O'Sullivan and Joan Collins are here.

**Deputy Barry Cowen:** The guys and the gals are getting bonuses.

**Deputy Paudie Coffey:** Deputy McDonald has gone AWOL.

**The Tánaiste:** When the guys signed off on it, they agreed with the troika there would be a comprehensive change in relation to water in Ireland in line with every other European country. They agreed a flat rate charging arrangement, or something like that, which came out at €400 per household.

**Deputy Barry Cowen:** That is a lazy answer, as usual.

**The Tánaiste:** All of Fianna Fáil's previous spokespersons agreed that was what happened.

**Deputy Barry Cowen:** You guys and you gals put this in place.

**The Tánaiste:** Deputy Cowen changed his party's mind on the matter.

**Deputy Charlie McConalogue:** This Government agreed the bonuses.

**The Tánaiste:** If we were to do what Fianna Fáil is now proposing in relation to Irish Water, which is to take the company out and put it back to taxpayers-----

**Deputy Barry Cowen:** Answer the question.

**The Tánaiste:** -----we would be talking about a cost of €2.5 billion.

**Deputy Charlie McConalogue:** What about the bonuses agreed by this Government?

**The Tánaiste:** Deputy Cowen made a secondary point-----

**Deputy Barry Cowen:** The taxpayers are paying for the bonuses.

**The Tánaiste:** I am just saying-----

**Deputy Barry Cowen:** Does the Tánaiste agree with bonuses, or does she not?

**The Tánaiste:** Let me give you an analogy-----



**Deputy Robert Troy:** We want a “Yes” or “No” answer.

**Deputy Barry Cowen:** I want an answer, rather than an analogy.

**The Tánaiste:** The tax package in the budget and the spending package are each worth €500 million. The Deputy is casually, without thinking, telling the taxpayers that here is another debt costing €2.5 billion per annum.

**Deputy Robert Troy:** Yes or no, Tánaiste?

**The Tánaiste:** The bonuses will be dealt with by the board of Ervia.

**Deputy Mattie McGrath:** Irish Water is dead. We just have to wait for the funeral.

**Deputy Noel Coonan:** Quieten down, Mattie. Back in your box.

**Deputy Mattie McGrath:** You voted for it.

**The Tánaiste:** I do not anticipate any bonus payment, any enhancement payment or whatever other kind of management speak title is used for the payments being paid-----

**Deputy Barry Cowen:** Some €5.16 million will be paid next year. That figure comes from a response to one of our parliamentary questions.

**The Tánaiste:** -----at all until such time as the company is operational.

**An Ceann Comhairle:** I am sorry, but we are over time.

**Deputy Robert Troy:** It is operational now.

**The Tánaiste:** What I do know at the moment is that people in Roscommon-----

**Deputy Barry Cowen:** The Government is charging for it as we speak.

**The Tánaiste:** -----will have drinking water by the new year. I certainly know in Dublin that there is a huge amount of very good work being done by Irish Water to upgrade the facilities in terms of clean water. We need that for people, tourism and business.

**Deputy Bernard J. Durkan:** Hear, hear.

**Deputy Barry Cowen:** I am not saying we do not need it. Is the Tánaiste saying that she agrees with bonuses?

**An Ceann Comhairle:** I call Deputy Ó Snodaigh.

**Deputy Robert Dowds:** Where is Mary Lou?

**An Ceann Comhairle:** Sorry. I have called Deputy Ó Snodaigh.

**Deputy Aengus Ó Snodaigh:** Yesterday, I invited carers and their representative groups to visit Leinster House to explain to Deputies and Senators from all political parties how vital the respite care grant was to families affected by disability. The DCA Warriors, the Special Needs Parents Association and Aoibheann’s Pink Tie, all of which are voluntary groups that do outstanding work, attended. Alongside the Carers Association and Inclusion Ireland, they gave powerful, heart-wrenching accounts of the hardships caused by the Government’s 19% cut to

the grant in budget 2013. That cut of €325 has meant that entire households are going without heating, children are going without therapies and special equipment, families are going deeper into debt and basic items such as shoes and schoolbags cannot be afforded. The cut extinguished any meaningful chance of respite for those families. It also had a demoralising effect on this already fragile group. As one carer put it, a savage cut of such a disproportionate size in respect of families with special needs was degrading and made many feel worthless.

Budget 2015 was supposed to herald the end of austerity, but the family carers have been provided with no relief. Will the Tánaiste please reflect on what I am telling her and on the testimony given by carers in the AV room yesterday and use the upcoming Social Welfare Bill to restore the €325 to the respite care grant? The wider Irish public wants the Government to give carers some relief. A petition issued during the week received 2,000 signatures within 24 hours and a lot more since. I urge the Tánaiste to take the time to read the testimony that is attached to some of those signatures. It would be appropriate of her to do so while reflecting on the Bill in the coming weeks.

**The Tánaiste:** I acknowledge all of the work that carers do in Irish society. That is why the Government prioritises a range of supports for carers that are probably among the most extensive in Europe.

The number of people in receipt of the respite carer's allowance has increased significantly during this Government's time. The Deputy knows this, as we have often debated it. The number of families and children qualifying for the domiciliary care allowance has increased significantly. As well as getting the domiciliary care allowance of nearly €300 per month, many of those families also qualify - properly - for the carer's allowance for all of the work they do for their children with physical or intellectual special needs.

The number of grants has increased since a couple of years ago when we entered office, when under 80,000 people were getting the grant. There are now almost 90,000 people getting the respite care grant. The actual expenditure and number of people qualifying have expanded significantly.

**Deputy Robert Troy:** We have an ageing population.

**The Tánaiste:** Yes, absolutely.

**Deputy Robert Troy:** More people are being cared for at home.

**An Ceann Comhairle:** Please ignore the side comments.

**The Tánaiste:** That is why every year in social welfare we have been able to provide approximately an extra €200 million per year in each budget for all of those extra older people, carers and people getting the domiciliary care allowance in respect of their children. That is true; Deputy Troy is absolutely correct. The cost is in excess of €200 million per year.

We have difficult choices to make. When I met, as I do several times per year, representatives of carers' organisations, they emphasised maintaining the weekly rate of the full carer's allowance, which is significant. When we had to make savings in the context of the country's difficulties and we were spending significantly more in that area in total because of the extra numbers, I made a difficult choice. I know it was difficult for a lot of carers, but they and their organisations emphasised to me the primacy of maintaining the weekly rate. I am happy to

say that, as Deputy Ó Snodaigh will be aware and as he surely told the people who came to his meeting, the carers and families who receive the domiciliary care allowance and the people with disabilities or older people for whom carers care will all receive small, but significant and important improvements for them and their families in the budget. First, in the first half of December, we will be paying them the Christmas bonus. For an individual carer, this will be somewhere around €50 or €60. If other people in the family are on social welfare and, as the Deputy has suggested, the carer has a number of children-----

**Deputy Mattie McGrath:** Two and a half bags of coal.

**The Tánaiste:** -----in addition to those for whom he or she cares, the figure will be well over €100 up to €200. I can give Deputy Ó Snodaigh the details if he gives me the details of the families concerned.

Second, if a carer is looking after a disabled person and is living on his or her own - many are and do fabulous work - the living alone allowance for that person will increase to €9 per week.

**Deputy Brian Stanley:** By €1.30.

**The Tánaiste:** That has been widely welcomed by disability organisations. Regarding the children the Deputy mentioned, in January child benefit will increase by €5 per child. What the Deputy is suggesting in a way is to-----

**An Ceann Comhairle:** I am sorry, but we have gone way over time.

**The Tánaiste:** -----increase carer's allowance at a cost. We have a limited budget with which to make improvements and we chose to concentrate on carers as well as older people and those living alone. As soon as we can-----

**Deputy Finian McGrath:** The Government chose tax cuts for the wealthy and cut the respite grant.

**The Tánaiste:** -----and resources allow, of course we will look at it. We look at it all of the time.

**Deputy Aengus Ó Snodaigh:** The Tánaiste stated that the number of carers and those in receipt of respite care grants had increased. While I acknowledge this, she must acknowledge that, to be awarded carer's allowance or the respite care grant, an onerous medical assessment is made of the carer. As such, each and every one of the people receiving those payments is a deserving case.

**Deputy Finian McGrath:** Hear, hear.

**Deputy Aengus Ó Snodaigh:** Those people deserve much more than this State has ever granted them.

We have examined the figures, as has the Carers Association. When the water charges are included, every family carer will be financially worse off next year than he or she is this year. I have the figures and can give them to the Tánaiste later if she wishes, but her Department is well capable of running them as well. The Tánaiste can prevent this situation from happening. Will she please use the Social Welfare Bill to restore to carers the €325 that the Government cut

from the respite care grant two years ago? It would cost approximately €30 million. That is substantially less than half of what the Government spent on consultants in Irish Water. Such a restoration would send out a solid message to carers and would be a badly-needed investment in carers. I ask the Tánaiste to give thought to this matter, as she has a number of weeks in which to take this appropriate action. Moreover, she would be praised were she to look again at the budgetary arithmetic and to find the money, whether it comes from Irish Water or wherever, to ensure these carers are properly appreciated rather than what is happening, which is they no longer are being appreciated because their income will be cut next year.

**An Ceann Comhairle:** The Tánaiste has one minute.

**The Tánaiste:** I am happy to state that in addition to the partial restoration of the Christmas bonus in December, which will be highly significant for carers and other people in their households, the Government will be moving to improve the situation of carers, the people they care for, older people and children whose family are in receipt of a domiciliary care allowance. The Deputy's suggestion is to take money from some of those categories and to give it to carers.

**Deputy Finian McGrath:** That is not true.

**The Tánaiste:** I do not believe the Deputy's judgment in this instance is correct.

**Deputy Seán Crowe:** When did he say that?

**Deputy Aengus Ó Snodaigh:** I did not say that.

**Deputy Finian McGrath:** Most families want the respite grant back.

**An Ceann Comhairle:** Please.

**The Tánaiste:** As the Deputy is aware, Sinn Féin makes an argument-----

**Deputy Finian McGrath:** The Tánaiste is out of touch and should show some leadership on the issue.

**The Tánaiste:** Sinn Féin makes the argument that its budgets are costed.

**Deputy Finian McGrath:** It is a disgrace how the Tánaiste is misrepresenting the issue.

**The Tánaiste:** In addition, carers with children will be getting an increase in child benefit in January, about which I am delighted. Second, the people they look after who live alone or who are older will get a living alone increase, being brought up to €9.

**Deputy Aengus Ó Snodaigh:** That has all been factored into the figures and they still are coming out with less.

**The Tánaiste:** As for Irish Water, all the groups of whom I have spoken - and specifically and importantly, carers - will get €100 to support water payments.

**Deputy Aengus Ó Snodaigh:** That is factored into the figures.

**The Tánaiste:** Consequently, in this budget carers have been at the heart of the Government's budget strategy-----

**Deputy Aengus Ó Snodaigh:** I will give the figures to the Tánaiste.

**The Tánaiste:** -----in terms of distributing a social welfare package of approximately €200.

**Deputy Róisín Shortall:** That is not true. What about the tax cuts for the better off?

**Deputy Emmet Stagg:** Deputy Shortall can give it back if she wishes but I do not think she will.

**An Ceann Comhairle:** Sorry Tánaiste, we are over time.

**The Tánaiste:** A report was published in the North this morning, where the Deputy's party is in government, stating that the position of carers there is far worse than it is, for instance, in the South because the payments-----

**Deputy Aengus Ó Snodaigh:** It is to further a campaign for fiscal and financial power that we do not have. It calls for tax-raising powers because past Governments here did not support our demands for the transfer of financial and tax-raising powers.

**The Tánaiste:** Sinn Féin is in government there. I suggest to the Deputy it should take some responsibility. A report was issued in respect of carers in the North and Sinn Féin is responsible there. The Deputy should acknowledge-----

**An Ceann Comhairle:** Sorry Tánaiste, we are five minutes over time.

**Deputy Mattie McGrath:** Well over time.

**The Tánaiste:** -----as he did, that the Government has sought and has increased significantly the total amount it is spending on carers.

**Deputy Seán Crowe:** The Government has made its choices.

**Deputy Aengus Ó Snodaigh:** It spent €80 million on the consultants in Irish Water.

**The Tánaiste:** Sinn Féin in government in the North does not seem capable of addressing the issue. What is its problem?

**An Ceann Comhairle:** I call Deputy Joan Collins on behalf of the Technical Group.

**Deputy Joan Collins:** I wish to make an observation regarding the comment made by the Tánaiste in her interview in the SIPTU journal, in which she appears to have pulled back and to have changed her tune from her attitude in this Chamber two weeks ago regarding working people actually having smart phones, being able to use them and being able to interact with social media. Many people found those remarks to be highly patronising and contentious.

That said, I wish to raise the issue of scoliosis and the number of children who are awaiting surgery in the Our Lady's Children's Hospital, Crumlin. I have been contacted by many families on this issue, as well as by Scoliosis Ireland, which has made the point that waiting lists have continued to increase in this area over the recent past. As the Tánaiste is aware, scoliosis is a serious condition that causes curvature of the spine and in more serious cases, if not treated it affects children leaving their backs twisted and deformed and can put pressure on their lungs and heart. More than 530 children are stuck on waiting lists for orthopaedic surgery at Crumlin children's hospital. Moreover, 50 children who need surgery for curvature of the spine are waiting for up to 18 months and more for surgery at Crumlin and Tallaght hospitals. Patrick Kiely, who is a consultant at Crumlin hospital, has stated these delays not only cause increased



deformity and discomfort in a growing child but also lead to more complex surgery and treatment also being more costly. In a newspaper comment, he stated:

It's counterproductive. The risks rise, complications are more likely, in some cases spinal deformity grows rapidly worse. And it's not economically sensible. Research indicates a 15%-30% increased cost associated with correcting the more severe curves.

As the Tánaiste is aware, this has been an ongoing problem for years. In 2009, a HSE plan was brought in to eliminate waiting lists by the spring of 2012 but this has not happened. What is needed are more surgeons, extra theatre time, more specialised areas for traction, of which there are only two in Crumlin hospital. I do not know what these additional resources would cost but it would hardly break the HSE, compared with the health costs for the families and their children. This issue has been going on for too long under the radar. The families involved have stated they tried to raise this issue with the HSE but are not they getting back concrete replies. Will the Tánaiste give a commitment to these families to raise this issue with the Minister for Health in order that it be dealt with urgently? This must stop and these waiting lists must be reduced.

**The Tánaiste:** First, the Deputy raised the issue of telephones and cameras. I am delighted that people have lots of telephones and cameras.

**Deputy Finian McGrath:** The Tánaiste was not last week.

**The Tánaiste:** In fairness, and to correct the record, the Deputy raised what she considered to be an issue regarding Garda behaviour and monitoring of protests in respect of Irish Water. She was suggesting that the gardaí somehow were not behaving properly. I told her that in my experience of the people involved in the protest, everything is filmed and I stated it would be possible to verify any suggestions made by the Deputy, because everything is uploaded onto social media and is available there. I am delighted that this is the case. If I gave any other impression, I am very happy to correct that. I also stated that I am a keen photographer myself-----

**Deputy Aengus Ó Snodaigh:** Not with a mobile telephone.

**The Tánaiste:** ----- which is why it is great to see that people have that kind of equipment.

The Deputy was speaking about An Garda Síochána and I simply suggested to her that all of the material was available on social media. I am glad that people are filming it because it does mean it is very clear as to what is happening.

**Deputy Barry Cowen:** The Tánaiste is answering last week's question.

**Deputy Finian McGrath:** What about the scoliosis?

**An Ceann Comhairle:** Sorry, could we deal with the matter?

**The Tánaiste:** In respect of Our Lady's Children's Hospital, Crumlin and the Deputy's question on scoliosis, she is probably aware that happily, as with social protection and the previous discussion, a lot of additional money has been allocated to the health budget, both for this year and, better still, for next year. A total of well over €800 million has been allocated, much of which will go to hospitals. The Deputy also is aware the Government has made an allocation for a significant capital investment to build a new children's hospital. I certainly know children and individuals with this condition and the Deputy's observations are correct, as it is a condition

that requires long-term care and long-term monitoring, particularly when it is identified early in childhood.

I do not have to hand a detailed answer to the Deputy's question in the context of this discussion but I undertake to get information and to revert to the Deputy. However, in the context of additional expenditure of more than €800 million in health in funding for this year and for next, as well as in respect of the capital investment programme, there should be scope to improve the numbers of operations and to improve the waiting times as this is a very important factor in the treatment of growing children who have this condition. I will raise the issue raised by the Deputy with the Minister for Health and will provide her with a more detailed reply.

**Deputy Joan Collins:** I thank the Tánaiste for her reply. The issue of waiting lists is a serious matter. People have been told they will be obliged to wait for more than 18 months for operations. A young girl named Shauna Franklin from New Ross has gone public in the newspapers and has requested - she actually begged - that penny-pinching health chiefs should allow her to have a life-saving operation. She made the point that money should not be the reason she cannot have a life-transforming operation, which should be carried out sooner rather than later.

The orthopaedic consultant-population ratio is at least two times lower here than in the rest of the Western world; we have approximately one spinal surgeon for 250,000 people. In 2009, to save costs on staff and overheads, the hospital closed 25 beds and one operating theatre. These must be reopened. The consultants say they need extra theatre capacity, extra time and more surgeons in the hospital to deal with the issue. Otherwise, these lists will get longer and children will have to wait longer and suffer more, with further curvature of their spines and their conditions deteriorating. On behalf of these families, not me, I ask the Minister to raise this issue urgently with the Minister for Health to try to get it dealt with. The Minister said that more money is going into the health service. Since 2012, this Government's first budget, €1 billion has been taken out of the health service. It went from €14 billion down to €13.1 billion, but that is not the issue. Money has to be made available to deal with this issue of the patient waiting lists in Crumlin children's hospital.

**Deputy Finian McGrath:** Hear, hear.

**The Tánaiste:** The Deputy asked about a number of individual cases. She may have already tabled a parliamentary question to the Minister for Health. If she has not, I strongly suggest she would do that because I am not able---

*(Interruptions).*

**The Tánaiste:** I am trying to answer the Deputy. I am not able to give her an answer immediately here on a case about which I have not been given some prior information but if the Deputy tables a parliamentary question to the Minister for Health, I am sure he will do his best to assist her.

For Crumlin children's hospital, as the Deputy knows, the most important point is that this country has committed to building a new, state of the art-----

**Deputy Joan Collins:** Patients are waiting 18 months.

**The Tánaiste:** -----children's hospital as well as prioritising funding for children in the context of the spend on health in Ireland. I told the Deputy it was an extra €800 million. In terms

of our population, that is a very significant increase in a budget. I do not know the detailed breakdown but I strongly anticipate that the management of Crumlin hospital, and the consultants who will be part of the management structure, will be able, with the additional resources being provided overall in health, to prioritise the children who most need assistance.

I agree with the young girl from New Ross about whom the Deputy spoke. Obviously, it is a priority for everybody in government to ensure that she gets her necessary treatment as quickly as possible. It is a difficult condition. Modern medicine has advanced enormously to be able to help people and if the Deputy gives us the details, I will have them examined. I will raise the issue with the Minister for Health, and I certainly would like to see that young girl getting whatever treatment is appropriate for her as soon as possible.

### **Order of Business**

**The Tánaiste:** It is proposed to take No. *a*12, motion re membership of committee; No. *b*12, motion re ministerial rota for parliamentary questions; No. 12, the Merchant Shipping (Registration of Ships) Bill 2013 [Seanad] – Financial Resolution; No. 13, motion re appointment of members of the Irish Human Rights and Equality Commission - back from committee; and No. 6, the Intellectual Property (Miscellaneous Provisions) Bill 2014 - Order for Second Stage and Second Stage.

It is proposed, notwithstanding anything in Standing Orders, that Nos. *a*12, *b*12, 12 and 13 shall be decided without debate; that the Dáil on its rising today shall adjourn until 2 p.m. on Tuesday, 4 November 2014; and Private Members' business shall be No. 158, motion re Irish Water - to be resumed immediately after the Order of Business, which shall, if not previously concluded, be brought to a conclusion after 90 minutes.

**An Ceann Comhairle:** There are two proposals to be put to the House. Is the proposal for dealing with Nos. *a*12, *b*12, 12 and 13 without debate agreed to? Agreed. Is the proposal that the Dáil, on its rising today, shall adjourn until 2 p.m. on Tuesday, 4 November 2014 agreed to? Agreed.

**Deputy Barry Cowen:** Can the Tánaiste clarify if there are proposals to amend the Social Welfare (Consolidation) Act 2005? Section 262 of that Act contains the parameters around which personal public service, PPS, numbers may be given to third party institutions. It refers to the Minister having to sanction any such use by a third party and weigh up that request on its merits before agreeing to it. I do not see anything on the Department's website to indicate it has gone through that process. There is a reference on Irish Water's website to the effect that the arrangement for such has not yet been finalised. Considering the current furore, this is another aspect of the policy commitment of Government to Irish Water and the way in which it is carrying out those policy directions. I am in the same boat as Irish Water. It appears that such an arrangement has not yet been finalised and people are very concerned about the use of their PPS numbers and the manner in which they may be used in the future, considering the threat that many believe still exists, namely, the potential or possibility of that entity being privatised in the future.

**The Tánaiste:** In terms of the Department of Social Protection's main business, people have a PPS number for social welfare purposes. Where other organisations use a PPS number, that usage is based in law, and I can get the details of that for the Deputy. However, in regard

to Irish Water, my understanding is that it has requested PPS numbers to verify that people are entitled to allowances, particularly with respect to children. As the Deputy knows, there is a provision for extra allowances. The actual use of PPS numbers by Irish Water for any other purpose is not permitted. That is the sole purpose for which it can use the PPS number.

I understand people would be concerned about privacy and in that context, the Department of Social Protection works extremely closely with the Data Protection Commissioner who has a responsibility to oversee this important area. The Deputy will be aware of a recent court case where certain credit unions gave people's PPS numbers to inquiry agencies and they made certain inquiries, which they were not entitled to do, in regard to PPS numbers, and the courts dealt quite severely with that matter. All of this is legislated for by law.

**Deputy Barry Cowen:** The Tánaiste says it is in law.

**The Tánaiste:** This is all legislated for by law-----

**Deputy Barry Cowen:** Did the Tánaiste and her Department sanction it?

**An Ceann Comhairle:** Sorry, this is not a matter for the Order of Business.,

**The Tánaiste:** It is the law.

**Deputy Barry Cowen:** I am looking at the law. Can the Tánaiste clarify what section 262-

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**The Tánaiste:** The law provides for limited use and access. People will recall that when Student Universal Support Ireland, SUSI, was being developed there was some usage of PPS numbers in regard to that, strictly regulated by law.

**Deputy Dara Calleary:** That is not a semi-State company.

**Deputy Barry Cowen:** We need to rescind section 262 of the 2005 Act.

**Deputy Dara Calleary:** SUSI is not a commercial company.

**The Tánaiste:** I want to assure people of that, and it is overseen by the Data Protection Commissioner.

**An Ceann Comhairle:** I have to move on.

**The Tánaiste:** It is overseen by the Data Protection Commissioner, which is correct and proper.

**Deputy Barry Cowen:** I know that, but will the Tánaiste clarify for me section 262 of the 2005 Act if she says there is nothing she can do about it?

**An Ceann Comhairle:** I think we have dealt with that issue. There are only 13 minutes left and there is a list of Deputies offering.

**Deputy Aengus Ó Snodaigh:** I will try to be brief. I hope the landlord and tenant Bill, along with the national paediatric hospital development board (amendment) Bill can be prioritised and fast-tracked. These Bills are on the legislative programme. The landlord and tenant Bill is not scheduled until next year. No timeframe has been announced for the national paediatric hospital development board (amendment) Bill. What is the position on the technological

universities Bill, given that Waterford Institute of Technology has pulled out of talks on amalgamation with Carlow Institute of Technology? Should this Bill also be fast-tracked to ensure the amalgamation process can be put back on stream so as to have a university in the south west?

**The Tánaiste:** I understand the landlord and tenant legislation will be ready in the middle of next year. I understand work is ongoing in the Department of Health on the national paediatric hospital development board (amendment) Bill. I do not have an exact date for the Deputy but I will come back to him on it. There has been considerable work done on the technological universities Bill, as the Deputy probably knows. I anticipate it will be ready next year. There have been significant advances concerning two of the groups that are to use the mechanism in question, one in Dublin and one in the south and south west. The Deputy's comment probably refers to the material in the media on Waterford. As the Deputy knows, the Government is absolutely committed to building, expanding and investing in Waterford Institute of Technology. I do not want to comment on what I saw in the newspapers-----

**An Ceann Comhairle:** We cannot have a discussion on this topic.

**The Tánaiste:** -----but I know the Minister and others were quite surprised.

**Deputy Mattie McGrath:** Will the Tánaiste clarify whether the criminal law (sexual offences) Bill, the aim of which is to protect vulnerable persons from abuse, will explicitly make provision to prevent the Irish Family Planning Association from giving illegal and dangerous advice to vulnerable young women?

**An Ceann Comhairle:** We cannot deal with the content of the Bill.

**Deputy Mattie McGrath:** Could we have an update on the investigation by An Garda Síochána and the HSE into the misleading and dangerous information that was given out? What is the status of the investigation and when is it to conclude?

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

**Deputy Noel Coonan:** Deputy McGrath is a great man for the law.

**Deputy Mattie McGrath:** We make laws here.

**The Tánaiste:** The criminal law (sexual offences) Bill should come before the House this session.

**Deputy Brendan Smith:** As the Tánaiste is probably aware, Seanad Éireann passed a motion yesterday calling on the Government to recognise the state of Palestine.

**Deputy Finian McGrath:** Hear, hear.

**Deputy Brendan Smith:** The motion was proposed by Fianna Fáil Senator Averil Power and agreed by the Seanad without a vote. Could the Tánaiste commit that Government time will be allocated in the next sitting week to enable Dáil Éireann to discuss a similar motion?

**Deputy Finian McGrath:** Hear, hear. Well done.

**The Tánaiste:** The allocation of time is obviously a matter for the Whips. I suggest that the Deputy discuss it at the next Whip's meeting.



**Deputy Dessie Ellis:** A report just published by DKM Economic Consultants calling for tax breaks for landlords is not in favour of rent controls. While rent controls are not a magic solution, they would take considerable pressure off many people, including families, who are struggling or under threat due to hikes in rent. The constitutional argument made in the past does not stand up-----

**An Ceann Comhairle:** What Bill are we talking about?

**Deputy Dessie Ellis:** -----and could be legislated around. There is a housing Bill due. I urge the Minister to include rent controls in it, as utilised-----

**An Ceann Comhairle:** When is the housing Bill due?

**Deputy Dessie Ellis:** -----in other European countries, such as Germany. I ask the Tánaiste not to hide behind this report.

**The Tánaiste:** A housing regulation Bill is due next year. I understand the report by DKM, to which the Deputy referred and which was commissioned by the PTRB, is being published today. Once it is published, the Government will have an opportunity to discuss it. As I have not seen the detailed content of the report, I do not want to comment on it at this point.

**Deputy Dessie Ellis:** Could we have a debate on it in the House?

**The Tánaiste:** The Minister for Finance, Deputy Michael Noonan, announced on budget day the extension to landlords of the relief available to households for repair and maintenance work carried out by a contractor where there is a provision for the refund of the VAT. I was a very strong advocate of that measure because I agree with the Deputy that it is important that we have rented accommodation of good quality. The Government is commencing the first major period of construction of social housing, as allocated in the budget this year. It is an important issue-----

**An Ceann Comhairle:** There are only eight minutes left so I call Deputy Creighton.

**Deputy Lucinda Creighton:** The planning and development (No. 1) Bill is listed in the legislative programme to support actions in Construction 2020. One action mooted by the Taoiseach and Tánaiste when the document was launched in May was 95% mortgages for first-time buyers, or a provision whereby the State would underwrite the deposit up to 5%. The Central Bank has obviously responded by trying to put in place a prudent mechanism that would require a 20% deposit.

**An Ceann Comhairle:** We cannot debate the issue.

**Deputy Lucinda Creighton:** We see in today's leaks to the *Irish Independent* that the Government is again proposing to circumvent the prudent proposal of the Central Bank. I would like to hear what the Tánaiste thinks about that and whether she is satisfied with the abolition of the windfall tax on rezoned land, introduced in the budget last week.

**An Ceann Comhairle:** That is all very interesting but it is a matter for a Topical Issue debate.

**Deputy Lucinda Creighton:** It is essentially a return to the policies of Fianna Fáil.

**Deputy Finian McGrath:** Give her more speaking time.

**The Tánaiste:** The proposals by the Central Bank are subject to consultation. I am sure the Deputy and others will make their views known to the Central Bank. The proposals are but proposals at this stage.

With regard to the planning legislation to which the Deputy referred, the heads were agreed recently by the Government. We expect the legislation will be before the House in the near future.

**Deputy Peter Fitzpatrick:** When does the Tánaiste expect the publication of the gambling control Bill, which is to update and consolidate the law on betting?

**The Tánaiste:** It will be the middle of next year.

**Deputy John O'Mahony:** I wish to inquire about the broadcasting (amendment) Bill, which is to amend the Broadcasting Act 2009. It is to deal with the funding of public broadcasting over the next five years and replace the television licence with the broadcasting charge. It is supposed to be introduced in 2015. Could the Tánaiste indicate when in 2015 it will be introduced?

**The Tánaiste:** With regard to the broadcasting (amendment) Bill, there is a chance it may be introduced before the end of this year, or possibly early next year. A similar schedule applies to issues concerning broadcasting charges.

**Deputy Brian Walsh:** What is the current status of proposed legislation dealing with the replacement of the mobility allowance and motorised transport schemes?

**The Tánaiste:** That will be next year.

**Deputy Bernard J. Durkan:** When is the sale of alcohol Bill expected to be before the House? Have the various court proceedings in adjoining jurisdictions made it possible to advance the debate in this area?

On another promised Bill, when the people on the other side of the House were on this side-----

**An Ceann Comhairle:** We can cut out the preliminaries.

**Deputy Bernard J. Durkan:** This is on promised legislation. Those on the other side of the House promised to repeal the Explosives Act 1875. Could the Tánaiste indicate when that legislation is likely to come before the House?

**Deputy Robert Troy:** The Deputy's party has been in power for three and a half years.

**Deputy Barry Cowen:** Stop, Bernard.

**Deputy Bernard J. Durkan:** It must be nearly due by now.

*(Interruptions).*

**A Deputy:** Deputy Ellis would know all about that.

**The Tánaiste:** I hope Deputy Durkan is not intending to set off fireworks with that potentially explosive question. I understand the legislation will be ready early next year. A lot of work has been done on the sale of alcohol legislation, which I understand will be ready next

year.

**Deputy Michael Fitzmaurice:** With the cuts affecting primary schools over the past few years, and in light of an election which meant the minor works grants were paid last year, will those grants, which are issued in November and December and which are the heartbeat of the primary schools right around the country, be included in the budget this year? If they are not, it will basically leave schools around the country silent.

**An Ceann Comhairle:** When is the finance Bill due?

**The Tánaiste:** It is due to be published later today. Obviously, there will be more detail on some of the measures that were mentioned in the budget.

**Deputy Robert Troy:** I have two issues to raise, one of which concerns the wind energy guidelines. As the Tánaiste knows, we have gone through a wide consultation process. Most of it has been ignored. When will the Government finally publish the wind energy guidelines?

My second question is related to a question I asked the Tánaiste four weeks ago on the publication of the report compiled by the independent rapporteur on child protection. Last year's report was given to the Minister for Children and Youth Affairs in January of this year. We still await that report to be laid before the Houses in order that we can have a discussion on its contents and look at implementing its recommendations. Is it right and proper that a report given to the Minister in January is still not laid before the Houses to give Members of the Oireachtas an opportunity to debate it? It is now November. Will the Tánaiste indicate when that report will be laid before the House and we can debate its contents?

**The Tánaiste:** I will contact the Minister to get the date of when he proposes to lay it before the House. On the wind energy guidelines, there is an amount of technical work which has to be done-----

**Deputy Robert Troy:** The local elections are over. The Government was holding them back for that. They are over now. They can publish them.

**The Tánaiste:** -----partly in conjunction with the SEAI.

**Deputy Paudie Coffey:** It is to get the factual information.

**The Tánaiste:** Deputy Troy asked a question and I am trying to give him the information.

**An Ceann Comhairle:** There are other Deputies waiting.

**The Tánaiste:** Deputy Troy should relax.

**Deputy Barry Cowen:** Get a camera and cool down.

**Deputy Michelle Mulherin:** What is the delay in the production of legislation to underpin the mobility allowance and motorised transport grant replacement schemes? There are persons who are precluded. No new applicants are being accepted. There are those who should get it. There is concern and it has been going on a while. What is the problem?

**The Tánaiste:** I do not have a date for that. I will ask the Minister when it is proposed to bring it before the House.

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**Deputy Marcella Corcoran Kennedy:** When will the climate action and low carbon development Bill be published? I understand it is on the A list and it is urgent legislation.

**The Tánaiste:** It is on the A list and it is hoped to be published in this session.

**Deputy John McGuinness:** The Tánaiste commented on the universities Bill and mentioned specifically Waterford. Will she ask both the Institute of Technology Carlow and Waterford Institute of Technology about the current developments where Waterford will now go its own way in the amalgamation?

**An Ceann Comhairle:** That is not in order on the Order of Business.

**Deputy John McGuinness:** Will the Tánaiste comment on that? She commented specifically on Waterford and I believe Carlow should be mentioned in the context of what is happening now and the report in the newspaper.

**An Ceann Comhairle:** Perhaps it would be suitable for a Topical Issue matter.

### **An Bille um n gCeathrú Leasú is Tríocha ar an mBunreacht (Uimh. 2) 2014: An Chéad Chéim**

#### **Thirty-fourth Amendment of the Constitution (No. 2) Bill 2014: First Stage**

**Deputy Brian Stanley:** Tairgim:

Go gceadófar go dtabharfar isteach Bille dá ngairtear Acht chun an Bunreacht a leasú.

I move:

That leave be granted to introduce a Bill entitled an Act to amend the Constitution.

The Bill is to amend the Constitution to allow those aged 16 and 17 the right to vote. We saw that happen recently in the Scottish referendum, when tens of thousands of young people came out to vote. The Government has stated it is considering extending the age of voting to those aged 17. It should be done. The Constitutional Convention recommended it. The Bill is to allow young people to get involved in the democratic process and I wish to move the motion to proceed to Second Stage.

**An Ceann Comhairle:** Is the Bill being opposed?

**Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe):** No.

Cuireadh agus aontaíodh an cheist.

Question put and agreed to.

**An Ceann Comhairle:** Since this is a Private Members' Bill, Second Stage must, under Standing Orders, be taken in Private Members' time.

**Deputy Brian Stanley:** Tairgim: "Go dtógfá an Bille in am Comhaltaí Príobháideacha."

I move: “That the Bill be taken in Private Members’ time.”

Cuireadh agus aontaíodh an cheist.

Question put and agreed to.

### **Membership of Committee: Motion**

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

That Deputy Joe Higgins be discharged from the Select Committee on Finance, Public Expenditure and Reform and that Deputy Paul Murphy be appointed in substitution for him.

Question put and agreed to.

### **Ministerial Rota for Parliamentary Questions: Motion**

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

That, notwithstanding anything in the Order of the Dáil of 25 September 2014 setting out the rota in which Questions to members of the Government are to be asked, Questions for oral answer, following those next set down to the Minister for Public Expenditure and Reform, shall be set down to Ministers in the following temporary sequence:

Minister for Health

Minister for Agriculture, Food and the Marine

Minister for Defence

Minister for Justice and Equality

Minister for Children and Youth Affairs

Minister for Jobs, Enterprise and Innovation

whereupon the sequence established by the Order of 25 September 2014, shall continue with Questions to the Minister for Foreign Affairs and Trade.

Question put and agreed to.

### **Merchant Shipping (Registration of Ships) Bill 2013 [Seanad]: Financial Resolution**

**Minister for Transport, Tourism and Sport (Deputy Paschal Donohoe):** I move:

That provision be made in the Act giving effect to this Resolution:

— for the charging, in accordance with an order made under the Act by the Minister for Transport, Tourism and Sport, with the consent of the Minister for Public Expenditure and Reform, or regulations made by the Minister under the Act, of fees by the



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Minister for applications, renewals and inspections made, certificates issued, ship registrations and other services provided under the Act; and

— for the payment of such fees as may be prescribed in accordance with the Act.

Question put and agreed to.

### **Appointment of Members of the Irish Human Rights and Equality Commission: Motion**

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

That Dáil Éireann, noting that the Government on 14 October 2014 nominated Emily Logan, Teresa Blake, Frank Conaty, Heydi Foster, Liam Herrick, David Joyce, Mark Kelly, Sunniva McDonagh, Siobhán Mullally, Mary Murphy, Fidèle Mutwarasibo, Ray Murphy, Orlagh O'Farrell, Betty Purcell and Kieran Rose for appointment by the President to be members of the Irish Human Rights and Equality Commission and Emily Logan to be its Chief Commissioner, recommends, pursuant to section 12(6)(a) and (b) and section 13(1) (b) of the Irish Human Rights and Equality Commission Act 2014, that Emily Logan, Teresa Blake, David Joyce, Sunniva McDonagh, Siobhán Mullally, Fidèle Mutwarasibo, Ray Murphy and Orlagh O'Farrell be appointed by the President to be members of the Commission and Ms Emily Logan to be Chief Commissioner of the Commission with effect from 1 November 2014 for a term of office of 5 years and that Frank Conaty, Heydi Foster, Liam Herrick, Mark Kelly, Mary Murphy, Betty Purcell and Kieran Rose be appointed by the President to be members of the Commission with effect from 1 November 2014 for a term of office of 3 years.

Question put and agreed to.

### **Irish Water: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy Barry Cowen on Tuesday, 21 October 2014:

That Dáil Éireann:

notes:

— that the 2009 Fine Gael Party NewERA document advocated the establishment of Irish Water;

— the announcement of the Irish Water Charges Plan on 30th September and the introduction of the new domestic water tariff system on 1st October;

— the €172 million set-up costs of Irish Water;

— the €80 million being spent on consultants within the set-up of Irish Water;

— the €500 million ongoing estimated spend on water metering across the country;

— the €300 million in total annual domestic revenue accruing to Irish Water;

- the performance related award bonus structure within Irish Water; and
- the 700 staff due to be employed within Irish Water by the end of 2015;

further notes:

— the Government's plans to subsidise Irish Water's domestic revenue stream through several options by an estimated €125 million;

— the estimated domestic revenue stream, after Government subsidies, of approximately €150 million - €175 million; and

— the number of changes to the water charges system introduced by the Government since 1st October;

condemns:

— the Government's failure to address excessive spending on outside consultants;

— the lack of information for members of the public and lack of a complaints system;

— the lack of communications between the Oireachtas and Irish Water;

— the lack of additional spending on the water infrastructure network; and

— the Government's refusal to acknowledge the ability to pay or otherwise; and

calls on the Government to:

— fully review the appropriateness of the Irish Water model from a funding and service delivery point of view;

— assess the actual sustainability of the funding streams of Irish Water;

— confirm that it has no intention of privatising Irish Water;

— establish an equitable regime for reliefs on domestic water tariffs;

— ensure the body is subjected to full Oireachtas scrutiny, not just internal political party forums; and

— cease any payment of bonuses within Irish Water.

Debate resumed on amendment No. *a1*:

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

"supports the establishment of Irish Water as a long-term strategic investment project to deliver the necessary water services infrastructure and quality of services required to meet statutory compliance and demographic needs, benefitting Irish citizens and businesses;

recognises that managing our water resources effectively is also essential to ensure that Ireland can continue to attract major overseas investment and employment;

recognises that the legislation establishing Irish Water prohibits the privatisation of the company;

notes that:

- following on from the requirement to introduce water charges as part of the agreement with the troika, the Government provided for the introduction of a fair funding model to deliver a clean, reliable and affordable water supply with a charging system based on usage;

- the Commission for Energy Regulation, CER, has published its decision on water charges on 30 September 2014 taking account of the policy framework set by the Government;

- the CER have examined the establishment costs of Irish Water and approved €172.8 million on the basis that this investment will enable Irish Water to drive substantial cost savings and service quality improvements over the interim review period and for many years to come; and

- the CER has approved an extensive capital investment programme for Irish Water and, in its examination of Irish Water's costs in the period ahead, set challenging annual efficiency targets for both operational and capital expenditure;

recognises the importance of ensuring that there is full public understanding of the rationale for the establishment of Irish Water and that issues of legitimate public interest arising in that context are addressed, in order to support public trust and confidence;

emphasises the commitment of Irish Water to addressing the issues involved, with a particular priority on actively reviewing its communications strategy to better reflect the needs of all stakeholders, including elected members;

welcomes:

- the progress with the roll-out of the domestic metering programme being delivered by Irish Water with some 450,000 meters installed to date, supporting some 1,300 jobs; this level of meter installation now significantly exceeds the 400,000 target for end-2014 already indicated to the CER;

- the indications that progress remains on track for the installation of 1.05 million meters, with programme completion likely to be ahead of the target - mid-2016 rather than end-2016; and

- the Government's package of measures to ensure that domestic water charges are introduced in as fair and equitable a basis as possible, with particular reference to the following elements:

- Irish Water's Government subvention averaging €537 million per annum in 2015 and 2016;

- each household will receive an annual free allowance of 30,000 litres of water and a corresponding allowance for waste water;

— there will be an additional free allowance for every child under 18 years of age to cover a child's normal consumption of water supplied and waste water treated, 21,000 litres;

— household benefits package and free fuel allowance recipients will receive a €100 “water support” payment per year, benefiting 653,000 households;

— income tax relief on water charges will be available, at the standard rate, worth up to €100 per household per annum when claimed in the following year;

— charges to be capped for people with high water usage due to medical needs; and

— Irish Water to take account of the quality of services provided to customers, including circumstances where services are reduced or restricted, for example, due to boil water notices; and

— the Government's intention to provide funding to increase investment in public water services infrastructure on average by €100 million in each of the years 2015 and 2016, including for a scheme to provide each household with a free fix of the first leak on a customer's water supply pipe; and

supports the Government's overall water funding package, which balances the need for a sustainable funding model to support long-term investment in the sector, taking account of the relevant European rules on Government accounting, while ensuring that domestic water charges are introduced in the most affordable, fair and equitable manner possible.”

-(Minister for the Environment, Community and Local Government)

**Deputy John McGuinness:** Before the Order of Business, the Minister of State, Deputy Coffey, made the remark that most of what was being said on this side of the House about Irish Water was ranting and raving.

**Deputy Paudie Coffey:** No solutions.

**Deputy John McGuinness:** There are plenty of solutions over here.

**Deputy Paudie Coffey:** Let us hear them.

**Deputy John McGuinness:** The Minister of State does not have a solution. The Government brought forward Irish Water.

**Deputy Paudie Coffey:** Let us hear them.

**Deputy John McGuinness:** It is the Government's policy. If the Minister of State read the motion, he would find out exactly what is in it. Throwing his eyes up to heaven will not get the Minister of State anywhere and will not get him the answers he needs-----

**Deputy Paudie Coffey:** Pointing the finger will not get Deputy McGuinness anywhere either.

**Deputy John McGuinness:** -----to get out of the serious difficulties the Government is in.

**Deputy Paudie Coffey:** It is difficult to take lectures from Deputy McGuinness.

**Deputy John McGuinness:** It was wrong of the Minister of State to say what he said because we have the right, in terms of the result of the previous election, to provide him with an opposition, about which he does not seem to worry too much in spite of the fact the Government was advised by professionals and the Opposition that Irish Water would not work.

The Tánaiste, in the course of the Order of Business, stated it would cost €2.5 billion to return the system of management of the water structure to the local authorities. I want to know from where that figure came. Would the Minister of State substantiate that figure line by line in order that we can understand it? The Government is throwing out loose facts and figures. It does not even know whether they are facts and figures, and it will not substantiate them, just as much as it did not know the cost of setting up Irish Water. We are where we are with Irish Water. Will the Minister of State request the Comptroller and Auditor General to examine the figures that have been put out by the Tánaiste for the cost of reversing the decision? Will he also ask the Comptroller and Auditor General to conduct a special report on the set-up cost of Irish Water?

**Deputy Bernard J. Durkan:** Will Deputy McGuinness give way?

**Deputy John McGuinness:** No.

**Deputy Bernard J. Durkan:** Will the Member give way?

**Deputy Barry Cowen:** No.

**Deputy Bernard J. Durkan:** It is not the function of the Comptroller and Auditor General.

**Deputy John McGuinness:** In answer to Deputy Durkan who seems to want to interrupt everyone, the Secretary General of the Department of Public Expenditure and Reform suggested in relation to Irish Water and the Poolbeg incinerator that the Committee of Public Accounts and the Comptroller and Auditor General should have a role in looking at the set-up costs. If the Government did that, it would take all the argument out of it. It would be relying on an independent body such as the Comptroller and Auditor General, who could look at the figures put forward by the Tánaiste, the scandalous waste of money in the employment of consultants and other matters in Irish Water, and who could inform the House independently of where all these costs stand. Will the Minister of State do that?

The Tánaiste referred to the taxpayer picking up the tab of €2.9 billion but it is the same taxpayer she expects to pick up the tab on the charges for the significant costs of setting up Irish Water. The Government cannot dismiss the fact it is the same taxpayer in every instance. She is misleading the House on that matter.

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Paudie Coffey):** I thank all Members who contributed to this debate during the course of this week. The debate has been robust, comprehensive and informative.

The appearance of the Commission for Energy Regulation before the Oireachtas Joint Committee on the Environment, Culture and the Gaeltacht yesterday also provided meaningful engagement and an opportunity for Members of the House to understand the rationale behind the



commission's decisions on Irish Water's charging plan.

In response to Deputy McGuinness, the Irish Water management team attended a meeting of the Oireachtas Joint Committee on the Environment, Culture and the Gaeltacht on 11 February 2014 and submitted and outlined in detail a comprehensive report on the costs of the Irish Water programme, including the establishment costs. That is available on the public record for all to see. I encourage Deputy McGuinness and anyone with an interest in the establishment costs to read the report of that committee.

**Deputy John McGuinness:** I have read it. They were before the Committee of Public Accounts. I challenge the figures.

**Deputy Paudie Coffey:** It is all there to be seen. There has been a shared concern during the course of the debate this week to ensure we have significant investment in the water services infrastructure.

*1 o'clock*

That is now happening because we have created Irish Water as a public utility with a capacity to access off-balance sheet funding in the future. Contrary to assertions last night, investment is already increasing; capital expenditure on water services infrastructure should see an increase averaging €100 million in each of the years 2015 and 2016, in comparison to approximately €350 million this year. That does not include investment in domestic metering, which will reduce customer-side leakage, and conservation measures, and assist Irish Water to make more targeted improvements and increase operational efficiency on the system.

I accept that Irish Water needs to communicate the major initiatives it has undertaken much more strongly, such as building a detailed record and database of all water and wastewater assets in the country, something that has never been done before, and it is vital to get the best value from the assets and to prioritise planned maintenance and investment. It must also explain again the justification for its establishment costs, build customer support and asset management systems. Irish Water must remind the public that the regulator approved and allowed 95% of its establishment costs. By comparison with similar water change programmes in the UK, the change in this country has been seen to be delivered at a comparable and efficient level.

The proposal by the Opposition and Fianna Fáil to leave things as they are is simply not an option. I do not believe the public would thank us if we continue with a 40% leakage rate, cryptosporidiosis in the public water system, lead pipes serving many of the public and a lack of capacity in large urban centres. Rather than undermining, scaremongering and spreading fear and misinformation among the public, which is what the Opposition is doing-----

**Deputy Dara Calleary:** That is what Fine Gael used to do.

**Deputy Paudie Coffey:** -----we would welcome some positive engagement on how to improve the water service and the utilities required to deliver for all citizens. However, we do not hear that. We hear that everything is a problem but we do not get any solutions.

I remind Fianna Fáil Members opposite that they signed up for water charges with the troika. They have obviously forgotten that. They are changing their position in order to be populist and to fit in somewhere.

**Deputy Dara Calleary:** Did the Minister of State hear the debate this morning?

**Deputy Barry Cowen:** I refer the Minister of State to the NewERA document produced in 2009 by Fine Gael which referred to the introduction of water charges.

**Deputy Paudie Coffey:** Fianna Fáil also considered charging people €400 per annum for water.

**Deputy Barry Cowen:** That is a lazy argument.

**Deputy Joe Carey:** That is the truth.

**Deputy Paudie Coffey:** Deputies raised several issues on which they were contacted by members of the public during the registration campaign, in particular relating to PPS numbers. It is considered normal to require PPS numbers in any interaction with the State where entitlements or allowances are claimed. I remind Deputies that it is incumbent on Irish Water to appropriately manage the provision of free allowances which are being funded by taxpayers. Strict laws and protocols govern the use of PPS numbers that are overseen by the Data Protection Commissioner and the Department of Social Protection. There is no question of PPS data being shared with anyone except the Department of Social Protection. I urge people to provide the necessary information to claim their household allowance, which is worth €146 per annum, and the free allowance for qualified children worth €102 per child.

I urge people not to listen to Members of the Opposition. In fairness, I do not include Fianna Fáil, but many Independent Members, including those from the People Before Profit Alliance, have urged people not to register and not to pay. We saw what happened when they held public meetings around the country urging people not to pay the household charge and the property tax. Those who did not were left with added penalties and liabilities. Some of the Deputies holding the meetings charged €5 entry to the meeting-----

**Deputy Joe Carey:** Was that you, Mattie?

**Deputy Paudie Coffey:** -----in exchange for the best legal advice, but when the penalties were imposed those same Deputies deserted the public.

**An Ceann Comhairle:** The Minister of State's time is up.

**Deputy Paudie Coffey:** The Government acknowledges the need for improved customer engagement and communications by Irish Water. My colleague, the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, had a very constructive engagement with Irish Water yesterday-----

**Deputy Mattie McGrath:** Where is he?

**Deputy Paudie Coffey:** -----following which we expect to see improvements in that regard very shortly.

**Deputy Dara Calleary:** I thank my colleague, Deputy Barry Cowen, for tabling the motion and ensuring a debate on Irish Water but more importantly for the work he has done to ensure parliamentary scrutiny of Irish Water since last January. It was the Government's intention that there would be no such parliamentary scrutiny. Irish Water was designed to be above scrutiny and beyond questioning.

For all those Deputies of Government parties who spoke this morning about their genuine

concerns or, to use the phrase of the Minister of State, Deputy Coffey, who were scaremongering about Irish Water, I draw their attention to Thursday, 19 December 2013, to the passage of the Water Services (No. 2) Bill. That was the Bill that gave *carte blanche* to Irish Water to operate in the way it does. Every single Government Deputy who complained this morning and who has complained on the fifth floor and in Leinster House 2000 and has run to the media, supported the passage of the Bill. Every one of them supported the guillotining of the Bill and ensured there were only two hours to discuss it. When the combined Opposition walked out of the Chamber in protest at the guillotining of the Bill and the lack of scrutiny of Irish Water, many of the Deputies who were belching and bellyaching this morning were the ones making the smart comments and unprintable remarks that day. Their troubles with Irish Water go back to the way it was created.

It is not the fault of Irish Water that the debate was guillotined that morning. It is not John Tierney's fault. Ironically, the then Minister of State who led the guillotine that morning was Deputy Fergus O'Dowd, who now wants to guillotine John Tierney. Irish Water was set up to be beyond scrutiny, reproach or answer. That is the reason we have the current mess. Deputies must go back to the day in question and reflect on their behaviour. The ball is very much at the Government's door.

Reference was made to change in Irish Water and engagement with it but the Government amendment to the motion does not hint at any drive for change from Government quarters. There is no mention in the Government amendment of the bonus culture in Irish Water or, to use the Ervia phrase, the at-risk pay model. That sounds like a bonus, talks like a bonus and is a bonus. There is nothing to address that in the Government amendment. Several times this morning the Tánaiste was asked to criticise the bonus culture but she avoided doing so.

We can take it from the Government amendment that it believes the current allowances are adequate and appropriate, when anyone with a modicum of sense knows they are nowhere near what is required. They are nowhere near the kind of usage required by a family with adult children. If one's adult children are on social welfare they receive a considerably reduced social welfare rate because they are living at home with their parents but no concession is made when it comes to the water allowance.

Concerns were expressed this morning by Government Deputies on bonuses, the manner in which Irish Water treats this House and customers, but when the time comes to vote on the Government amendment which approves the manner in which Irish Water operates, they will face the test. That is when all the words they have spoken will be put to the test. We will then see whether it is a time for words or action.

The Minister of State, Deputy Coffey, spoke about the communication strategy of Irish Water. He wants Irish Water to actively review its communication strategy, yet the amendment does not commit to bringing Irish Water under the control of the Committee of Public Accounts, as Deputy McGuinness outlined, and neither has a commitment been made to allow for Members to use the parliamentary questions system to inquire about Irish Water projects. It has been said that is not the responsibility of the Minister, Deputy Kelly, but rather the responsibility of Irish Water. There is no commitment to ensure Irish Water is accountable in the same way as the HSE and that it would have to come before the Joint Committee on the Environment, Culture and the Gaeltacht four or five times a year to answer questions. The Government is happy with the *status quo* and how Irish Water is operating, in spite of all the criticism and leaks that come from meetings of Government parties.

Members of Government parties criticised the manner in which Irish Water has sought PPS numbers. The Minister of State, Deputy Coffey, explained the reason he believes such numbers are required. If one is aged over 18 in this country, one is on the electoral register. If one is aged under 18, one is not. If one is on the electoral register, surely one should be entitled to an adult allowance without handing over one's PPS number? The Tánaiste said this morning that in the area of educational grants, SUSI requires PPS numbers. However, it is not a commercial semi-State body that is being sized up for potential sale down the line. It is a grant-awarding body. A commercial semi-State body such as Irish Water should not need one's PPS number. It cannot be trusted with such numbers. If allowances are required, they could be provided through the Department of Social Protection, which controls the numbers. I refer to the concern about PPS numbers expressed some weeks ago in the case in County Wicklow. This is a cause for concern; our offices always treat PPS numbers with great care. I refer to one of my constituents who spent 48 minutes on the phone to Irish Water, which is a commercial semi-State body, in an attempt to get a registration pack but had to give up after 48 minutes even though he still wants to get the pack. I do not understand how it is possible to trust a body to deal with PPS numbers when its personnel cannot answer a telephone call after 48 minutes.

The Government amendment to the motion misses the point. There is no confidence in Irish Water nor any confidence in a company that will spend its first year's revenues on staff and set-up costs and on paying for this bonus culture. There is no confidence in a company that will avoid spending its first year's revenue on dealing with the leaks. I refer to the notion of there having been a lack of investment in the infrastructure over past years. Ireland has become the major location for the pharmaceutical industry and this industry requires reliable water provision which was provided by the local authorities. Likewise the food industry needs a reliable water supply and this was provided by the local authorities. The local authorities responded to the challenge of providing good water supplies and they did so without the gold-plated structure which has been put in place.

I met the chairperson of a group water scheme with 150 members who has operated the scheme for 30 years. He reckons that he could do any job in Irish Water and he might take up the Minister's invitation to join the board of Irish Water. Group water schemes in general were managed with little drama and without bonuses and gold plating and they did the job. People look at the culture of entitlement and bonus in Irish Water and they see the cost of consultants whose advice is ignored and yet the people are being asked to pay for it. They are being asked to pay for something they do not have and neither have they the money to pay for it. They do not have confidence in the process and they realise that there is no scrutiny of the body to which they are paying their money. That is why it will not work. This is not a communications issue but rather there is a fundamental fault in the design envisaged by Fine Gael in 2009 in its NewERA document. This is the Government's chance to put the brakes on this policy, to restore people's faith in this House and in politics and a chance for the Government to state that it is hearing what the people are saying. The fault with the communications strategy is not entirely Irish Water's fault; it rests in the main with the Government.

**Deputy Barry Cowen:** I thank all speakers for their contributions to this debate, both expected and unexpected. I was mildly surprised at some of the earlier contributions and the weight of those contributions will be judged in the next minutes.

In my contribution on Tuesday I said this process had been, as Deputy O'Dowd said, an unmitigated disaster. The democratic process was usurped by the Economic Management Council comprised of the Taoiseach, the Ministers, Deputy Noonan and Deputy Howlin, and the

Tánaiste. Anyone who stood in the way of that policy decision and the means by which the funding would be allocated to put it in place, was steamrolled. Notwithstanding the advice of the PwC report commissioned by the same Government and notwithstanding the advice of the Opposition, this Fine Gael and Labour Party Government proceeded with that Fine Gael policy contained in the 2009 NewERA document, which set up Irish Water and transferred the assets worth €11 billion into its ownership.

A gold-plated, bonus-driven super-quango has materialised into the animal that many of us envisaged. The Government policy direction to Irish Water is rebounding and many of the Deputies in the Government parties realise the error of their ways. They realise that this very issue could rid them of their seats. They realise that they have shown blind allegiance to their superiors. Now they have to shift the blame from their superiors and instead blame Irish Water, its staff, its board and the chief executive officer. As Deputy Calleary said, it is everyone's fault bar their own.

The Minister, Deputy Alan Kelly, in his contribution on Tuesday night gave the Civil Service-speak and talked about the so-called under-investment in the previous years but he failed to acknowledge that €4.6 billion was spent in the first decade of this century. I agree there has not been sufficient investment and there needs to be more. The archaic system was built long before any of us arrived and long before this State was formed-----

**Deputy Paudie Coffey:** The Deputy's party opposed the ESB when the State was formed.

**Deputy Barry Cowen:** I appeal to the Ceann Comhairle. Can the clock be suspended?

**An Ceann Comhairle:** No. Please, Deputy.

**Deputy Barry Cowen:** The Minister read the script placed in front of him and he moved out to RTE where he gave a different angle for the viewing public. He said he was worried about the scale and the size of this monstrosity. He said he was worried about the timelines associated with its direction as given by the Government. He said he was worried about the bonus-----

**Deputy Alan Kelly:** Was the Deputy watching?

**Deputy Barry Cowen:** I was watching because I was supposed to be out in RTE but I was told I was not allowed.

**Deputy Alan Kelly:** That is a serious accusation.

**Deputy Barry Cowen:** He was worried about the bonus scale and the bonuses and he said he would do something about it. He was worried about the communications.

We have heard there were meetings last night in different parts of Leinster House, where groups undertook role play sessions. I wonder who was acting the part of Irish Water and who was acting the part of the customer.

**Deputy Dara Calleary:** Deputy Seán Conlan.

**Deputy Barry Cowen:** They should have plenty of experience acting the part of the customer if what they hear in their clinics is anything to go by.

Frantic efforts are being made to save face, some examples of which were heard in the de-



bate on this motion. Deputy Buttimer was the first to say he wanted an open and frank debate. As Deputy Calleary said we asked for that on 19 December last year and we got our answer-----

**Deputy Mattie McGrath:** There was no debate.

**Deputy Barry Cowen:** We were told we would be shut up and the guillotine would be used, as it has been for 65% of legislation brought before the House by this Government. That is the way it does business; it does not just withhold information from its own Cabinet as it did in the establishment of Irish Water, it withholds it from this House and from anyone who seeks to question the Government on this subject or any other subject.

Deputy Derek Nolan and Deputy Anthony Lawlor appeared to give full support to this motion. Deputy Lawlor blamed the chief executive officer, as he did last week. Thank God he did not use the language he used then. He said there needs to be an assessed charge and that students over 18 should not be charged. He said there should be a cap on payments for any household. Deputy Robert Dowds of the Labour Party said there should be a standing charge until all meters are installed. Deputy Joe Costello of the Labour Party said that Irish Water is a subject and a company of derision. He voted for its establishment; he allowed his party to implement the policy to give it effect. Deputy Mulherin from Mayo and Fine Gael, said that the CER data is not sufficient and that the call-out fee and the allowances are ridiculous. She said the CER is being asked to do a job but it has not had an opportunity to assess the call-out charges. Those charges amount to €700 in some instances and the great news is that there might be a rebate when the CER examines the costs eventually. Then we are told it has not rushed the process but the CER is unable to catch up with the Government in its rush to charge. Deputy Keating said there should be a limited time to sort this out and there should be an assessed charge. This is the theme running through the role play carried out last night. Deputy O'Mahony, like the Minister, said he is not happy with the bonuses. He wants there to be a flat charge and he calls for an overhaul of the system. He said the postmen are unable to keep up with the volume of post which they are expected to deliver by the due date. This is further evidence of the rush which is synonymous with this project.

I did not have to say that it has been an unmitigated disaster because it was said by one of their own on the other side of the House. One by one I listened to those who were allowed to speak giving vent to their frustration and anger based on what is being said to them in their constituencies and throughout the country. It is plain for everyone to see in the electoral performances in recent weeks. If their crocodile tears mean anything, they should support the motion and force the Government to do something about it. Otherwise they are blindly supporting it. The Government implemented it and is using them as cannon fodder. If they think it is the Government's problem, that it caused it or should do something about it, they should withdraw their support for it.

Amendment put:

| <i>The Dáil divided: Tá, 65; Níl, 41.</i> |                               |
|---|-------------------------------|
| <i>Tá</i>                                 | <i>Níl</i>                    |
| <i>Breen, Pat.</i>                        | <i>Adams, Gerry.</i>          |
| <i>Burton, Joan.</i>                      | <i>Boyd Barrett, Richard.</i> |
| <i>Butler, Ray.</i>                       | <i>Broughan, Thomas P.</i>    |
| <i>Buttimer, Jerry.</i>                   | <i>Calleary, Dara.</i>        |

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|------------------------------------|--------------------------------|
| <i>Byrne, Catherine.</i>           | <i>Collins, Joan.</i>          |
| <i>Byrne, Eric.</i>                | <i>Colreavy, Michael.</i>      |
| <i>Cannon, Ciarán.</i>             | <i>Cowen, Barry.</i>           |
| <i>Carey, Joe.</i>                 | <i>Crowe, Seán.</i>            |
| <i>Conaghan, Michael.</i>          | <i>Daly, Clare.</i>            |
| <i>Connaughton, Paul J.</i>        | <i>Doherty, Pearse.</i>        |
| <i>Conway, Ciara.</i>              | <i>Ellis, Dessie.</i>          |
| <i>Coonan, Noel.</i>               | <i>Fitzmaurice, Michael.</i>   |
| <i>Corcoran Kennedy, Marcella.</i> | <i>Fleming, Sean.</i>          |
| <i>Costello, Joe.</i>              | <i>Fleming, Tom.</i>           |
| <i>Creed, Michael.</i>             | <i>Grealish, Noel.</i>         |
| <i>Daly, Jim.</i>                  | <i>Healy, Seamus.</i>          |
| <i>Deasy, John.</i>                | <i>Higgins, Joe.</i>           |
| <i>Deenihan, Jimmy.</i>            | <i>Keaveney, Colm.</i>         |
| <i>Deering, Pat.</i>               | <i>Kelleher, Billy.</i>        |
| <i>Doherty, Regina.</i>            | <i>Kirk, Seamus.</i>           |
| <i>Donohoe, Paschal.</i>           | <i>Kitt, Michael P.</i>        |
| <i>Dowds, Robert.</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>Fitzgerald, Frances.</i>        | <i>McGrath, Finian.</i>        |
| <i>Fitzpatrick, Peter.</i>         | <i>McGrath, Mattie.</i>        |
| <i>Griffin, Brendan.</i>           | <i>McGrath, Michael.</i>       |
| <i>Harris, Simon.</i>              | <i>McLellan, Sandra.</i>       |
| <i>Hayes, Tom.</i>                 | <i>Murphy, Paul.</i>           |
| <i>Humphreys, Heather.</i>         | <i>Ó Caoláin, Caoimhghín.</i>  |
| <i>Humphreys, Kevin.</i>           | <i>Ó Cuív, Éamon.</i>          |
| <i>Keating, Derek.</i>             | <i>Ó Fearghaill, Seán.</i>     |
| <i>Kehoe, Paul.</i>                | <i>Ó Snodaigh, Aengus.</i>     |
| <i>Kelly, Alan.</i>                | <i>O'Sullivan, Maureen.</i>    |
| <i>Kenny, Seán.</i>                | <i>Ross, Shane.</i>            |
| <i>Kyne, Seán.</i>                 | <i>Shortall, Róisín.</i>       |
| <i>Lawlor, Anthony.</i>            | <i>Smith, Brendan.</i>         |
| <i>Lynch, Kathleen.</i>            | <i>Stanley, Brian.</i>         |
| <i>McFadden, Gabrielle.</i>        | <i>Tóibín, Peadar.</i>         |
| <i>McHugh, Joe.</i>                | <i>Troy, Robert.</i>           |
| <i>Mitchell O'Connor, Mary.</i>    |                                |
| <i>Mulherin, Michelle.</i>         |                                |
| <i>Murphy, Eoghan.</i>             |                                |
| <i>Neville, Dan.</i>               |                                |
| <i>Noonan, Michael.</i>            |                                |
| <i>O'Donnell, Kieran.</i>          |                                |

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| <i>O'Donovan, Patrick.</i> |  |
| <i>O'Dowd, Fergus.</i>     |  |
| <i>O'Mahony, John.</i>     |  |
| <i>O'Sullivan, Jan.</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>Stagg, Emmet.</i>       |  |
| <i>Stanton, David.</i>     |  |
| <i>Tuffy, Joanna.</i>      |  |
| <i>Twomey, Liam.</i>       |  |
| <i>Wall, Jack.</i>         |  |
| <i>Walsh, Brian.</i>       |  |
| <i>White, Alex.</i>        |  |

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Barry Cowen and Seán Ó Fearghaíl.

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

The Dáil divided by electronic means.

**Deputy Barry Cowen:** As a teller, under Standing Order 69, and in light of the debate we had and many of the comments voiced by Government Members, I offer them another opportunity to walk blindly behind this legislation, as they did last December, and I propose that the vote be taken by other than electronic means.

**Deputy Bernard J. Durkan:** Fianna Fáil drove the country blindly over a cliff.

**An Ceann Comhairle:** As Deputy Barry Cowen is a teller, under Standing Order 69 he is entitled to call a vote through the lobby.

Question again put:

| <i>The Dáil divided: Tá, 65; Níl, 41.</i> |                               |
|---|-------------------------------|
| <i>Tá</i>                                 | <i>Níl</i>                    |
| <i>Breen, Pat.</i>                        | <i>Adams, Gerry.</i>          |
| <i>Burton, Joan.</i>                      | <i>Boyd Barrett, Richard.</i> |
| <i>Butler, Ray.</i>                       | <i>Broughan, Thomas P.</i>    |
| <i>Buttimer, Jerry.</i>                   | <i>Calleary, Dara.</i>        |
| <i>Byrne, Catherine.</i>                  | <i>Collins, Joan.</i>         |

|                                    |                                |
|------------------------------------|--------------------------------|
| <i>Byrne, Eric.</i>                | <i>Colreavy, Michael.</i>      |
| <i>Cannon, Ciarán.</i>             | <i>Cowen, Barry.</i>           |
| <i>Carey, Joe.</i>                 | <i>Crowe, Seán.</i>            |
| <i>Conaghan, Michael.</i>          | <i>Daly, Clare.</i>            |
| <i>Connaughton, Paul J.</i>        | <i>Doherty, Pearse.</i>        |
| <i>Conway, Ciara.</i>              | <i>Ellis, Dessie.</i>          |
| <i>Coonan, Noel.</i>               | <i>Fitzmaurice, Michael.</i>   |
| <i>Corcoran Kennedy, Marcella.</i> | <i>Fleming, Sean.</i>          |
| <i>Costello, Joe.</i>              | <i>Fleming, Tom.</i>           |
| <i>Creed, Michael.</i>             | <i>Grealish, Noel.</i>         |
| <i>Daly, Jim.</i>                  | <i>Healy, Seamus.</i>          |
| <i>Deasy, John.</i>                | <i>Higgins, Joe.</i>           |
| <i>Deenihan, Jimmy.</i>            | <i>Keaveney, Colm.</i>         |
| <i>Deering, Pat.</i>               | <i>Kelleher, Billy.</i>        |
| <i>Doherty, Regina.</i>            | <i>Kirk, Seamus.</i>           |
| <i>Donohoe, Paschal.</i>           | <i>Kitt, Michael P.</i>        |
| <i>Dowds, Robert.</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>Fitzgerald, Frances.</i>        | <i>McGrath, Finian.</i>        |
| <i>Fitzpatrick, Peter.</i>         | <i>McGrath, Mattie.</i>        |
| <i>Griffin, Brendan.</i>           | <i>McGrath, Michael.</i>       |
| <i>Harris, Simon.</i>              | <i>McLellan, Sandra.</i>       |
| <i>Hayes, Tom.</i>                 | <i>Murphy, Paul.</i>           |
| <i>Humphreys, Heather.</i>         | <i>Ó Caoláin, Caoimhghín.</i>  |
| <i>Humphreys, Kevin.</i>           | <i>Ó Cuív, Éamon.</i>          |
| <i>Keating, Derek.</i>             | <i>Ó Fearghail, Seán.</i>      |
| <i>Kelly, Alan.</i>                | <i>Ó Snodaigh, Aengus.</i>     |
| <i>Kenny, Seán.</i>                | <i>O'Sullivan, Maureen.</i>    |
| <i>Kyne, Seán.</i>                 | <i>Ross, Shane.</i>            |
| <i>Lawlor, Anthony.</i>            | <i>Shortall, Róisín.</i>       |
| <i>Lynch, Kathleen.</i>            | <i>Smith, Brendan.</i>         |
| <i>McFadden, Gabrielle.</i>        | <i>Stanley, Brian.</i>         |
| <i>McGinley, Dinny.</i>            | <i>Tóibín, Peadar.</i>         |
| <i>McHugh, Joe.</i>                | <i>Troy, Robert.</i>           |
| <i>Mitchell O'Connor, Mary.</i>    |                                |
| <i>Mulherin, Michelle.</i>         |                                |
| <i>Murphy, Eoghan.</i>             |                                |
| <i>Neville, Dan.</i>               |                                |
| <i>Noonan, Michael.</i>            |                                |
| <i>O'Donnell, Kieran.</i>          |                                |
| <i>O'Donovan, Patrick.</i>         |                                |

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| <i>O'Dowd, Fergus.</i>    |  |
| <i>O'Mahony, John.</i>    |  |
| <i>O'Sullivan, Jan.</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>Stagg, Emmet.</i>      |  |
| <i>Stanton, David.</i>    |  |
| <i>Tuffy, Joanna.</i>     |  |
| <i>Twomey, Liam.</i>      |  |
| <i>Wall, Jack.</i>        |  |
| <i>Walsh, Brian.</i>      |  |
| <i>White, Alex.</i>       |  |

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

Question declared carried.

### **Intellectual Property (Miscellaneous Provisions) Bill 2014: Order for Second Stage**

Bill entitled an Act to amend the Patents Act 1992; to give effect to Article 19(2) of the Singapore Treaty on the Law of Trademarks done at Singapore on 27 March 2006; to amend the Trade Marks Act 1996; and to provide for related matters.

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Damien English):** I move: "That Second Stage be taken now."

Question put and agreed to.

### **Intellectual Property (Miscellaneous Provisions) Bill 2014: Second Stage**

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Damien English):** I move: "That the Bill be now read a Second Time."

I am pleased to bring before the House today the Intellectual Property (Miscellaneous Provisions) Bill 2014 for consideration and debate. This is a short but important Bill amending one section of the Patents Act 1992 and one section of the Trade Marks Act 1996. The proposed changes will alter existing patents legislation to give additional legal protection for medical research carried out prior to obtaining regulatory approval for new or generic drugs for human and veterinary use.



In the area of trade marks, this Bill will introduce a small number of changes necessary to the Trade Marks Act to allow Ireland to ratify the Singapore Treaty on the Law of Trademarks which is aimed at reducing red tape for trade mark applicants across the globe. Taken together, these legislative proposals, although modest in scope, enhance the innovative culture in Ireland to make it easier for entrepreneurs to exploit their intellectual property within and outside Ireland.

I will now set out the context in which I am bringing this Bill before the House today. Intellectual property is central to supporting innovative businesses in several ways. Patents add economic value to inventions by giving them a monopoly right for up to 20 years to enable the commercial exploitation of novel ideas in the marketplace. Trade marks ensure businesses can safeguard hard-won reputations for quality products and services by protecting their brands from illegal imitations. The pace of legislative change has quickened in the area of intellectual property in recent years. It is not sufficient to revise IP legislation once every decade or so, but it is incumbent on Government to continually examine whether our stakeholders are operating within the best possible legislative framework that, at an essential level, maintains our compliance with EU legislative obligations and also ensures that we stay ahead of best practice internationally and maintain our competitive advantage.

Ireland's strong and internationally recognised IP regime and the country's substantial research and development support offering greatly contribute to our continued success in attracting and retaining FDI. IP protection is seen to be a fundamental part of the FDI repertoire and Ireland is seen to score strongly in this area. In a 2014 report published by Grant Thornton entitled, *Foreign Direct Investment in Ireland*, executives and key decision-makers involved in investment decisions instanced the importance of an effective and responsive intellectual property regime combined with research and development benefits and rated this as being more important than that of tax incentives. This highlights the importance and crucial role that IP plays in our ability to continue to attract foreign investment to Ireland.

## *2 o'clock*

Protecting intellectual property rights has been a priority of successive Governments since the establishment of the Irish Patents Office in 1927. The current corpus of modern Irish intellectual property law was written in the 1990s and early 2000s and, with some important amendments since that time, it continues to serve our national needs and meet our international obligations. A 2013 international study carried out jointly by the European Patents Office and the Office for Harmonisation in the Internal Market, OHIM, pointed to the fact that, in Ireland, intellectual property intensive industries accounted for almost 49% of Irish GDP and 22% of employment. Future economic growth in Ireland will depend on deepening levels of creativity and innovation at all levels of enterprise be that indigenous or multinational and this is key to creating greater asset value in companies and thereby maintaining and creating sustainable jobs and employment.

The part of this Bill amending current patent legislation owes its origins to 2004 when two EU directives introduced provisions into Irish law protecting medical researchers from patent infringement for acts done while seeking regulatory approval in the course of developing a generic drug. This was introduced into Irish law in 2006 by amending section 42 of the Patents Act 1992 by means of secondary legislation. Originally, section 42 of the Patents Act protected certain acts, such as those done privately for non-commercial purposes or acts done for experimental purposes, from prosecutions as patent infringements. Section 42(g), inserted in 2006,

also provides that acts done in conducting necessary studies and tests in order to satisfy the regulatory approval for medicinal products for human use and veterinary medicinal products are also not regarded as patent infringements. This provision enables generic drug manufacturers to carry out the various studies and tests that are necessary to apply for regulatory approval, known as a “marketing authorisation” so that the manufacturer can place generic drugs on the market. These acts, which involve the use of patented drugs, are not regarded as patent infringements, thus allowing the generic manufacturer to have a generic equivalent available to place on the market once the original drug’s patent expires.

I would stress that these proposed changes will not affect the use or pricing of generic drugs in Ireland, but focus on enabling the pharma sector to develop such drugs while protecting them from unnecessary patent litigation. This transposition of the 2004 EU directives into Irish law was done correctly, in line with EU law, faithful to the wording of the EU directives and in line with best legislative practice. However, a number of other EU member states, including Germany, took a more expansionist approach, and adopted a broader research exemption. This greater legal certainty provided by Germany and some other EU states has been cited by medical researchers and the pharmaceutical sector as an incentive to undertake medical research and testing in those jurisdictions. In the absence of almost any case-law imposing restrictions on the scope of EU legislation in this area, this broader research exemption has grown in popularity among EU states and is now valued by the pharma sector when considering investment options in Europe.

Following consultation with stakeholders, and conscious that our nearest neighbour, the UK, has very recently implemented similar changes to their research exemption, we have moved to review existing provisions and to draft legislation aimed at expanding our research exemption. This will ensure that our pharma sector, with its significant employment and exports footprint in Ireland, continues to invest and update its facilities in Ireland under a suitable legal framework. Deputies may be interested to know that Ireland exported over €21 billion worth of medicinal and pharmaceutical products in 2013 and the Government will continue to make it its priority to preserve and enhance the regulatory environment to sustain this crucial economic sector.

The part of the Bill amending the existing trade mark legislation allows Ireland to take the first necessary step to accede to the Singapore Treaty on the Law of Trademarks. The Singapore treaty was adopted by the member states of the World Intellectual Property Organisation at a diplomatic conference in Singapore in 2006. The treaty revises and updates the previous 1994 Trade Mark Law Treaty, of which Ireland is a member. The main objective of the Singapore treaty is to create a modern and dynamic international framework for the harmonisation of administrative trade mark registration procedures. Trade marks are important business assets and trade mark rights are secured through registration. Therefore, it is important to have harmonised standards and rules in the administration of the registration process. By agreeing to the common standards in the Singapore treaty, we will establish greater certainty and bring down transaction costs for all economic operators seeking to protect their trade marks in Ireland.

Accession to the Singapore treaty would reinforce Ireland’s participation in the Trade Mark Law Treaty and would allow us to benefit from future updates in any new treaty provisions. Accession would also reinforce Ireland’s ongoing effort to encourage e-commerce in business. It is important that Irish legislation and practice keep pace with international developments in this area. Many of our trading partners have ratified the Singapore treaty and accession would also enable Ireland to participate in the future direction of the administration of trade mark law

at an international level.

Ireland's legislation is already very much in order to accede to the treaty. The only amendment required to the Trade Marks Act relates to an aspect that deals with licences. Currently, our legislation imposes an excessively high penalty on a trade mark licensee who fails to register his or her details with the national authority within the prescribed time period. This Bill seeks to correct this imbalance to ensure that an unregistered trade mark licensee can join with a registered proprietor in infringement proceedings against a third party and receive part of the proceeds of a pecuniary remedy following a successful infringement action which is in line with the Singapore treaty.

I now wish to turn to the specific provisions of the Bill and explain what each is designed to achieve. Sections 1 and 4, which deal with the definition, the Short Title and collective citation, are standard legislative provisions, while sections 2 and 3 are at the core of the proposed legislation.

Section 2 amends section 42 of the 1992 Patents Act. That section provides for limitations on the effect of patent rights. Section 2(a) provides for an additional paragraph in section 42 after paragraph (g), namely, section 42(h). Section 2(b) inserts the key provisions of the expanded research exemption into the Patents Act 1992. It provides that acts done in conducting studies, tests, experiments and trials done in legitimate pursuit of regulatory approval, will not be considered in violation of a patent, and we deliberately took a broad, non-prescriptive approach here so as not to inadvertently narrow our new broader exemption. Section 2 extends the limitation of patents to "any act done which is required as a consequence" of the acts required to pursue marketing authorisation, ensuring again that the broader research exemption does indeed fulfil its role and allows for legal certainty and broad protection for such key medical research. The definitions of a "medicinal product for human use" and "veterinary medicinal product" derive from the relevant 2004 EU directives.

I am conscious that the effects of proposed amending legislation, even for a relatively small Bill such as this, can often be unclear. To clarify, the provisions of section 2 will affect the Patents Act 1992 in two principal ways. First, it will broaden the research exemption and bring legal certainty where there was none, by ensuring that all research on patented medical and veterinary products done for regulatory approval or "marketing authorisation" as it is known in Ireland, will be protected from patent litigation. This change will enhance the current protection of research on generic medicines to include also new and innovative medicines. Second, it expands the exemption to cover acts required for regulatory approval that occur outside of the European Economic Area - that is, beyond the EU in Iceland, Norway and Liechtenstein - provided for in EU legislation. This recognises the reality that tests, studies, trials and approval of new medicines are today often done in several different companies or units of the same pharma company across multiple jurisdictions. We would not wish to deny or limit the opportunities of the Irish based pharma sector to undertake vital research and development due to an absence of legal certainty in this area.

Section 3(1)(a) amends section 29(3)(b) of the Trade Marks Act 1996. This amendment will create legal certainty to ensure that the rights of the unregistered licensee in cases of infringements, as set out in sections 34 and 35 of the trade mark legislation, are not conditional upon the registration or recording of the trade mark licence on the trade mark register. Section 3(1)(b) amends section 29(4) of the Trade Marks Act 1996. The existing provision imposes too heavy a penalty on the unregistered licensees, which does not comply with the Singapore treaty.

Heretofore, the unregistered licensee was not entitled to damages or an account of profits in respect of any infringement of the registered trade mark that occurred after the date of the transaction of the licence and before the date of the application of the recording of that licence on the register. It is proposed, therefore, to drop the requirement that recording of a licence is necessary in order for a licensee to obtain damages in an infringement action. Instead, it is proposed that recording will be required in order for a licensee to obtain legal costs in any such action, a less onerous penalty which would meet the requirements of the treaty while promoting the public policy objective of providing public information. Section 3(2)(a) sets the commencement date for the new provisions provided for under section 3 to come into effect. Section 3(2)(b) provides for the definitions of an “infringement of a registered trade mark” and a “registered trade mark” in accordance with the relevant sections of the Trade Marks Act 1996.

While the EU has long played a central role in trade marks ever since the establishment of a European trade mark back in 1994, moves towards an EU patent have taken longer. Progress towards an international unified patent court among most EU member states and a unitary patent in Europe administered by the non-EU European Patent Office will result in a compromise EU unitary patent and a unified patent court separate from EU institutions, but involving 25 EU member states. Ireland is committed to this innovative approach which, however, requires that the agreement on a unified patent court will need to be put before the people in a constitutional referendum at a date to be agreed by the Government. Neither has trade mark policy remained static at EU level with the greatest reform of the EU trade mark system in 20 years now close to agreement at EU level. These reforms in key areas of intellectual property will require further national legislation in the coming period to embed them into Irish law and ensure Ireland maintains international and EU best practice to protect and extract value from the ingenuity of researchers, inventors and designers in Ireland and ensure these intangible assets can be leveraged in the quest for greater levels of innovation to drive jobs and growth.

The Bill before us today is a short Bill but, for all that, an important one. Enacting it will enhance Ireland’s intellectual property regime. The Government has listened closely to stakeholders throughout the legislative process and intends to table some amendments on Committee Stage to reflect the feedback received from stakeholders since the publication of the Bill, along with some technical drafting amendments that have, since the publication of the Bill, been proposed by the Office of the Parliamentary Counsel.

I propose to introduce other amendments to this Bill on either Committee or Report Stage to address some technical matters in the Competition and Consumer Protection Act 2014. That Act inserted a new part 3A on media mergers into the Competition Act 2002. The amendments will remove any potential ambiguity as to how one should interpret the provisions related to the full media mergers process and especially the Broadcasting Authority of Ireland’s role when examining such a merger. I look forward to working with Deputies on Committee Stage, which will be taken on Tuesday, 4 November, and Report Stage and I will be happy to respond to any issues that arise. In the meantime, I commend the Bill to the House.

**Deputy Dara Calleary:** I congratulate the Minister of State on his appointment and wish him every success in his role.

Fianna Fáil is supporting this legislation as it enhances the ability of pharmaceutical companies based here to develop generic versions of medical and veterinary products while the derivative products continue to enjoy patent protection. It brings Ireland into line with other EU member states in providing a more liberal interpretation of restrictions on what constitutes

patent infringement. It will create a level of legal certainty in Ireland similar to that enjoyed in other jurisdictions with a broader research exemption.

We also support the provision for the ratification of the Singapore Treaty on the Law of Trade Marks. This updates legislation taking account of developments since the Trade Mark Law Treaty was developed in the 1990s, an aeon ago in terms of trade mark protection. In particular, it reflects the use of trade marks in e-commerce and the development of non-traditional marks such as sounds, three-dimensional marks and holograms. By ratifying, Ireland will be acting in concert with some of the major players in the intellectual property world such as the USA and Australia who have already ratified the treaty.

The legislation is intended to enhance the research exemption in our patents legislation to benefit companies engaged in the pharmaceutical sector in Ireland. This will be done by providing legal certainty on the aspect of immunity from patent infringement where critical research and clinical trials are carried out to develop new or generic versions of medical and veterinary products, while the derivative products continue to enjoy patent protection. This country has a hard-won international reputation for excellence in research and development. We have an excellent base from which to make further progress. Science Foundation Ireland maintains 29 world-class research centres and works with more than 400 industry partners. Shortly before his appointment, the Minister of State, Deputy Tóibín and I had the pleasure of visiting Cork to see the work under way there. Seeing the work and its impact gives an indication of the importance of this investment.

Two thirds of our research and development is in the private sector, creating new product and service innovations that will drive exports, growth, and jobs. Productive, high-calibre research undertaken by highly skilled research teams working closely with industry partners must continue to be a priority. Ireland needs a research and development framework which is competitive in both encouraging research and development activity and providing robust protection for the output from such research.

Any patents system must strike a balance between rewarding innovation and ensuring a high level of competition. Patent holders are entitled to protection for a maximum of 20 years. A patent holder can also get an extension up to a further five years. This limits the ability of manufacturers to develop generic substitutes. A recent report on the importance of generic medicines across the EU indicates that more than half the volume of EU medicines currently are generics, but this represents just 18% in value terms. The report also mentions that, to date, generic medicines in the EU have generated savings worth €30 billion. This country has been slow to take on generic medicines and to realise their value, especially in the context of our health budget.

The Action Plan for Jobs highlighted a potential restraint on the innovation capacity of the pharmaceutical or life sciences sector. It called on the Department of Jobs, Enterprise and Innovation in February 2012 to “Review Section 42 of the Patents Act 1992 with the aim of clarifying research actions that do not constitute patent infringement under Irish law in order to maintain and attract high value added Bio-pharmaceutical investment”. It has been suggested that the current wording of section 42(g) places certain pharmaceutical sector companies carrying out research in Ireland at a competitive disadvantage and may interfere with Ireland’s ability to attract pharmaceutical or biopharmaceutical investment.

In all EU member states, before drugs for human use are put on the market, a pharmaceuti-



cal product must have a marketing authorisation. The manufacturer of a particular drug, including generics, must be the manufacturer of a medicinal product and must submit data to prove the safety of the product. In some cases a manufacturer of a generic product may rely on data submitted by the original manufacturer when applying for an authorisation for its products. If the original product is manufactured during the course of such trials, for example, to demonstrate similarity, the generic manufacturer is legally vulnerable to an infringement action.

Directive 2004/27/EC creates an exemption from patent infringement for acts carried out by generic or bio-similar manufacturers with a view to obtaining a market authorisation for a generic or bio-similar medicinal product. There has been disparity between member states, with differing interpretations of the exemption provision in force throughout the EU, especially in relation to clinical trials and research carried out by innovative pharmaceutical sector companies.

Some member states, such as Germany, opted for a broader interpretation when implementing the exemption provision in the directive. Ireland and the UK went for a more conservative interpretation leading to restrictions on the ability of pharmaceutical companies here to develop generic products. The UK broadened the exemption during 2013 by means of a legislative reform order, leaving Ireland with a more restrictive regime.

The main benefit of the proposed new legislation would be to create a level of legal certainty in Ireland similar to that currently enjoyed in other jurisdictions with a broader research exemption. This would help level the playing field when it comes to considering locations for future pharmaceutical investment. In encouraging innovation and research and development by the pharmaceutical sector, Ireland has greater flexibility to ensure it maintains its strong position and attracts high value added investment.

The objective of the Singapore treaty is to create a modern and dynamic international framework for the harmonisation of administrative trade mark registration procedures. Its main provisions are in electronic communications and the expanded scope of trade marks and licences. The benefits of ratification include that the treaty will revise and update the Trade Mark Law Treaty, it will apply to the procedural aspects of trade mark applications, and its provisions reflect the worldwide growth in e-commerce over the past 20 years. Irish legislation and practice in recent years have encouraged the use of e-commerce in business, and ratification of this treaty would be a further step in that direction.

The strategy document, Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal, stresses the importance of intellectual property rights to Ireland's economic recovery. It is vital, therefore, that our legislation and practice are up to date and keep pace with international developments. In ratifying the treaty, Ireland will be acting in concert with some of the major players in the intellectual property world which have already ratified it. For Ireland not to ratify the treaty would put us at a commercial disadvantage.

The Minister of State referred to the necessity for a constitutional referendum on the unified patents court. This has been on the Department's agenda for some time but we do not seem to be any closer to a date. What are the difficulties in deciding on a date for setting out the referendum legislation, particularly as there are some referenda highlighted for next year? This would be a relatively uncontroversial referendum but it is important for our international standing.

I always get worried when I hear members of this Government slipping provisions relating

to media mergers into legislation that has nothing to do with media. The Intellectual Property (Miscellaneous Provisions) Bill 2014 is being stretched to include matters linked to media mergers. I ask the Minister of State to give us advance sight of the proposed technical matters he intends to address on Committee Stage. I suggest they should be the subject of pre-legislative scrutiny at committee level before they are brought forward for decision during the Committee Stage debate. The Minister of State chaired the long debate that the committee had on the Competition and Consumer Protection Bill 2014. It strikes me as very odd and slightly suspicious that changes to that legislation would be stitched in under the Intellectual Property (Miscellaneous Provisions) Bill 2014.

**Deputy Damien English:** We will put the Deputy's mind at ease.

**Deputy Dara Calleary:** I thank the Minister of State for his words. I assure him that we will propose amendments to reflect some of my remarks. I wish the Bill every success.

**Deputy Peadar Tóibín:** Ba mhaith liom comhghairdeas a dhéanamh leis an Aire Stáit. I hope the Minister of State's elevation to his new position will have an impact on the good people of County Meath in the short to medium term. It might be useful to note that there are two Meath men and one Mayo man in the Chamber. If Deputy Calleary is seeking insights on how to win an all-Ireland, we might be able to help him out.

**Deputy Damien English:** It is part of the skills agenda.

**Deputy Peadar Tóibín:** Ós rud é go bhfuil an Bille seo gairid, beidh an méid atá le rá agam gairid freisin. The Bill before the House brings this country's practice into line with the practice in other international contracting parties. As the Minister of State has said, the technical amendments in this legislation will enable Ireland to ratify the Singapore trade mark treaty, which seeks to harmonise the administrative procedures of trade mark offices globally but has no substantive impact on trade mark law.

As the Minister of State outlined, section 2 removes much of the uncertainty and worry from entities engaged in research that might be concerned about being found to be in breach of existing patents. Industry commentators have noted that this amendment to existing legislation will support research by companies into generic versions of drugs while protecting patents of branded drugs. As the Minister of State has acknowledged, existing patent law provides for a research exemption. The need for legal certainty has arisen from concerns that the exemption in law does not appear to be as wide as that applied in other European states, Canada and the United States. The fear with regard to countries that have more liberal exemption regimes, such as Germany and Canada, is that research work could move if concern remains about the risk of a patent.

Everyone agrees that the pharmaceutical industry is important to Ireland. If we enable this sector to carry out research unhindered, we will give certainty to companies operating in Ireland and their subsidiaries in other countries. Ireland has invested heavily in the pharmaceutical sector. According to IDA Ireland, some €8 billion in research funding has been committed by the Government. Ireland is the eighth largest producer of pharmaceuticals in Europe. Nine of the ten top pharmaceutical companies have operations in Ireland. Dublin and Cork have been the largest beneficiaries of this successful development over the last four decades. The Government's response to the patent cliff over the last three years highlights the limitations of its economic strategy. Indeed, there is an over-reliance on existing foreign direct investment

industries and companies already established in Ireland.

I have raised the need for the development of a strategy to cluster industries and skills in a way that will make regional foreign direct investment more attractive, while helping local economies to grow in equal measure. Foreign direct investment and indigenous business links need to move from theory to practice. The experience of foreign direct investment engagement in this State is far lower than that in other countries. While clustering has happened, it has been small in scale and minimal in location. Ambition is not a word associated with the Government, which prefers to tinker around the edges and keep things ticking over. Big announcements are often followed by unambitious delivery. While the impact of the patent cliff on the State's economic aggregates will subside in 2014, the clarity provided by the stated extension of the research exemption in law should help to move the figures in the right direction.

I will conclude by noting that in 2012, the Government's jobs action plan included a commitment to review section 42 of the Patents Act 1992 with the aim of clarifying research actions that do not constitute patent infringement under Irish law. This was to be done to maintain and attract high value-added biopharmaceutical investment. It would be helpful if Members could know why this review, which amounts to 26 lines of legislation, took two years to complete.

**Deputy Richard Boyd Barrett:** I would like to share time with Deputy Paul Murphy.

**Acting Chairman (Deputy Liam Twomey):** Is that agreed? Agreed.

**Deputy Richard Boyd Barrett:** On the face of it, the introduction of this Bill seems to be a reasonably positive move. As I understand it, we are making it easier for companies to develop generic medicines without running foul of patent laws or infringing intellectual property rights. I can certainly see the value of that. The bigger context for much of this debate is the scandalous manner in which big pharmaceutical companies have used patent restrictions on life-saving drugs, such as AIDS anti-viral drugs, to prevent countries in the developing world from producing cheap generic versions of those drugs. Huge struggles and campaigns have been organised by people who are justifiably furious and angry because pharmaceutical companies are prioritising their profits, and their perceived right to control the intellectual property rights to particular drugs, rather than the lives of humans who desperately need live-saving drugs. In so far as this Bill seems to be part of a move to hasten and facilitate the development of generic and cheaper versions of drugs, it is a good thing. I can also see the advantages of this legislation from a domestic economic point of view. Many patented branded drugs can be produced more cheaply, and consequently delivered more cheaply to the people who need them, as generic products with the same biological ingredients but without the branding and the patent costs, etc. Such positive aspects of the Bill should be broadly welcomed.

A few questions that arise with regard to the whole area of intellectual property are worth discussing in this context. Why do the cost savings to the public health service that were supposed to derive from the expansion of the development of generic drugs not seem to have delivered the big dividend that this Government was talking about a few years ago? The reduction in the cost to the health service does not seem to have transpired in real terms. I would be interested to hear what the Minister of State and the Government have to say in that regard. I wonder whether some of the big pharmaceutical companies lobbied the Government to try to prevent it from accessing cheaper versions of drugs that would reduce the cost to the public health service. This, in turn, might have prevented the delivery of the big savings that were talked about at length a couple of years ago. All discussion of them has disappeared, however,

given the major crises of funding, safety and so on in the health service. What has happened to the large savings we were hoping to deliver?

Broadly speaking, this Bill is moving in a progressive direction by loosening the patent restrictions and allowing the production of certain drugs. However, it raises a wider question about intellectual property. We must start considering this important issue because the assigning of value to intellectual property is one of the key mechanisms through which large multinational corporations avoid tax. In this context, we must consider definitions and the question of how we assign value to intellectual property and allocate profits from same. The idea is seemingly being abused by large corporations to avoid paying a fair share of tax on their profits, which was the issue at the centre of the famous double Irish tax scam that the Government claims it is moving to close by demanding that the companies incorporated in Ireland now be tax liable here. I am sure the Minister of State knows that, under the double Irish, companies making large profits in Ireland would transfer those under the guise of intellectual properties to which they assigned a significant value to companies that were tax resident in Bermuda or another tax haven, thereby avoid paying tax on them.

According to the Government, we are phasing out the double Irish, but we will move towards a patent box. Many commentators other than me have asked whether we are just replacing one tax scam with another in order to facilitate large multinationals' aggressive tax avoidance by ascribing significant values to intellectual properties, thereby hiding profits. I believe much of the commentary that suggests this is the case. In response to the closing off of the double Irish, for example, the Debt and Development Coalition Ireland stated: "The Government is playing musical chairs on corporate tax. While it is welcome that the 'Double Irish' scheme will be closed, the phased approach to its closure provides corporations with 6 years to avail of new tax dodging mechanisms". We will have the patent box at the end of those six years, the practice of which in Britain, Luxembourg, the Netherlands and so on has been criticised as another mechanism to allow companies to hide profits. As such, it seems that a Bill like this one is a missed opportunity to have a serious discussion about definitions of "intellectual property" and what value can fairly be assigned to it.

It is tempting to become somewhat philosophical about what constitutes intellectual property. Despite being a student of English literature, I was unaware that one of the first people to come up with the idea of copyright, which later developed into patents and so on, was the poet William Wordsworth. It was a revolution or, rather, a counter-revolution in how ideas and intellectual property were handled. Sometimes we assume that we have always had laws that allow us to privatise and commodify intellectual property, ideas and so forth. Prior to Wordsworth and the beginning of the 19th century, though, there was no such notion. In fact, there was the opposite, a recognition that ideas were no one's property. Shakespeare would have laughed at the idea of intellectual property. His plays were a patchwork of patent infringements, as it were. He would have been sued to high heaven under the current patent laws for copping material from the ancient Greeks and Romans, earlier writers in medieval-----

**Deputy Peadar Tóibín:** And Irish writers.

**Deputy Richard Boyd Barrett:** Indeed. There was an understanding at the time that ideas were no one's property. Rather, they were an accumulation of generations of developments and advancements in knowledge. Everyone was standing on the shoulders of everyone else in the development of ideas, literature, innovation, etc. That is the truth.

I do not know whether my next point is absolutely true, but I remember reading an article that claimed that the Windows system, a revolution in computer technology, was not developed by Bill Gates and Microsoft, but by a person in Xerox who did not take out a patent. Someone else patented it instead. Whoever developed Windows was standing on the shoulders of those who had come before him and had advanced our knowledge, understanding, experience, ideas, science and technology.

The idea that one can parcel intellectual property as a commodity that is owned by someone is a major problem. The serious implications of this are evident in terms of generic medicines, where companies told people dying of AIDS that, unless they paid a price assigned by the companies to their life-saving “intellectual property”, then it was a case of tough luck.

While I accept that the Bill is moving a little in the direction of challenging this stance, it does not go far enough, given the stranglehold that large corporations seem to have on ideas that they claim are their private property when it is highly debatable that those ideas are instead the accumulation and advancement of human knowledge, science and technology. This might seem philosophical, but it translates on a day-to-day economic level into the restrictions placed on people when innovating and pushing the boundaries of knowledge by the claim by the companies concerned that the ideas are their property and cannot be touched or researched, otherwise they will sue. The trend of corporatisation and commodification of intellectual property and ideas to the benefit of large corporations at the expense of society and pushing the boundaries of science, technology and knowledge is a matter of concern.

Worryingly, another sector relevant to this discussion is that of food, where genetic modification poses potential dangers. Essentially, companies are trying to force countries and regions to become dependent on particular genetically-modified food and then gain a monopoly in the production of that food at the expense of people being able to do those things themselves or to produce their own sustainable food supply. These are important issues that in some ways I am surprised have not been considered in a Bill that deals with intellectual property. In particular, I refer to the area of the patent box and how Members will define intellectual property for the purposes of assigning value and profits and so on to make sure it is not simply another tax avoidance scheme by major multinationals.

**Deputy Paul Murphy:** On the specifics of the Bill, in general I could be in agreement with the idea of facilitating generic medicine. It is marginal and whether it will make any real difference in the real world remains to be seen but the basic idea of facilitating experimentation and so on without danger of being sued by generic medicine corporations makes sense. There is a question over who owns the companies that produce generic medicines. Obviously, those of us on the left are in favour of generic medicines. We are in favour of people having access to medicines but they also, in turn, are run by corporations for profits and also can exploit the needs of people. This obviously points to the need for public ownership and democratic control of those generic corporations themselves.

However, this brings up a broader point about intellectual property and about what kind of patent regime one should have because intellectual property is now widely referred to as the oil of the 21st century and the direction of travel of legislation on intellectual property right across Europe and globally is clear. It is heading towards much more rigorous and strict interpretation, as well as actual legislation, regarding intellectual property whereby such property is now being more protected than was the case previously. It is being incorporated into all the free trade deals being done and intellectual property is now the key issue. The working assumption on which



this is all being done - or at least the pretext - is that to have innovation in pharmaceuticals, technology, culture or anything, one must have, as Deputy Boyd Barrett mentioned, the private ownership of ideas. The premise is this is what will incentivise investment in research and development by the likes of the pharmaceutical corporations and without it, one will not have the development of science or technology. This has been summed up by the chief executive officer of GlaxoSmithKline, Andrew Witty, who stated:

The pharmaceutical industry is hugely innovative... If governments work to support, not stifle, innovation, the industry will deliver the next era of revolutionary medicine.

Therefore, and again like the ideology supported by the majority of Members, the role of the Government and the State is simply to create the environment whereby these entrepreneurial individuals and companies will invest and therefore develop new medicines for humankind.

The reality is already very different, even with the private ownership and private domination of the pharmaceutical industry. A study published in the *New England Journal of Medicine* by Dr. Marcia Angell concluded that more than two thirds, almost 80%, of the new molecular entities, that is, new drugs as opposed to slight variations on old drugs, which is mostly what the private corporations do, come from investment by the state. In the United States and the United Kingdom, through Government and university investment, the majority of real research, which results in real steps forward in respect of pharmaceuticals or technology comes from the state, as opposed to from private corporations. One should take the example of the Internet itself, which obviously arose from a Government-funded research in the United States. There is a large element of private corporations taking taxpayer-funded research, altering it slightly, slapping a patent on it and then having ownership over that and preventing the further development of science or medicine. In recent years, there has been an absolute explosion in the number of patents given in the pharmaceutical industry and in many industries. An important element of this pertains to tax avoidance, about which I will make a point in a moment. Arguably, the increase in the number of patents is not an illustration of an increase in the number of new medicines or new technologies being discovered but actually operates to work in the reverse. For example, researchers have argued that many of the recent trends in patents, such as an increase in upstream patents, which includes, for example, the patenting of research tools, have caused the rate of innovation to fall rather than increase, as it blocks the ability of science to move forward in an open exploratory way. Research tools are being patented by the likes of GlaxoSmithKline and the other major pharmaceutical corporations, which restricts the ability of researchers in lesser developed countries to catch up with what has already been developed and this actually hampers development.

The most basic point I will make is that the private ownership and control of ideas that are essential for all of humankind, as opposed to just the corporations or the rich who can afford the private medicines, works to the detriment of society at large. It works to the detriment of the further development of those ideas and of everybody who needs access to those medicines. From the perspective of the Anti-Austerity Alliance, this points to the need for information essentially to be free and for research to be funded by the State, as happens at present. A large amount of research is funded by the State but then is taken and privatised and the further development of ideas then is hampered. Instead, information should be free and it should be funded on a massive scale by the State. In that way, extremely significant steps forward could be taken because, precisely as Deputy Boyd Barrett noted, new ideas are built on old ideas. One takes bits of this and that, puts them together and develops them. The same is true for the pharmaceutical industry as it is in respect of culture.

The other main point I will make is on the reality of how patents are used. If one examines all the patents held in Ireland, one will find patents from corporations one would not really expect to have them such as, for example, patents from corporations like Starbucks. Such corporations, as well as those from the pharmaceutical industry, use patents in part as a means of tax avoidance. They register their patent here and by being headquartered here in Ireland they get away with paying extremely low rates of tax. There are scandalous examples of this such as the case of Gilead Sciences, which developed a new hepatitis C drug that sells for \$84,000 for a course of treatment that primarily is sold to the US market. However, as it is headquartered here, it manages to pay very little tax as a result. This largely is what the patents are used for. If one examines all the current patents given, very few of them are then cited by anybody else by other corporations, thereby illustrating they do not really have any intrinsic scientific value but are a means of stating they are there and this is a means of avoiding large amounts of tax.

While this has not been incorporated in this Bill but will come later, it appears that the Government strategy to deal with criticisms of the double Irish is to go further in the direction of allowing patents to facilitate payments of tax rates that are significantly below the headline rates of tax. As there has been a huge amount of criticism in respect of the double Irish, it has been decided to phase it out over an extremely long period and to replace it with what is being described here as a knowledge box but which in Britain is called a patent box. The latter absolutely appears to be the inspiration for our knowledge box but perhaps we will have half the rate here that they levy in Britain. The Institute for Fiscal Studies in Britain, which is not a radical left organisation, has strongly criticised the patent box model. It states that “to the extent that a Patent Box reduces the tax rate for activity that would have occurred in the absence of government intervention, the policy includes a large deadweight cost” because much of this innovation simply would have happened without the need for allowing these corporations to pay little or no tax. Consequently, this is another significant subsidy by the taxpayer to private industry by facilitating it to pay extremely low amounts of tax. If the actual purpose is to develop a pharmaceutical industry here that is sustainable and can create good quality jobs and conditions for those that work therein, as well as to develop medicines, then it is more straightforward and makes more sense economically and socially to have investment by the State itself, instead of giving this massive subsidy to private industry. In that way we could have a publicly owned, democratically controlled pharmaceutical industry. We could undertake major research, which could be connected to the universities etc., to develop the type of medicines that can be used and that could be a boon economically also.

**Deputy John Deasy:** What caught my attention reading this Bill was that it amounted to a legislative initiative to provide legal certainty to our research exemption for companies located here, presumably many of them from the United States. Exemption is the key word here. The second part of the Bill seeks to harmonise administration procedures for many of those same companies under the Singapore Treaty on the Law of Trademarks. In other words, legislation was devised to help many of these companies that do business here and facilitate as much as possible the processes involved in patents.

This is a research exemption and there has been much talk about exemptions in recent weeks. The two previous speakers mentioned them. I understand they might be on a different side of the spectrum politically from me, which is fair enough, but I have a different perspective on this. In that context, based on what was announced in the budget, and the two previous speakers mentioned the double Irish, it is important to refer to those measures announced in the budget which relate to that particular provision, which is being phased out but ended for new

entrants into Ireland from January. For all intents and purposes it is a tax avoidance strategy - I think everyone knows that - by companies that use the device to lower their corporate tax liability.

In terms of the way it works, companies effectively move income from a higher tax country to a lower tax country using payments between related entities within their own corporate structures. I think everybody understands that. The fact is that Irish tax law has circumvented US transfer pricing rules and for that reason, it has made Ireland extremely attractive for large US multinational companies to locate here and at the same time create tens of thousands of jobs. It has injected large amounts of money into this economy at a time when it is badly needed. In terms of what happens now, no one is quite sure. There is huge uncertainty first, with the existing companies located here and how they will react and, second, the way prospective foreign direct investment will be affected and how those people who will be looking at Ireland might view Ireland now that the tax incentive has ended. The tax break will be closed to new entrants from January, and those companies currently enjoying the transfer pricing arrangement will see the arrangement end in 2020.

What struck me since this budget announcement are the extremes of opinion or predictions when it comes to analysing the consequences of ending this tax break. It depends on who one talks to as to how this will work itself out. When we get down to specifics, Google, for example, saved \$2.5 billion last year by moving its operations here and using this tax break. That is the reason it is here. The Government has said it will soften the impact by granting additional tax breaks for patents, etc. This Bill is a good example of the Government facilitating companies further. Only time will tell how this will pan out and how adversely this will affect our economy but the truth is that it could be detrimental. There is no getting away from that.

The point I want to make is that at the same time as we are doing this, there are well-publicised plans to introduce compulsory collective bargaining. That would oblige all companies in the State to enter into negotiations with worker representatives. Currently, workers form a union but employers are not obliged to negotiate with them.

We should tread carefully from now on when it comes to prospective foreign direct investment, particularly as it pertains to those companies that come from the United States. As someone who has worked in corporate America and who has handled tax and trade issues on Capital Hill, I can tell the House that the practical reality is that US companies take into consideration mandatory labour laws and in some cases do not view favourably what they would regard as excessive requirements when it comes to unions and a mandatory requirement of negotiation. I realise this comes on foot of a ruling from the European Court of Human Rights and that provisions are proposed within the legislation to accommodate some large multinational firms, which currently deal with work councils and not unions.

The ESRI did some interesting research recently for the Department of Finance. It looked at the reasons multinational companies located here and the impact tax policy had on their decisions. The main finding was that fewer than half of the multinational companies here would have located here if our corporation tax rate was at the EU average of 22.5%. Even when that figure went down to 15%, about one-fifth of them said they would not have located here. That amounts to a lot of jobs.

The point is about what we are giving up as a result of this proposal. I have huge misgivings about doing that. It has translated into tens of thousands of well-paid jobs around the country

at a time which can still be characterised as one of a relative crisis economically, and we have given it up. That is unbelievable.

We sometimes talk about piddling issues in this House. I am not casting aspersions on any individual or group but we walk out of this Chamber in protest over speaking time. The one aspect that has attracted companies that have created tens of thousands of jobs in this country in the past 20 years has been effectively ended with one statement, and we do not want to talk about it. No one has mentioned a word about it. That is unbelievable.

I have come to the conclusion that this collective bargaining measure has more to do with satisfying a political ideology within the Labour Party than with any common sense when it comes to the state of our economy. The idea seems to be to stick it on the résumé, create a junior Ministry for collective bargaining, and go to the electorate, and one's own constituency, with it before the next general election. What really annoys me is that Fine Gael agreed to this before making any decision when it came to the double Irish. That was a mistake. It was not rounded thinking when it comes to our economy as a whole and multinational companies, particularly those that come from the United States.

On the one hand, we are planning to end a huge incentive for US companies in particular to locate here without knowing how that will pan out. On the other hand, we are introducing what may seem reasonable and benign to some people but may actually act as a disincentive to companies looking to locate here. Countries throughout Europe, including the United Kingdom and the Netherlands, are reducing their corporation tax rate. They are introducing 0% patent boxes. They have been advertising that for years.

When some people in the Opposition and the Labour Party hear a Fine Gael Deputy question the wisdom of collective bargaining legislation they will immediately brand that Deputy as being anti-labour and anti-union but for once they might consider the merits of the argument I am making and the common sense around the two issues, namely, the ending of the double Irish, which I have misgivings about, and the introduction of requirements that will only act as a disincentive for some companies. The point I am making is that this might not be the wisest thing we have done when we consider everything in the whole and that, ultimately, jobs will not be created.

*3 o'clock*

The compulsory bargaining legislation should be put on hold until we know the effect the budget announcement on transfer pricing or the double Irish provision will have on our recovering, but still incredibly fragile, economy.

**Deputy John Paul Phelan:** I do not have that much to say on this legislation other than that its main provisions focus on incorporating into Irish law certain aspects of the Singapore treaty on trade-marks, amending our 1996 trade-mark legislation, providing a research exemption and giving greater legal certainty and assurances for companies carrying out pre-patent experiments and trials necessary to obtain regulatory approval. As such, I have no difficulty with supporting the legislation.

I, too, want to use this opportunity to refer to certain aspects of the budget. I have a slightly different view from the previous speaker on the provisions in the budget aimed at phasing out what is called the "double Irish" mechanism. The provision in the budget is sensible in that it does not come into effect immediately. It commences for new entrants from the start of 2015

and it provides for a phasing-out period of a number of years for existing companies in this jurisdiction.

Ireland was subject to considerable adverse publicity in the past 18 months, in particular. “Reputational damage” is the term used. Since I got my degree in economics, I have always read the finance pages. I have noted considerable adverse and negative comment on our taxation system stemming from what became known as the double Irish mechanism, to such an extent that television programmes in other jurisdictions focused on it. The mechanism was inflicting some reputational damage on our country and economy.

I agree with Deputy John Deasy that the effects of the phasing out are unclear at this stage, but I believe there is sufficient lead-in time such that the worst of the effects might be dissipated. It was interesting that Deputy Deasy referred specifically in his comments to a survey on why multinationals are in Ireland. The figures he gave all concerned the corporate taxation rate. Ever since Mr. John Bruton was Taoiseach, every Government has made it crystal clear that the corporate taxation rate is 12.5%. We have no intention of moving from this, despite what governments in other parts of the European Union, in particular, might like to see. Deputy Deasy correctly pointed out that there are thousands of jobs in all corners of the country that owe their existence in part to the certainty surrounding our corporate taxation rate. That certainty has been copper-fastened. In his budget speech, the Minister for Finance, Deputy Michael Noonan, made it quite clear that the rate is not for changing. There are some Members of this Chamber, who are not now present, who believe there would be no effect if we were to increase the rate by one percentage point. It is amazing the number of people who end up on talk shows arguing we could get a couple of billion euro extra for our public finances if we raised the corporate taxation rate by one to 1.5 percentage points. We could but it would also ensure that thousands of jobs would be lost, virtually overnight in some cases.

The majority of multinationals based in this country are here because of the certainty surrounding the corporate taxation rate. That certainty has been reaffirmed on several occasions, most recently in the budget announcement last week. I concur with the Minister’s view. The introduction of the phasing out of the “double Irish” provision was a necessary measure to curtail perceived damage to the reputation of the country.

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Damien English):** I thank the Deputies who spoke on the Bill. They made very useful contributions to the debate. I welcome the broad expressions of support for the content of the Bill. I believe everybody was on board. I remind Deputies that the focus of the Bill is to place Ireland at the forefront of developments to build a strong base for innovation and create an intellectual property ecosystem to act as a stimulus for business.

Corporation tax was referred to in many comments, including those of the last two speakers. Deputy Deasy expressed concern in regard to changes in this area. I accept there are concerns and that tax is a big issue, but many companies are telling us they do not come to Ireland for tax reasons alone; they come here because of our skills base, strong intellectual property regime and the number of developments in our research and development community. Research has intensified in recent years. It is well recognised, therefore, that companies do not come just for tax reasons. There are many other reasons and Ireland has been well established as a good location for business and in which to create jobs. While we all share the concerns, it is a question of how we react. Deputy John Paul Phelan was correct in that if we plan long enough in advance, there will not be a negative impact. This a lot more to be considered than taxation.



The Bill sends out a signal that the Government recognises the value of intellectual property and is committed to providing a supportive environment for its development and protecting and enforcing intellectual property rights. By amending, clarifying and enhancing the existing patents research exemption, we are ensuring Ireland maintains its competitiveness *vis-à-vis* other member states that are competing for the same investment and research and development opportunities.

Ireland's attractiveness to foreign direct investors in the pharmaceutical sector is vital to our continued success in this area. It is incumbent on the Government to act to further our best interests in this area. This amendment will send a positive signal on Ireland's interest in competing for intellectual property-based foreign direct investment and will prove a valuable selling point in attracting mobile investment, particularly in research and development projects. Equally, it is important that our legislation and practice keep pace with international developments in the area of trade marks. By amending the trade mark legislation and allowing Ireland to accede to the Singapore treaty, we will come into line with many of our trading partners that have already ratified the treaty.

Registered trade-mark rights are important business assets in world economies. It is essential to have harmonised standards and rules in the administration of the registration process. By agreeing to the common standards in the Singapore treaty, we will establish greater certainty for users and bring down transaction costs for all economic operators seeking to protect their trade-marks in Ireland.

I thank the Deputies for their remarks and look forward to the debate on Committee and Remaining Stages. I hope all the Members will have a chance to attend on Committee Stage and tease out some of their concerns.

I wish to address a few of the issues that were raised. Deputy Peadar Tóibín asked why the legislation took two years. In the action plan for 2012, it was agreed that there would be consultation on this matter and that we would look into it, but legislative priorities were such that the Bill was just not on top of the queue of all the bills that had to be drafted. However, I am glad the Bill has been introduced and that the House is supportive of it.

Deputy Dara Calleary expressed concern about our making of amendments to the media merger provision in the Competition Act 2002. The amendment is merely technical and it is to address cross-referencing that may give rise to ambiguity. To avoid any such confusion, I intend to use Committee Stage to clarify this matter. It is the first legislative opportunity we will get to address this and deal with any ambiguity. There is no reason for concern. We will make sure the Deputies are well briefed on the amendment in plenty of time before Committee Stage so any concerns can be addressed. It is important that concerns be addressed.

On the referendum on the unified patent court, the Government has a number of referendums to deal with over the next couple of years. They are on the list based on the work of the Convention on the Constitution. Commitments were made and it is important that this process be completed before the end of 2016. The Government will make a decision in the near future on when to hold the referendum on the unified patent court.

Deputy Paul Murphy made interesting comments about the importance of spending taxpayers' money on research and development. We have done a lot of that over the past couple of years. In fairness, over the past ten years Ireland has spent a great deal in this area and suc-

cessive Governments have developed this sector of the offering considerably. We see it as important. The most recent budget has built on that. There has been increased expenditure in this area of research and development, through SFI, Enterprise Ireland and IDA Ireland. That is what we are trying to do.

We do not have a bottomless pit of money that we can spend on everything we would like. I agree with Deputy Paul Murphy that it would be good if the country could spend a great deal more of its resources on research and development, but I missed the point on how he wants to achieve this. The same Member does not want to have any water charges, does not want to have any property tax, does not want to have any taxes, and yet wants the Government to lead on all the research and development. These all are lovely dreams but they all are not possible. One must have some charges and taxes to be able to pay for research and development.

We find it best to have a model that encourages collaboration between industry and the educational institutions and that matches their investment in targeting funding. We use tax breaks and taxpayers' money to encourage and increase spend from companies and others involved in industry to not only achieve a benefit for society and create new products and processes and solutions to problems, but also to create jobs. We are strong on the prioritisation of applied research to ensure it leads to jobs and new products and designs. Something must back them up the Member's nice ideas. I would be keen to know how he intends to fund them all because we would be keen to do so too.

The knowledge development box was raised by a couple of Members. An impression is given that it is not necessary because companies will spend on research and development anyway. That is not necessarily always true. There are two concerns. The reason we are looking to develop a knowledge development box is to ensure that the companies locate here to develop their new policy initiatives and to carry out some of the research as well. One might say it will happen in some cases, but it might happen elsewhere and then this country would lose out on good jobs and the further products, services and companies that could spin out of that research and development. The other reason is the need to ensure that Ireland remains attractive to companies which will make decisions on where to locate their new start-ups, research and development sections of their business or the development of their products. We want to have a share of that in this country and that is why we will carefully develop a knowledge development box. That will be done in consultation, which will happen over the next number of months, and will fit within EU rules. We will certainly take note of all that is happening at the OECD to ensure we are on track there and everything is above board. That is what we intend to do. There is no doubt about that and I want to put Members' minds at ease in that regard, but it is important that we would do it.

Both Deputies Paul Murphy and Richard Boyd Barrett spoke about the importance of access to affordable medicines and drugs, but they are forgetting that it is not all rosy in that sector either. There are serious competition issues and serious concerns on the global market in the medical technologies and pharmaceutical sector, and it is not always worth one's while to develop new products. We must recognise that it all is not as simple as straightforward profits. One needs to make it attractive for multinationals of all sizes to invest and to continue developing new medical devices, products or medicines. If governments in different countries do not encourage that, it might not happen as simply as the Members think because it is not easy to make such enterprise profitable and provide employment. It is important that we support this area and spend our money wisely in it, not only for the job creation involved but to continue the development of new products, ideas and processes. As Minister of State, I have been lucky to

visit many companies in this area which are developing products, designs and processes. There is a lot of interaction in the research community with engineers and the doctors and consultants, to ensure that we are designing the right products, process and devices for the future. The Deputies have a warped view of how all of this would work, and that it all will just happen. It does not work that way. Companies are there to do good and to solve societal problems, but they also must make it pay. We need to recognise that too. I have probably covered most of the comments on that aspect that I want to deal with.

To clarify in case there is any confusion, the Bill will not affect general medicines but will enhance the patient research exemption in an Irish organisation that already offers an exemption to developers of generic medicines. I think I have dealt with most of the concerns raised. If there are any more, I will deal with that at Committee Stage. I thank all the Members of their contributions. I look forward to bringing this Bill through Committee Stage and Report Stage in the month of November.

Question put and agreed to.

### **Intellectual Property (Miscellaneous Provisions) Bill 2014: Referral to Select Committee**

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Damien English):** I move:

That the Bill be referred to the Select Committee on Jobs, Enterprise and Innovation pursuant to Standing Order 82A(3)(a) and 6(a) and 126(1).

Question put and agreed to.

### **Topical Issue Debate**

#### **Radio Broadcasting**

**Deputy Seán Kyne:** I welcome the Minister of State, Deputy Ann Phelan, and I thank the Ceann Comhairle's office for choosing this topical issue, which I first submitted on 30 September. It has taken a while. It was deferred from last week. We all are aware what happened yesterday.

Connemara Community Radio is a community based and run radio station broadcasting for ten hours a day, from 11 a.m. to 9 p.m. It has two full-time administration staff and up to 90 volunteers to service its programmes. They started broadcasting on 1 July 1995. It has a franchised area of 11,500 people in Ireland. As it is a big tourism area the listenership increases during the summer. Perhaps more importantly, it has a significant Internet following because of immigration and they are able to monitor where those are listening in. They listen from America, Australia and the United Kingdom. They are able to see exactly when the peak listenership is, which is at local news time. It is interesting what they can do. They run an important local service.

Connemara Local Radio has had various funding streams over the years. Latterly, it has

been funded through the local and community development programme, LCDP, where it got a contract, from 2010 to 2015, with the funding ending at the end of this year. There is growing concern within the community that this important local resource would run out of funding and they have been pursuing a number of suggestions in that regard. They have the full backing of the local community in terms of ensuring they continue with their programming. They cover local news and spread it through the different parishes in the Connemara area, from Ballyconneely to Roundstone, Cashel, Letterfrack and Renvyle, and they have a broadcast studio in Inishbofen.

They also give valuable service to young persons who are interested in learning about media and broadcasting. As a local politician, I have been interviewed on many occasions by young enthusiastic and energetic persons who were learning their trade and putting politicians under pressure, as they should do. Most importantly, as I said, it is providing that local service link.

The LCDP delivered innovated responses to social inclusion issues. With the additional support of community development programme resources, it was best placed to respond to the local needs of the community. Efficient strategies were put in place to increase social inclusion and reduce consistent poverty in the locality. The programme has delivered and this community resource has been successful since 1995.

The station has been pursuing other sources of funding. It attempted to apply for funding under the social inclusion and community activation programme, SICAP, in the Department for Social Protection but that was not successful. I understand that recently it applied under the community services programme of the Department, through Pobal, which covers a number of different Departments. In her role as the Minister of State for with responsibility for rural affairs, Deputy Ann Phelan, would cover many Departments as well.

I understand that the station has applied under the community services programme and is receiving positive vibes in this regard. A relatively small amount of funding is provided. Initially the amount provided was €139,000, but due to cutbacks the funding was reduced to €89,000. An excellent service was provided for such a small amount of money. Two full-time staff are employed, nine part-time staff that are on community employment, CE, and Tús schemes and 90 volunteers. It goes to show the importance of the service in the community that so many people are prepared to volunteer to keep the show on the road. A local radio station is a great resource and people want to keep it open. I hope that through a combination of the efforts of various Departments and agencies a package will be put together to keep Connemara Community Radio on air after 1 January 2015.

**Minister of State at the Department of Agriculture, Food and the Marine (Deputy Ann Phelan):** I understand the Deputy's concern, as local radio services are extremely important in isolated rural areas in particular. That aspect of the matter is not lost on me. As the Deputy outlined, the group in question is currently in receipt of funding through the local and community development programme, LCDP, and has been advised that it will be funded under LCDP for the remainder of 2014.

The social inclusion and community activation programme, SICAP, is one of the key priorities of Government and its overall indicative budget for 2015 has been maintained close to 2014 levels. The programme's target groups are children and families from disadvantaged areas, lone parents, new communities, including refugees and asylum seekers, people living in disadvantaged communities, people with disabilities, the Roma community, the unemployed,

including those not on the live register, Travellers, and young unemployed people from disadvantaged areas.

In accordance with the public spending code, legal advice, good practice internationally and in order to ensure the optimum delivery of services to clients, the programme is subject to a public procurement process, which is currently under way. Stage one, which is expression of interest, has been completed by the radio station. Stage two - invitation to tender - commenced on 20 October, and will involve the successful applicants from stage one being invited to apply to one or more local community development committees, in local authority areas, to deliver the programme. Contracts for SICAP will be determined following the outcome of the procurement process.

The public procurement process is a competitive process that is open to local development companies, other not-for-profit community groups, commercial firms and national organisations that can provide the services to be tendered for to deliver the new programme. In stage one, joint applications were encouraged and organisations of varying sizes, for example, smaller organisations working in consortia with larger organisations, were invited to submit joint applications. I understand that some small groups, such as Connemara Community Radio, faced a number of challenges in competing in the stage one process. The results of stage one were released on 24 September and I can confirm that while Connemara Community Radio did submit an expression of interest, as the Deputy outlined, its application was unsuccessful.

The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, is now considering the implications of this outcome for Connemara Community Radio. I understand discussions have opened between the Department of Social Protection and the relevant parties regarding the group making an application to a more appropriate funding stream such as the community services programme. The Deputy is probably already aware of the information.

The proposals outlined in the document, Putting People First - Action Programme for Effective Local Government, seek to position local government “as the primary vehicle of governance and public service at local level - leading economic, social and community development, delivering efficient and good value services, and representing citizens and local communities effectively and accountably”. As part of the programme of reform of local government, local community development committees, LCDCs, are being established in all local authority areas. The committees, comprising public and private socio-economic interests, will have responsibility for local and community development programmes on an area basis, including the social inclusion and community activation programme, SICAP. They will develop, co-ordinate and implement a more coherent and integrated approach to local and community development than heretofore, with the aim of reducing duplication and overlap and optimising the use of available resources for the benefit of citizens and communities.

The public procurement process is a competitive process that is open to local development companies, other not-for-profit community groups, commercial firms and national organisations that can provide the services to be tendered for, to deliver the new programme. Successful applicants to stage one had to demonstrate that they would meet the criteria for the delivery of services in the lots applied for. I am confident that supports for the most disadvantaged in society will continue under SICAP.

**Deputy Seán Kyne:** I thank the Minister of State for her comprehensive reply. Connemara Community Radio, based in Letterfrack, has applied for the community services programme



and I am hopeful we will get good news in that regard. It is important that the Minister of State, Deputy Ann Phelan, would relay to the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, that the pressure should be kept on to ensure a comprehensive package is provided. Connemara Community Radio provides a hugely successful programme for €89,000. It provides an excellent service for local people and the diaspora. An overall package could be provided for a relatively small amount. I hope the provision of a small, extra amount could be found in either the Department of the Environment, Community and Local Government or the Departments in which the Minister of State serves.

I am sure the Minister of State, Deputy Ann Phelan, is familiar with beautiful Connemara and Letterfrack, which has a long history, not all of it positive. In the past 40 years the community has set up initiatives such as Connemara West and forums involved in projects such as the community radio. A lovely campus is located in the Ellis Hall in Letterfrack which houses several groups, including a GMIT furniture college. As a result, the village hosts 500 students and a very successful local radio station. I hope that through the efforts of the Minister of State, Deputy Ann Phelan, and the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, we can ensure there is a package for Connemara Community Radio from January that will allow it to continue to deliver its important programme.

**Deputy Ann Phelan:** I will pursue the matter with the Minister for the Environment, Community and Local Government, Deputy Alan Kelly. I am aware of how important such services are for rural areas, in particular in Connemara. I am most familiar with Connemara West and all the good things it does. I urge the Deputy to pursue also the application through the Department of Social Protection. I am happy to provide him with any help or advice I can. I will make contact with the Minister of State in the Department of Social Protection, Deputy Kevin Humphreys, to see whether we can pursue the application in conjunction with his Department.

### **Strategic Infrastructure Provision**

**Deputy Thomas P. Broughan:** Many constituents in Dublin Bay North were astonished recently to learn of a proposal by Fingleton White & Co. Ltd. and the Independent Pipeline Co. Ltd. for a 16 km aviation fuel pipeline from Dublin Port to Dublin Airport. The kerosene pipeline route is proposed to pass along the Malahide Road through a densely populated residential region, including East Wall, Fairview, Marino, Clontarf, Donnycarney, Artane, Coolock, Darn-dale, Ayrfield, Clare Hall and Burnell, along the R139 - the former N32 - and the M1 and up to the airport. The proposal is a major change of route from the 2001 Fingleton White oil pipeline plan of 11.1 km which was to run from the port up East Wall Road, through Ballybough onto Richmond Road and up through Drumcondra and Gracepark Road onto Griffith Avenue and the Swords Road through Whitehall to the airport.

I note the grave concerns and consternation of residents from East Wall, Drumcondra and Whitehall during the planning process on this earlier An Bord Pleanála approved plan, PL 29N. 122692. The same concerns are now shared by my Dublin Bay North constituents.

I understand that no revised version of the 2001 plan has yet been submitted to Dublin City Council but I note that Fingleton White approached An Bord Pleanála in 2009 and 2010 and the board's inspector decided that under section 37B of the Planning and Development Acts 2000 to 2006, the new proposal was considered to be strategic infrastructure and that planning applications must be made in the first instance to both Dublin City Council and Fingal County

Council. This attempt by the developer to circumvent the democratic local authorities reflects the total lack of consultation by the proposers with residents and public representatives in the densely populated areas now proposed for this kerosene pipeline. With the exception of two poorly publicised briefings in September, none of the dozen or so affected parishes have received information on this proposal. During the earlier 1999 to 2001 planning process significant health and safety issues were raised by residents' groups but amazingly, no environmental impact study was submitted with the proposal. Furthermore, in their brief press releases, the proposers make no mention of an EIS for the current plan.

We are informed that the 200 mm diameter pipeline will be made of continuous welded steel with an outer wall of 12.7 mm and that it will be laid 1.5 m below the road, with 1.2 m of cover. However, there is no explanation whatsoever as to why a much longer route of 4.4 km through densely populated areas is being proposed now rather than simply seeking an extension of the 2001 permission.

With regard to health and safety, in 1999 to 2001 and now, constituents rightly ask why such a pipeline - if needed at all - is not simply brought across open country from Bremore or Drogheda Port down to the airport. A review of accident history in the EU, the US and elsewhere, shows that fuel pipelines can be very hazardous. Even a cursory check on pipelines safety records reveals a disturbing litany of disasters in each decade since the 1960s. In the US there have been many serious oil pipeline incidents on the extensive American oil and gas pipeline networks. In 1976, for example, an oil pipeline ruptured in Los Angeles and killed nine people. Further afield, a 1998 oil pipeline explosion in the Niger delta killed about 1,200 people and in 2006 a similar incident outside Lagos killed 200 people. Stricter EU legislation has meant there have been relatively few notable incidents involving oil pipelines in Europe but in 2004 there was a major gas pipeline rupture at Ghislenghein in Belgium where 24 people were killed and 132 seriously injured. It is clear that leak detection systems for oil pipelines are critical aspects of such infrastructure but in the earlier proposal in this matter and now there is little or no information on such safety mechanisms and standards.

It beggars belief that according to Fingleton White of the six routes allegedly ear-marked by the developers in so called preplanning discussions the Malahide road route came out as the optimal route. Constituents ask why this pipeline and any such route is needed at all. They correctly point to the presence of the €800 million port tunnel which over the past eight years has diverted heavy commercial traffic, including aviation fuel trucks, out of Dublin Port along the 4.5 km tunnel out past Santry and just 2 km further north along the M1 to Dublin Airport. The port tunnel was planned and developed from 1993 and it is one of the greatest infrastructural projects in the history of the State. Aviation fuel trucks make up 1.5% of the traffic in the tunnel. Maximising its usage of commercial and other vehicles is a core objective of sustainable Dublin transport policy. In both the US and EU legislation there seems to be no safe set-back distance for pipelines from family homes and public facilities.

This kerosene pipeline proposal through densely populated residential districts seems to be a half-baked, ill thought-out, kite-flying exercise by Fingleton White. I believe that no cost-benefit analysis will show that the use of an expensively built and possibly very dangerous oil pipeline through residential areas of Dublin Bay North is more cost-effective and safer for citizens than the existing simple system of oil transport utilising the Dublin Port tunnel which was a key reason for its construction.

**Deputy Ann Phelan:** I thank the Deputy for helping to raise awareness of the issue. I am

taking this Topical Issue matter on behalf of the Minister for the Environment, Community and Local Government, Deputy Alan Kelly. The Department has no involvement with this project, nor has the Department of Transport, Tourism and Sport. I understand from newspaper reports that a company called the Independent Pipeline Company, which is backed by a County Laois-based engineering concern, Fingleton White and Dublin-based fuel transporters Reynolds Logistics, intends to submit planning applications to both Dublin City Council and Fingal County Council in the coming weeks for an aviation fuel pipeline between Dublin Port and Dublin Airport. In effect, the proposal is a private development. As the proposed pipeline would traverse the functional areas of two planning authorities, planning applications are required to be submitted to the two concerned planning authorities.

The role of my colleague, the Minister for the Environment, Community and Local Government, with regard to the planning system is primarily to provide and update the legislative and policy framework, including the provision of policy guidance to the planning authorities, including An Bord Pleanála, so that they can carry out their prescribed planning functions. This legislative framework comprises the Planning and Development Acts 2000 to 2014 and the Planning and Development Regulations 2001 to 2013. The Department of the Environment, Community and Local Government, has issued a large number of policy guidance documents in the form of planning guidelines under section 28 of the Planning and Development Act, to which planning authorities and An Bord Pleanála are obliged to have regard in the exercise of their planning functions.

Therefore, in this particular case, if and when planning applications are lodged in respect of the proposed aviation fuel pipeline, the decision as to whether to grant planning permission, with or without conditions, will be a matter for the relevant planning authorities in the first instance. Given the scale of the proposed project, it will be a requirement that consultation with relevant statutory bodies and with the public is carried out as part of the planning application process. When ultimately making their decisions on the planning applications under section 34 of the Planning and Development Act, the planning authorities concerned will be required to consider the overall proper planning and sustainable development of the area, having regard to among other things, the provisions of the respective local development plans, any submissions or observations received on the planning applications and, where relevant, any relevant policy of the Government.

In addition, the requirements of the environmental impact assessment directive and the habitats directive, which have been transposed in our planning legislation, must also be considered. Accordingly, any environmental impacts of the project will be fully assessed, while also having regard to any inputs in this connection from the consultation process with relevant statutory bodies and the public.

The possibility of lodging an appeal against any decision of a planning authority is, of course, a fundamental feature of the planning system. The applicant or developer, as well as any person who made a submission on the original planning application, may appeal the decision of a planning authority to An Bord Pleanála, the independent statutory appeals board. In such instance, An Bord Pleanála is required to review the entire case and ultimately reaches its own determination on the matter, in line with the proper planning and sustainable development of the area.

**Deputy Thomas P. Broughan:** I thank the Minister of State and the Minister, Deputy Kelly, who contacted me to apologise for being unable to be here. The Minister of State's reply with

regard to the consultation process is unsatisfactory. My constituents believe that this project is of major significance to strategic infrastructure, whatever its planning connotation and that the Department of the Environment, Community and Local Government and the Department of Transport, Tourism and Sport, should both be consulted directly. It seems incredible that we learn about this major plan from press releases rather than from engagement with the Government and with the local authorities.

What power has the Minister for the Environment, Community and Local Government with regard to environmental impact statements? This is a major infrastructural project costing at least €20 million and possibly more which will involve the promoters being given way-leave along the major traffic arteries of Dublin city. What power has the Minister to insist that an environmental impact statement would be produced?

In the previous instalment of this madcap proposal in 1991 to 2001, the Health and Safety Authority said that Ireland had no legislation covering aviation fuel pipelines and that the HSE and the HSA had no statutory remit with regard to the safety standards of the proposal. I do not believe this situation has changed. Are regulations in place to govern aviation fuel pipelines? I imagine legislation would have been drafted if we had discovered oil off the south-west coast. Hopefully there will be oil discoveries in the future off the coast of Connacht and Munster. There is a significant lacuna in such legislation.

Is it not incumbent on the Minister to bring forward legislation before this can even be considered? The Malahide Road is an impossible location because it is such a busy key artery in the north city and Dublin Bay North. It is unconscionable to hold it up for a year or more. The Dublin Port tunnel was specifically built for this purpose and aviation fuel trucks make up only 1.5% of the traffic. Surely we do not need this madcap half-baked proposal.

**Deputy Ann Phelan:** I draw the Deputy's attention to the fact environmental impact statements are part of the planning process. They have been transposed into legislation. The proposed construction of the fuel pipeline from Dublin Port to Dublin Airport is a private development. It will be required to go through the full rigours of the planning process. Consideration of a planning application will require consideration of the overall proper planning and sustainable development of the area. Local development plans will have to be taken into account.

I commend the Deputy on raising awareness about this. People complain about the public consultation aspect of our planning process. It is extremely important that people know what developments are taking place in their area so they can make a submission and make their views known. The planning authority will take all submissions into consideration and deliberate on them. The planning process is not necessarily there to help the developer. It is also there for the public, but the public must engage with it. I understand the Deputy is raising awareness about this.

### **Agrifood Sector**

**Deputy Seamus Kirk:** I thank the Ceann Comhairle for selecting this important item with regard to what has been happening on the issue of cattle rustling over the past number of years. Cattle rustling has been around for a while but there has been a serious intensification of activity in this most nefarious area in recent times. Cattle farmers in Border counties, including Louth, Monaghan and Armagh, have been severely affected.

Many beef farmers are in dire financial circumstances because of the prices available for their produce over the past six months and longer. Now we have an added dimension whereby farmers who buy cattle at the mart find they are gone from the field the next day. It is costing tens of thousands of euro. In many instances the livestock were bought with bank loans.

The obvious question is where are the livestock going. I must reiterate the point livestock are being stolen north of the Border also. At least one and perhaps two illegal abattoirs have been located, but clearly there must be more. We are speaking about thousands of top quality animals, not exclusively but in the main continental-style beef cattle, which have caught the eye of nefarious people.

This begs the question of what we do about it. Is it possible to establish a task force? Is it possible for the Garda Síochána and the PSNI to work more closely together and in greater harmony on the issue? What is the position of the veterinary sections of the respective Departments with responsibility for agriculture in Dublin and Stormont?

These livestock are disappearing off the face of the earth. Quite clearly they are going into illegal abattoirs because the traceability system established over a period of time is quite robust. Given the fact there are Department of Agriculture, Food and Marine inspectors in legal slaughtering premises it is very hard to imagine they allow unvouched and unvalidated livestock into the food chain.

When these animals are slaughtered, they are going into the food chain. What is the outlet for them? People suggest that perhaps it is the catering sector, which is a significant segment of the food sector. Surely there must be a system whereby individuals trading in the area must vouch for, or can be compelled to vouch for, the source of their meat.

Is legislation adequate to cater for this phenomenon, which is not exclusive to the Border counties? Animals have been stolen elsewhere throughout the country, although it seems to be focused on the Border area. It appears cross-Border traffic in stolen livestock is quite active.

I have raised a number of questions and I await the response of the Minister of State on them. I am positive and supportive of any initiative to tackle it. I have had too many broken-hearted farmers stand in my constituency clinic complaining about this issue. We seem to be able to do nothing about it.

**Deputy Ann Phelan:** I thank the Deputy for raising this very important issue. I understand these are very valuable animals and in some cases the money to buy them was borrowed, so the investment is gone.

The integrity of our beef industry is of the utmost importance to the economy and to Ireland's worldwide reputation as a food-producing country. I assure the Deputy that every step is taken to safeguard this industry, and this is achieved by ensuring the highest standards are applied and maintained in the production of Irish food.

I am aware of the incidence of stolen livestock in the country. Theft is primarily a matter for An Garda Síochána and any incidents involving theft of livestock should be reported to the Garda Síochána in the first place. The number of cattle reported stolen since 1 January 2012 is 555, out of a total population of 6.9 million animals. The Garda frequently requests the assistance of staff from the Department who have expertise in the areas of animal tagging and registration, animal movement, animal health and animal welfare, and who have access to the



animal identification and movement database. There is ongoing contact between departmental staff and An Garda Síochána in this regard.

There is also close liaison with the relevant authorities in Northern Ireland aimed at addressing the issue of stolen livestock. A cross-Border liaison group comprising the Garda, the Department's investigations division, the PSNI and the Northern Irish Department of Agriculture and Rural Development investigate the theft of livestock on a Border-county basis. I draw the Deputy's attention to the fact that a recent operation involving the Department's investigation division and the Garda resulted in the discovery of an illegal abattoir near the Border and the subsequent questioning of two persons. This matter is under investigation at present.

Under EU law, primary responsibility for the traceability and safety of food placed on the market lies with food business operators, FBOs. The role of the Department is to verify the compliance of FBOs with this requirement. Significant resources are devoted to this task. This is done by a combination of comprehensive animal identification systems, inspection of establishments and auditing the food safety management systems which operators are required to have in place. These controls are applied at various stages in the food supply chain.

When animals are presented for slaughter at meat plants, an ante mortem examination is carried out prior to slaughter, and following the slaughter, a post mortem examination is carried out to determine the suitability of the meat for entry into the food chain. This level of examination meets the hygiene package standard as laid down by the EU and ensures the integrity of the food chain.

The Department has a permanent veterinary presence at all its approved slaughter plants. Controls at stand-alone secondary processing plants are carried out at a frequency based on risk assessment for each plant. Smaller abattoirs are supervised by local authorities. Checks are also conducted at retail level by the HSE, working under the aegis of the Food Safety Authority of Ireland which has an overarching supervisory role in this area.

The presence of extensive checks by the Department and other competent authorities, of course, does not absolve the FBO of prime responsibility for compliance with the rules. Responsibility for compliance with traceability requirements rests in the first instance with FBOs. FBOs in Ireland are responsible for carrying out checks to ensure that their ingredients come from EU approved plants. They must also have a system in place to identify the source of inputs and destination of outputs - referred to as one step forward and one step back.

When members of the public provide information to the authorities about any suspicious or illegal activity concerning the movement of cattle, it is treated in confidence and it greatly assists in the investigations that follow. I therefore ask members of the public to continue their support in that regard. Farmers who have heavily invested in rearing animals and bringing them to the point of slaughter are the real victims of this crime. I am aware of the devastating impact that the theft of animals has on the individual farmers.

Tackling the crime of cattle rustling can only be done with the combined efforts of gardaí, staff from my Department and the general public. I assure the Deputy and the House that my Department will provide whatever assistance is required towards combating these crimes.

**Deputy Seamus Kirk:** I thank the Minister of State for her response. I am pleased to hear that a task force has been established. There may be a need to broaden the task force and incorporate into its membership representatives from the farming organisations because at the end

of the day members of the farming organisations are nearer to the issue we are discussing. As they are familiar with the problems they could bring considerable focus to bear on tackling the problem. We have a range of farming organisations with which we are all familiar. I ask the Department to consider the possibility of the different groupings establishing a liaison arrangement to ensure the Department of Agriculture, Food and Marine and An Garda Síochána are up to speed and familiar with the difficulties on the ground.

**Deputy Ann Phelan:** I thank the Deputy for his positive contribution. What is required now is vigilance. As the Deputy will know, even when an animal strays off the farm and dies of natural causes, that animal's identification tag is pursued to ensure it was disposed of in a correct way and for traceability purposes is removed from the national database. When one is doing one's farming records, all that has to be followed up.

I accept what the Deputy is saying. It is difficult to understand how such animals can in some cases disappear. However, we know they are disappearing into something. I appeal to farmers in the area, gardaí and members of the public to be very vigilant. This is the way forward. The same happened with fuel laundering. It is possible to reduce the impact by keeping vigilant and ensuring that everybody is informed and doing their job. I thank the Deputy for raising this very important issue.

**An Leas-Cheann Comhairle:** The Minister of State, Deputy Ann Phelan, is not taking the last Topical Issue matter. We are waiting for the Minister to come in to the House.

**Deputy Maureen O'Sullivan:** We have agreed to defer it until after the recess, with the Minister's approval.

**An Leas-Cheann Comhairle:** The Minister is happy with that.

### **Message from Seanad**

**An Leas-Cheann Comhairle:** Seanad Éireann has passed the European Stability Mechanism (Amendment) Bill 2014 without amendment.

The Dáil adjourned at 3.55 p.m. until 2 p.m. on Tuesday, 4 November 2014.