

SEANAD ÉIREANN

*Dé Céadaoin, 21 Samhain 2007.
Wednesday, 21 November 2007.*

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

*Paidir.
Prayer.*

Business of Seanad.

An Cathaoirleach: I have notice from Senator John Paul Phelan that, on the motion for the Adjournment of the House today, he proposes to raise the following matter:

The need for the Minister for the Environment, Heritage and Local Government to outline the feasibility of putting in place a national scheme to adequately deal with farm waste materials other than plastic, e.g. spray containers, medicine bottles, fertilizer bags, etc., and when such a scheme might be implemented in the future.

I have also received notice from Senator Dominic Hannigan of the following matter:

The need for the Minister for the Justice Equality and Law Reform to clarify the position on legislation regarding the regulation of estate management companies.

I regard the matters raised as suitable for discussion on the Adjournment and they will be taken at the conclusion of business.

Order of Business.

Senator Donie Cassidy: The Order of Business is No. 1, statements on the challenges and opportunities to the Irish labour market in a globalised economy, to be taken at the conclusion of the Order of Business and to conclude not later than 2 p.m. if not previously concluded; business will be interrupted from 2 p.m. to 3.30 p.m.; No. 2, statements on the Cawley report, to conclude not later than 5 p.m. if not previously concluded, spokespersons to speak for ten minutes and all other Senators for eight minutes and Senators may share time by agreement of the House and the Minister to be called upon to respond for the final five minutes of each debate; No. 13, Private Members' motion 32, re the postal services, to be taken at the conclusion of No. 2.

Senator Liam Twomey: I am taking the Order of Business on behalf of Senator Fitzgerald.

There are no objections from this side of the House to the issues raised. No Member of this House should be lied to or misled by another Member or by anybody making a presentation or otherwise responsible to this House. The credibility of some people is open to question and the reputation of institutions is being badly damaged. A few weeks ago the Department of the Environment, Heritage and Local Government seemed to indicate through the words of its Minister of State, Deputy Batt O'Keeffe, in this House that it was aware in October 2006 that housing starts were going to slow down. However the Department of Finance made a number of forecasts to all the political parties that indicated the economy would go well for at least the next three years. Six months after the last general election we are now told this is not the case and the situation has changed in the housing market.

It is clear to everybody that things are not going well. One of the most amazing comments I have heard in the past few days is that the Taoiseach is trying to say the downturn in the housing market had to happen. That is how he has dismissed the crisis in the economy. Some six or 12 months ago the Taoiseach and the Minister for Finance said everything was well with the housing market but that is not the case. Many have been fooled into borrowing large amounts of money. The Taoiseach and the Minister for Finance should issue a statement on why their forecasts were so wrong, what the Department of Finance knew before the election, what it knows now and whether we were misled on economic forecasts before the general election.

Deputy Carey should send the Garda Síochána to Government Buildings, not to RTE as he announced, on that other issue on which people have been misled, namely whether a Government Minister took cocaine. It may not be true, however if we are to be serious about the cocaine epidemic in our society, let us debate in this House what we should do about it. Have we views on mandatory drug testing or could we use softer options to reduce the amount of cocaine consumed?

We should not go on a witch hunt after a journalist who may or may not have made up the story that a Government Minister took cocaine. Cocaine is a serious problem. Let us debate what we can do about it, whether they be hard or soft options.

The Minister for Justice, Equality and Law Reform has been asked on numerous occasions to come to the House to discuss issues such as gangland killings. There is a need to show how accountable the Minister and Garda Commissioner are to this House. More than a year ago we were promised that the Leas Cross report would be sent to the Garda Commissioner to examine whether anybody should be prosecuted for the deaths of patients at Leas Cross. What happened there was a scandal and a disgrace to our health services. What was a greater scandal

[Senator Liam Twomey.]

was how Ministers and senior officials in the Health Service Executive washed their hands of their responsibilities and described it as a system error. If the Leas Cross report was sent to the Garda Commissioner, the Minister for Justice, Equality and Law Reform should indicate whether any criminal prosecutions will follow or whether the Commissioner has quietly shelved the report. It is important that the House be informed of progress when it requests that something be done. This issue must be pursued. What are the views of the Garda Commissioner on the Leas Cross report?

Moving from the issue of misleading Members of the House, there is a report in today's newspapers which indicates that Professor Drumm might not have been totally clear when he addressed Members two weeks ago. It is unbelievable. If I remarked in the House that the health reforms had stalled and that the health service is dysfunctional and very expensive, Members on the Government side would accuse me of exaggerating and spreading rumours and would urge me to support the HSE and Professor Drumm. However, an internal memorandum from Professor Drumm to his managers clearly states that the health service reforms have stalled and that the health services are dysfunctional and very expensive. I am aware that they are expensive—

Senator Terry Leyden: He is very accurate.

Senator Liam Twomey: —but he should tell Members of the House what he means when describing them as dysfunctional. What does he mean by saying that the health service reforms have stalled? He has held his position for the last three years and the Minister, Deputy Harney, who has executive responsibility for health services, says the health reforms are proceeding as expected. There is due to be a meeting today with Professor Keane. He should be made aware of what exactly can be achieved with regard to reforming cancer services. I could speak further on that issue but there is no time.

Senator Terry Leyden: How long will this last?

Senator Liam Twomey: Professor Keane has his work cut out for him. The last issues I wish to raise are important so I will take this opportunity to do so.

An Cathaoirleach: The Senator should be brief.

Senator Liam Twomey: Where is the Dublin transport authority and where is the legislation to deal with transport in the Dublin area?

Senator Jim Walsh: The Senator is getting it all off his chest today.

Senator Ann Ormonde: One bite of the apple.

Senator Camillus Glynn: He is getting it all in.

Senator Liam Twomey: I would appreciate an answer on all the issues I raised.

Senator Terry Leyden: Bring back Frances.

Senator Joe O'Toole: The matter I wish to raise was mentioned yesterday by Senator Fitzgerald. We should be given an indication of the Government's legislative programme. At present, six Seanad Bills are before the Dáil but no legislation is coming to the Seanad from the Dáil. Can we have clarification on what is happening in the Dáil? This reflects badly on the House. Our programme of work over recent weeks has been light in terms of legislation.

Is there a sense of instability and uncertainty in the Government at present, especially in the Fianna Fáil Party with regard to the leadership of that party? It appears to be a constant theme. This is a serious point.

Senator Jim Walsh: That was put to bed last night.

Senator Camillus Glynn: He is not serious.

Senator Joe O'Toole: Will the Leader clarify—

An Cathaoirleach: The Senator should speak to the Order of Business.

Senator Joe O'Toole: Perhaps the Taoiseach might be invited to the House to clarify his intentions. I listened to him last night—

Senator Jim Walsh: He is staying on for five years. He made that very clear last night.

An Cathaoirleach: Senator O'Toole without interruptions.

Senator Joe O'Toole: I note the Taoiseach indicated last night that he would be around until 2011 at least. That, coincidentally, is the same year as the next presidential election. Is it the intention of the Fianna Fáil leader to do as Mr. de Valera did—

Senator Jim Walsh: It is a possibility.

Senator Joe O'Toole: —and move from here to the Phoenix Park in one swift movement?

An Cathaoirleach: That is not relevant to the Order of Business.

Senator Joe O'Toole: It should be clarified. I am not being mischievous.

(Interruptions).

An Cathaoirleach: Senator O'Toole, it is not relevant to the Order of Business.

Senator Joe O'Toole: It is just that Senator Norris and I have been wondering whether we should gear up our campaign for the presidency.

Senator David Norris: Mine has begun already.

Senator Joe O'Toole: Senator Mark Daly brought to my attention the fact that the Dublin Institute of Technology, the largest third level college in the country, does not have access to the Irish Research Electronic Library initiative, while the seven universities do. That is disgraceful. There is no case for excluding the DIT. It smacks of an elite cabal of senior educationalists keeping the institute out. It means the institute cannot conduct its research and turns on its head all Government policy on developing research in the education and other areas. The Minister for Education and Science should explain to the House how this will be resolved.

Senator Dominic Hannigan: Yesterday was the anniversary of the launch of the United Nations Convention on the Rights of the Child. On the same day we learned from a child safety expert, Dr. Alf Richardson of Our Lady of Lourdes Hospital in Drogheda, that the death rate of children in road crashes in Ireland is twice as high as in Sweden. Is it not time that more funds were allocated to road safety for children? The National Roads Authority in its pre-budget submission says that given the downturn in the housing construction industry, it is time to put more money into road improvements, and this will not increase inflation. Will the Leader impress on the Minister the need to put funds into road safety improvement measures, particularly outside schools, so we can improve our accident statistics involving children?

I note that the UK Government has managed to lose personal data on 25 million of its citizens. Last week, a survey in Ireland showed that half the computers that come onto the second-hand market in Ireland contain data such as names, addresses, PPS numbers and bank details. We must be vigilant in protecting identities and preventing identity theft, both in the case of individuals and organisations. Will the Leader invite the relevant Minister to the House to explain what he intends to do to raise awareness of the issue of identity theft?

Senator Déirdre de Búrca: Will the Leader invite the Minister for Communications, Energy and Natural Resources to address the House on his Department's plans for the development of wind energy, especially offshore wind energy? The State is planning to spend at least €40 million next year on carbon credits which will allow it to exceed the greenhouse gas emissions limits agreed under the Kyoto Protocol. It is both costly and environmentally unsustainable to continue to buy our way out of the international agreements we have entered into on climate change.

The operators of Wind Energy Ireland, a consortium of business people and businesses who wish to establish offshore wind energy projects, are preparing at present to invest €4 billion in those projects but they need co-operation from the State. EirGrid, the State company responsible for managing the electricity grid, would have to upgrade and make significant changes to the grid to facilitate this expansion of offshore wind energy capacity. Perhaps the Minister would come to the House to clarify his Department's plans for upgrading the electricity grid. It is estimated that if this development took place, the savings to the State would amount to approximately €235 million per year and that the electricity produced would meet the electricity needs of approximately half of the State's households. I ask the Leader to invite the Minister to the House to address this important issue.

Senator Michael McCarthy: I congratulate Senator Twomey on a good chest clearing exercise. I hope the Leader will have enough time in this session to deal with all his questions. I thank the Leader and put on the record my appreciation of his swift organisation of a debate on the Cawley report. I will be reiterating these sentiments this afternoon.

What is the Government's policy on incineration? We have a Government Deputy in Cork South-Central who began his career in local government on the back of opposition to an incinerator there. We have heard various mutterings from the representatives in Dublin South-East. The Minister for the Environment is opposed to the building of an incinerator, yet An Bord Pleanála has given it the green light.

Senator Terry Leyden: I ask the Leader to arrange an immediate debate on the dispute between the Health Service Executive and the Irish Pharmaceutical Union in the matter of drug distribution, particularly to medical card holders. Approximately 1.5 million people have medical cards and they are concerned that from 1 December their medicines will not be dispensed by their local pharmacies. This is a serious issue. In fairness to the Irish Pharmaceutical Union, it supports the appointment of an independent arbitrator to assist in reaching an agreement on the decision by the HSE. I cannot understand why the HSE has decided now to take on this section of the health services, putting in jeopardy the drug distribution system. Savings could be achieved in most cases if GPs prescribed generic drugs.

Senator Maurice Cummins: The Minister said "No" yesterday.

Senator Terry Leyden: I ask that the Leader of this House, which is an independent part of the Oireachtas, arrange for a debate on this issue so

[Senator Terry Leyden.]

that we can bring some rationality to the discussion.

Senator Maurice Cummins: She said “No” yesterday.

Senator Terry Leyden: It is an extremely grave matter. I believe 1.5 million medical card holders are very concerned about this. Irish pharmacies cannot survive if there is a reduction.

Senator Fidelma Healy Eames: The Senator should listen to his Minister.

Senator Terry Leyden: That was yesterday; this is today. It is a very serious issue.

An Cathaoirleach: The Senator’s point is made.

Senator Terry Leyden: It was debated last night at the most important meeting in the country, the Fianna Fáil parliamentary party meeting. That is the most significant gathering in this country.

Senator Paudie Coffey: The Fianna Fáil members are all very quiet at that. They will do as they are told.

An Cathaoirleach: That is not relevant to the Order of Business.

Senator John Paul Phelan: I thought a meeting of the Seanad was more important than the Fianna Fáil parliamentary party meeting, but perhaps I am wrong.

I concur with Senator de Búrca, who requested a debate on wind energy. I have been calling for a debate on this issue for years. Perhaps at the Green parliamentary party meeting they could have a discussion with the Minister in charge.

Senator Dan Boyle: We talk of nothing else.

Senator John Paul Phelan: I ask that the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, to come to the House to discuss this issue and particularly the problems of people who have already received permission to build wind farms and wind turbines throughout the country but are now having difficulties in accessing the national grid. Senator de Búrca mentioned that in her comments. There is a serious problem in this area.

I agree with my colleague, Senator Twomey, who suggested that Professor Drumm clarify the position on the memorandum he wrote to leading management staff in the HSE. What we were told in the House is very different to what is being reported in the media today. It does not inspire confidence in what is already a largely discredited organisation in my eyes and in the eyes of many members of the public to see such contradictory information emanating from different sources in the HSE.

I call on the Leader to ask the Minister for Agriculture, Fisheries and Food at the earliest possible opportunity to come to the House for a debate on food safety in particular, but also on animal health. I have been asking for this since the Seanad came back. This is especially relevant in light of the recent outbreaks of foot and mouth and bluetongue in the UK and the recent detection of the H5N1 influenza virus in birds in parts of the UK. I also wish to discuss the proposed changes to the Common Agricultural Policy that have been mentioned in the media over the last couple of days. We should have a debate on this at the earliest possible opportunity, as agriculture is still the bedrock of the rural community in many areas.

Senator Camillus Glynn: I ask the Leader, in co-operation with our spokesperson on agriculture and fisheries, Senator Carty, to request that the Minister for Agriculture, Fisheries and Food, Deputy Coughlan, to come to the House to address a matter which is pertinent to County Westmeath and perhaps also to other parts of the country. I raised this on two or three occasions in the previous Seanad. People are fishing with nets in our canals and rivers and taking everything out. Nothing is going back. This is a major problem. I am pleased to say that the *Westmeath Topic* has highlighted it at least twice. It must be dealt with because it is not going away. I ask the Leader and Senator Carty to arrange that this so that proposals can be put forward to address this problem.

Another matter I raised here some time ago is that of councillors obtaining independent legal advice on matters that affect their areas. Senator de Búrca is *au fait* with this issue as it is also relevant to her own county. It appears that local authority members are getting the short end of the stick. The council management can get all the advice it wants and this is paid for by the county council. However, if a councillor is not satisfied with the advice obtained by the county manager he or she must pay for alternative advice. This does a disservice to democracy.

I am glad the verbal expectorant is working here this morning in the case of Senator Twomey.

Senator Liam Twomey: That was only a sneeze.

Senator Camillus Glynn: It is one way of getting things off one’s chest. It is somewhat disingenuous of the Opposition to be slagging the Minister, Deputy Gormley, about the decision of An Bord Pleanála on the incinerator. It is an independent planning authority.

Senator Fidelma Healy Eames: That is not slagging. It is a real issue.

Senator Camillus Glynn: I can see the headlines that would appear if the Minister did anything. They would probably read, “Minister

undermines autonomy of An Bord Pleanála". One cannot have it both ways. There cannot be an each-way bet on this issue.

Senator Fidelma Healy Eames: The Government did not have a policy in place.

Senator Liam Twomey: What are the views of the Fianna Fáil Senators on this issue?

Senator David Norris: I cannot forbear from commenting on the previous contribution. Many of the decisions of An Bord Pleanála are bizarre and contradictory.

Senator Camillus Glynn: I do not disagree with that.

Senator David Norris: I look forward to the debate that was called for yesterday. I have plenty of things to say on this and can mention many cases of bad planning supported by Official Ireland here.

I wish to raise an educational matter. I am concerned at widespread reports that four so-called Protestant schools are engaged in legal action against the Department of Education and Science. I know we cannot trespass into an area that is being examined by the courts as it would be improper, but we should have a debate on this. It is apparently the result of the closure of four schools, including Greendale Community School, which is where Roddy Doyle taught. I met some of the teachers from Greendale at a conference some months ago and I would be delighted to be taught by them. They were splendid people. The difficulty arises because teachers are being forced into schools without interviews. I would have thought it was reasonable to want to interview somebody to find out whether he or she had the right qualifications and was the right person for the job in question rather than a square peg in a round hole.

I heard a commentator state yesterday that this is all connected with the national pay agreement and that this would far supersede any question of ethos. The reason I raise the question is that there has been no response whatever from the Government side to repeated calls from people such as myself and Senator O'Toole to re-examine the matter of ethos and the use of this troublesome word to exempt the churches from the basic legislation of the land, the equality legislation. Apparently the Government feels it is appropriate to stuff 30 teachers into Protestant schools without interview, although they may be very good teachers, because there is a question about the wage agreement, and yet we cannot be allowed to reopen the question of the appropriateness of the exemption for the churches in that legislation. Churches that have been involved in serious abuse of children have retained the right to fire people like me simply because of the nature of

their sexual orientation. That is intolerable in this country.

I also support Senator O'Toole on the matter of the Dublin Institute of Technology. I also have the letter from Senator Daly about the Irish research electronic library initiative.

11 o'clock It is extraordinary that our seven leading universities should have access to this and the DIT, an institution of which we should be very proud, is kept out of it for some reason. There would be a saving because if the DIT had direct electronic access to this material, it would not need to buy all the journals.

An Cathaoirleach: We will not have a debate on it now.

Senator David Norris: I support Senator O'Toole's reasoned appeal that the Minister should examine this and include the DIT.

All those who complain about the Irish illegals and who challenged the word "illegal" in this House last week should read the interesting and well-argued article by Ms Trina Vargo in *The Irish Times* of 16 November last. She points out that, in fact, they are illegal and that, although there are difficult family circumstances with which one sympathises, we are now the third richest country in the world and anybody returning to Ireland would not come to a country where there were no jobs and would not be returned to a place where they might be tortured, interrogated or murdered. It would be a salutary exercise for those who squawked about the use of the word "illegal" to read that fine article.

An Cathaoirleach: I hope Members will be briefer. I will have to curtail them. A large number of Members want to contribute on the Order of Business and it is not possible to include them in the time remaining.

Senator Ann Ormonde: I compliment the Minister for Health and Children, Deputy Harney, on coming to the House yesterday and listening to a wide-ranging debate on the quality of the cancer programme. Unfortunately, I could not get in to praise her because of the number who wished to contribute. It is disappointing that Senator Twomey, who has a medical background, should ask the questions he asked this morning when he should have been here yesterday to field them. The Minister fielded those questions from all sides of the House admirably and yet he comes to the House this morning and again starts off in this negative approach.

A Senator: Senator Ormonde did not speak either.

An Cathaoirleach: Senator Ormonde without interruption.

Senator Ann Ormonde: Would we for once in our lives try to put all our heads together because

[Senator Ann Ormonde.]

what we want is a quality cancer care programme for our patients?

Senator Fidelma Healy Eames: They are not listening anyway.

Senator Ann Ormonde: As if they would do better if they were in there.

Senator Paudie Coffey: They are the only ones who can run the country.

Senator Liam Twomey: Only Fianna Fáil can run the country.

An Cathaoirleach: Please——

Senator Ann Ormonde: I am delighted the Minister——

(Interruptions).

Senator Paudie Coffey: Senator Ormonde is losing touch.

An Cathaoirleach: Senators wanting to speak should do so through the Chair, not across the floor.

Senator Ann Ormonde: There is no better person than the Minister. One can put her on any programme and she will take them on. Let there be no doubt about that. She is very slick and she has her information and knowledge.

Senator Paudie Coffey: We will not take lectures from Senator Ormonde either.

An Cathaoirleach: The point is made.

Senator Ann Ormonde: She has a quality——

An Cathaoirleach: The point is made.

Senator Ann Ormonde: I support Senator O'Toole on the lack of research facilities at the Dublin Institute of Technology. The Minister for Education and Science, Deputy Hanafin, will be in the House tomorrow for a wide-ranging debate on education during which there will ample opportunity for those points to be raised, and rightly so. I support the Senators on that issue. I will leave it there because the Cathaoirleach is pushing me. I have another issue but I will not raise it.

Senator Fidelma Healy Eames: I compliment the leaders of the various parties who invited the Minister, Deputy Harney, yesterday and the methodology that was used whereby she took questions. As a new Member, I was disillusioned by the statements on crime or education whereby a Minister made a statement and then left without listening to people and without fielding their questions. If the methodology used yesterday

could be taken up for the future, it would be most worthwhile because it gives some sense of accountability in the system.

I draw attention to the headline of the lead story today in the *Irish Independent*, "Fee-paying schools dominate race for university". There is nothing new in this. This has been going on for years because there is a two-tier system in education at second level. Private schools can cherry-pick their students. They have an enrolment policy whereby they decide who they allow to enrol. They also have the advantage of taking fees. Grind schools and private schools will help the children who can access that system.

The fallout is that 20% of children are underperforming at second level across the system and 65% are underperforming——

An Cathaoirleach: Is Senator Healy Eames looking for a debate?

Senator Fidelma Healy Eames: No, I am not looking for a debate.

An Cathaoirleach: If she is not——

Senator Fidelma Healy Eames: I am making the point that there is need for a debate. Some 65% are underperforming in disadvantaged areas or falling out. My point is that if one comes from a disadvantaged background it should not mean one has a disadvantaged future. We need a debate in this House with the Minister about this very point. How can the second level system cherish all our students equally and give them all opportunities?

Senator Cecilia Keaveney: One has fewer points if one comes from a disadvantaged background.

Senator Fidelma Healy Eames: I support Senator O'Toole on the issue of the teaching panel. I was a teacher who was redeployed through the panel and it is as awful for the teacher as it is for the school.

Senator David Norris: Hear, hear.

Senator Fidelma Healy Eames: Every teacher deserves an interview and every school deserves to interview those who it is taking on. While it is being seen as a means of ensuring permanent teachers remained employed, I have found it unsatisfactory. It is wise that we discuss it at this point. I look forward to seeing those matters being raised in the debate.

Senator Dan Boyle: I support the calls made on yesterday's Order of Business and repeated today by Senator McCarthy that there should be a debate in this House on waste management in general and incineration in particular. Such a debate would be useful in a number of respects.

Until the decision of An Bord Pleanála to give planning permission for an incinerator at Poolbeg, some members of the Opposition claimed the Minister had already done a ready-up. If the Minister had directly intervened in the An Bord Pleanála process, I suspect he would have been criticised as well by Members of the Opposition.

Senator Paudie Coffey: Tough.

Senator Dan Boyle: I also would be interested to learn from such a debate what exactly is the Opposition parties' policy on incineration. Are they in favour of the technology or are they merely opposed to the particular locations in their own constituencies?

Senator Maurice Cummins: Senator Boyle is in Government.

An Cathaoirleach: Please——

Senator Liam Twomey: Senator Boyle should show us his party's position first.

Senator Dan Boyle: I would particularly like to know the answer to that question.

Senator Dominic Hannigan: It is the same as his party's was six months ago.

Senator Dan Boyle: It is still the same policy. I would especially like an answer to that question. Despite the efforts of the Minister, Deputy Gormley, in pointing out how the policy was shifting since he came into office, An Bord Pleanála referred to policy documents from 1998, a waste management policy which was informed by the Waste Management Act 1996. This legislation enshrined incineration as a technology and identified it as an energy recovery method. This Act was introduced by a Labour Party Minister for the Environment and supported by a Fine Gael-Labour Government.

An Cathaoirleach: Senator Boyle's point is made.

Senator Dan Boyle: If your policy is against incineration, are you, as Opposition parties, willing to recant that policy? Are you willing to admit you made a mistake then?

An Cathaoirleach: Senator Boyle has made the point.

Senator Dan Boyle: Are you willing to use the opportunity offered today to state your policy on incineration was wrong——

Senator Paudie Coffey: Senator Boyle should steady up.

Senator Dan Boyle: ——and you will support the policy of the Minister and of the Green Party in Government on incineration?

Senator Paudie Coffey: He is getting excited.

An Cathaoirleach: Remarks should be addressed through the Chair, not across the floor.

A Senator: Their policy has gone up in smoke.

Senator David Norris: Bravo.

An Cathaoirleach: Remarks should be addressed through the Chair, not across the floor.

Senator Terry Leyden: Recant.

An Cathaoirleach: Senator Quinn without interruption.

Senator Feargal Quinn: Ba mhaith liom cúpla focail a rá as Gaeilge mar tá a lán grá agam don Ghaeilge agus is dócha go bhfuil a lán grá ag a lán daoine don Ghaeilge. Many of us, who are not very competent but who are anxious to see the Irish language succeed, would wish to see the money we invest in doing so being used efficiently. I have a concern that we have failed miserably with the money we have invested, but some of the decisions made have been wrong.

For 30 years, since we joined the European Union, we recognised that it would be wasteful to insist that every European Union document should be translated into Irish but three years ago when Malta decided that it wished to have Maltese recognised as one of the languages, we changed attitude and stated that if little Malta, with a small population, was to insist that Maltese should be translated as one of the recognised languages, we should do the same. A great deal of money is being spent on translating almost all European documents into the Irish language. That is wasteful. In recent years we made decisions that all State documents and many others, including annual reports of semi-State bodies, should be produced as Gaeilge. Last year, the production of the road safety report was delayed for that reason. That money should be invested in an efficient manner that would result in a more realistic approach to encouraging the Irish language.

I spoke to a person from Malta the other day who told me they do not have any teachers of Maltese in Malta because the 30 teachers they had now work in Europe translating documents into Maltese. Rather than spending the money in that manner, they are calling for the money to be put into education, universities or the Maltese language in some form or other. That is a step we could take. Those of us who wish to see the Irish language become one that is loved by the citizens and is used should ensure we use that money much more efficiently than we have done in recent years.

Senator Cecilia Keaveney: To take up where Senator Quinn left off and as there are students in the Gallery, his message is important to send out, particularly the point about the 30 Maltese teachers who now work in translation in Europe. There was a question as to whether the Irish language was alive or dead but the fact that there are now job opportunities in translation services in the European Union should give the Department of Education and Science, the teaching services and students a new impetus to consider the potential job opportunities within the Irish language. I would support a proposal for a *lá Gaeilge*.

On a point of information for Senator Twomey, the Oireachtas report on the treatment of cocaine addiction, with particular reference to the Irish experience, is a recent publication. As chairman of the committee at the time, my by-line was that there was nothing romantic about doing a line. If the Senator wants some information on our findings at that time the report is on the Oireachtas website and is available in hard copy also.

I do not understand the reason we continue to talk about cannabis and cocaine abuse while avoiding the bigger drug problem we face, namely, alcohol. I ask the Leader again when we will have a debate on the alcohol abuse problem, which is the main drug of choice?

Senator David Norris: Hear, hear. Well said.

Senator Cecilia Keaveney: We can talk about cannabis and cocaine abuse, and I have reports on both if anyone wants to be informed on such abuse, but the main drug of choice is alcohol and the problem of alcohol abuse must be tackled in this House.

In the context of a major bomb scare this week in CastleCourt, in Belfast, and the murders, attempted murders and bomb scares, the two sources of employment in the Six Counties are the Civil Service and retailing. A direct hit is being made in economic terms in the Six Counties in the run up to Christmas on the very employment source that is their greatest support. I ask the Leader to ask the Minister for Foreign Affairs to come into the House before Christmas for a debate to allow us put on the record of this House our abhorrence for what is taking place and our disdain for this action by a minority. We must ensure that the existing employment and the feel-good factor coming up to Christmas is not ruined by a bomb going off. As a member of a family who experienced a bomb explosion in their own premises, I can speak of the reality of that and it is not a pleasant prospect coming up to Christmas.

Senator Paudie Coffey: In 2006, 67 housing mortgage suits came before the High Court and to date in 2007 there have been more than 80, with 200 cases listed. That is a stark warning that should be heeded by all Senators, TDs and anyone interested in the way our people attempt to

house themselves. Some weeks ago the Minister of State with responsibility for housing, Deputy Batt O’Keeffe, said that those who raised this concern were prophets of doom. In recent years the Government encouraged an over-reliance on the housing sector and was happy to collect the many taxes generated through the housing sector but we must ensure the balance is addressed in this regard. I ask that either the Minister for Finance or the Minister of State with responsibility for housing should come to the House to outline their plan B now that matters are taking a turn. We now see who the true prophets of doom are when the Minister for Enterprise, Trade and Employment and the Minister for Finance have to rearrange the books as we face into the next budget. As public representatives we are entitled to raise the genuine concerns among our constituents, and I ask that this issue be debated.

I was surprised to hear the Green Party’s Senator de Búrca call for a debate on wind farm policy. We would welcome that debate. She said we are buying too many carbon credits in an attempt to buy our way out of our Kyoto protocol obligations but the Green Party is in Government. Why are its members calling for a debate on something over which they have control? They agreed the programme for Government with Fianna Fáil. They should make the necessary changes to ensure a better wind farm policy. Why must we have a further debate on it?

Senator Jim Walsh: I support the comments made by Senator Healy-Eames with regard to the Minister for Health and Children, Deputy Mary Harney. As someone who has observed her tenure in the Department of Health and Children I believe she was always impressive in terms of the grasp of her brief, her insight knowledge and her drive and vision for reform of the health services. I am glad that was recognised on both sides of the House. She is somebody who instills confidence that she will make real and beneficial change to the health services.

On the report and internal memorandum to which Senator Twomey referred, I saw that also but unlike his negative approach to it I welcome the fact that the chief executive of a company is reminding his line managers of the need to drive the changes and improvements that are necessary within that organisation. He is doing that in the face of restrictive and outdated industrial relations practices within that organisation and every vested interest with their hands in the pot trying to ensure they gain from the billions of euro that have been trickling through that process which is not getting to the patients for whom it was intended.

For the second time this morning I agree with Senator Healy-Eames on equal opportunity within the education system, which is essential. In the past the religious made a tremendous contribution in ensuring that people living in poverty who would never have the opportunity of an edu-

cation could secure it. They deserve our credit rather than being used as cheap political fodder.

I support Senator de Búrca's call for a debate on wind energy, which is a timely and necessary topic. I am not aware if other Members attended the Environmental Protection Agency conference held locally last night at which Dr. Manning presented an incisive paper on the scientific research being done by his group. It puts the need for this issue to be addressed at the top of the agenda. In that regard, when the Minister comes to the House to debate wind energy I ask that we include wave power in our discussions. There is tremendous potential for this island country to harness that energy but a great deal of technological investment is required to achieve it.

Senator Phil Prendergast: My question concerns the interdepartmental committee report which examined the funding of long-term residential care for older people; it relates to the fair deal scheme. Will it be a requirement for nursing homes to be approved by the Health Information and Quality Authority's independent nursing home inspectorate to come under the auspices of the fair deal scheme? I am concerned that if it is intended to put in place the charges by as early as next January, the nursing homes will not have been deemed fit to be passed because the inspection will not have taken place. We must learn lessons from Leas Cross because that situation should never recur. Nursing homes should be vetted before any charges are put in place. I would like clarification on the position in that regard.

An Cathaoirleach: I cannot take the five people who still wish to contribute. I ask the Leader to reply to the Order of Business.

Senator Donie Cassidy: Before I respond, I wish to inform the House that the Minister for Justice, Equality and Law Reform, who I met yesterday, has agreed to and is now in a position to proceed with Committee Stage of the Defamation Bill 2006. The Bill was restored to the Order Paper on 26 September 2007 and will recommence at the beginning of Committee Stage. The previous Committee Stage in February and March 2007 was not completed before the general election. The Bill provides for statutory recognition to be conferred on the independent press council subject to the approval of both Houses, having regard to the criteria set out in Schedule 2 of the Bill. It is proposed to take Committee Stage at 3.30 p.m. on Tuesday, 4 December 2007.

Senator David Norris: Did the Leader explain how he told the House that it would be more sensible to recommence on Second Stage? The Leader is on the record as having said so.

An Cathaoirleach: The Leader without interruption.

Senator Donie Cassidy: Senators Twomey, O'Toole, John Paul Phelan and Ormonde made important points. Anyone who knows anything about the housing market knows of the downturn in the US and the UK, our two largest markets. In contrast with stronger states, Ireland can be looked upon as an exemplary nation where 85% of the housing stock is owned by 85% of the population. Generation after generation, what we have done is to our credit.

There is a levelling off period. Everything comes down to the ability to make repayments. It is about time for a levelling off period. As someone who, like many others, knows the pressure of making repayments in the bad old days of the 1980s when they comprised 38% to 40% of our disposable incomes, it is a wonderful time to be doing business thanks to interest rates of 4.5% and 5%. Younger Senators in particular should examine the record of the House to see what the situation was like when all sides were in power, not just the Opposition, and the problems the then Taoiseach needed to address.

Senator David Norris: We were all nearly as poverty stricken as the Taoiseach, Deputy Bertie Ahern.

Senator Donie Cassidy: The Senator is around long enough to remember.

Senator David Norris: I certainly am. I remember paying 21%.

Senator Donie Cassidy: Those events were not of our doing. For example, the oil crisis was a considerable challenge. I ask Senators to be patient. When levelling off is necessary, Senators should be honourable and honest enough to acknowledge it as a good thing.

I respect Senator Twomey, who I have known for a long time. I am not being patronising. Yesterday, I pointed out that the House's membership includes eminent legal and medical professionals. Why do both professions not get together under the stewardship of the party leaders to develop a suitable motion on how to address the challenge of cocaine usage? I seek the assistance of those with the expertise to help the House to advance the debate and to help the Minister to address the challenge facing the Departments.

I congratulate the Minister for Health and Children, Deputy Harney, on her contribution yesterday. I have been a Senator for almost 26 years. The Minister was well briefed and she gave that information to the House for three hours or longer in the questions and answers session. I thank party leaders for their co-operation and all Senators for how the debate was conducted. I hope Seanad Éireann's future lies in that direction. We can make a meaningful contribution to Parliament once this process is established. I

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thank the Minister for everything she is doing and for an uplifting session.

I wish Professor Keane well in his new position. He is briefing the Minister and the Taoiseach this morning. I am convinced the Minister is up to the challenge and will succeed. Having watched Ministers over many years, her contribution was enlightening and uplifting.

Senator Twomey referred to transport in Dublin. I can set aside time for a debate on that issue and the serious issue of the Leas Cross nursing home. I will try to get an update on the current situation from the Department of Justice, Equality and Law Reform and revert to the House tomorrow morning.

I do not know whether Senator O'Toole was being mischievous or whether he really—

Senator Joe O'Toole: I was seeking information.

Senator Donie Cassidy: —wanted to find out how his family tree in Fianna Fáil was being addressed. His concern for our welfare is heartening. I welcome the Taoiseach's clarification of the situation last night. He intends to lead another five-year Government for most of its duration. I do not know whether Senator O'Toole intends to try for the Presidency, but the Taoiseach would be a formidable opponent. The country would be best served by both men considering their positions in 2011.

Senator David Norris: What about me? Senator O'Toole nominated me also.

Senator Donie Cassidy: The leader of the Opposition party should confer with its ranks to make a nomination from its benches.

I will see what I can do about the serious matter of Dublin City University's lack of access, which is a disgraceful surprise.

Senator David Norris: DIT.

Senator Donie Cassidy: I congratulate Senator Daly on bringing it to our attention. I will contact the office of the Minister for Education and Science today to determine why this is the case. Senators will bring the matter to her attention when she is present tomorrow. We will try to get clarification on the up-to-date situation.

Senator Hannigan mentioned the National Roads Authority, the Road Safety Authority and the road death rate. Thanks to the introduction of random breath testing on 21 July 2006 and putting a fear of the law into people, we are heading for 100 fewer road deaths and thousands fewer serious injuries this year. I agree with the Senator's sentiments on doing anything that can be done to create further investment in road safety. We support the Minister in that regard.

The Senator referred to the serious allegation of data not being removed from computers. I can set aside time for such a debate in the coming weeks.

Senators de Búrca, John Paul Phelan, Coffey and Walsh called for an urgent debate on wind energy. From 2002-07, the Joint Committee on Enterprise and Small Business was successful in terms of tackling the challenge of high insurance costs.

Senator Terry Leyden: Hear, hear.

Senator Donie Cassidy: Senator Leyden, a member of the committee, made a valuable contribution, as did other Members of the Dáil and Seanad. We brought about huge changes and saved the consumer in a very big way.

I would like to think that in the Seanad's five-year term we will take up the issue of energy supply. We will have a report and a review of the progress taking place in energy costs, whether it is electricity or gas, and the alternative energy supplies that this country so badly needs in facing the challenges ahead. I have no problem in allowing a day's debate to tackle the serious challenge of energy supply so the House can assist the Minister and the Department. I ask the spokespersons for the environment to be prepared for this debate as I will be extending the time, possibly to a half hour, for them to set out their proposals. We will take energy supply, energy costs and alternative energy as a challenge to this House for the next five years and make our membership a meaningful one for generations to come.

I thank the Deputy Leader of the House for clarifying the points on incineration made by Senator McCarthy, whom I have admired for a long time as a Member.

Senator Leyden called for the HSE and the Irish Pharmaceutical Union to negotiate a meaningful conclusion to the matter of drug distribution. There are up to 1,500 pharmacies, 400 of which could be on the breadline if what they are telling us is correct. An independent consultant or an arbitrator, whose decision would be binding on both sides, would be the way out of this difficulty. It is only ten days away from 1 December. The Minister and Ministers of State are meeting about this issue this morning. Hopefully, an announcement will be made on the matter later today.

Common sense must prevail in this case. The contribution of pharmacies over the generations to life in Ireland must be commended. They are the lifeblood of the country. If one did not have the money to go a GP, there was a friendly ear at most family-run pharmacies. They were not always into money, as is claimed on many occasions. We do not want to see the multinationals take over the industry and eliminate the family pharmacy. We want to see value for money, competition and a fair deal as enjoyed by

other pharmacies across Europe. The peace of mind most pharmacists have given down through the generations must be acknowledged. There are two pharmacies in north Westmeath, available seven days a week. If that service were to go, one could only get one's medicines up to 6 o'clock in the evening. As people can get sick between 6 p.m. and 9 a.m, common sense must prevail on this issue. I thank Senator Leyden for bringing it to the attention of the House.

Senator John Paul Phelan called for a debate on food safety and the Common Agricultural Policy. This is long overdue and I have no difficulty in having such a debate.

Senator Glynn brought to the attention of the House the very serious matter pertaining to fish stocks in our rivers and canals. I will accede to having a debate on this as a matter of urgency. The Senator also called for county councillors to be given access to legal advice on the same level as county managers. A county manager is an employee of a local authority member. A local authority member is answerable to the constituents that appoint him or her on a five-year basis. The same access to legal advice is a democratic right of a local authority member. I have no difficulty in asking the Minister for the Environment, Heritage and Local Government to attend the House to answer this serious challenge and allegation.

Senator Glynn was nominated to the Seanad by local authorities. Were it not for the support for the local authority members many of us would not be Members. Most Members were local authority members. It was probably the highlight of our careers to be given the vote of confidence by our communities to represent them on a local authority or in Seanad Éireann or Dáil Éireann. It is a privilege. If legal advice is not available to local authority members, it is undemocratic and unconstitutional. I have no difficulty in asking the Minister to clarify this serious issue.

Senator Norris raised a serious issue concerning four Church of Ireland schools. The Minister for Education and Science will be attending the House tomorrow. Perhaps then the Senator will bring this issue to her attention. We in the north Westmeath area are building a new Church of Ireland school. That community has made a marvellous contribution over the past 100 years to the existing school in Castlepollard. I am supportive of minorities and majorities.

The shining example of what has happened in Ireland over the past 40 years has been the improvement in the education system. No one now needs to be the son or a daughter of a wealthy father or mother to get an education. It was the great transformation in my lifetime. The contribution teachers have made in creating the new Ireland has been immense. All Governments and Ministers for Education that made this possible should get a gold medal for their endeavours. I have no difficulty in bringing the matter raised by Senator Norris to the Minister's atten-

tion and we will get a response on this available for the Senator tomorrow.

Senators Quinn and Keaveney raised the importance of the Irish language. I support their sentiments. Last week I gave my commitment to a debate on the Irish language before Christmas, if possible. I will pass on the Senators' comments to the Minister.

Senator Keaveney called for an urgent debate on alcohol abuse. This is the scourge of people having more money in their pockets, more disposable income. I have no difficulty in having time set aside for this worthy request.

Senator Keaveney raised the recent bomb scare at the CastleCourt shopping centre. Yesterday evening I spoke to the Minister for Foreign Affairs, Deputy Dermot Ahern, who assured me he will be only too pleased to come to the House before Christmas on the many issues relating to foreign affairs raised in the House both yesterday and today.

Senator Coffey called for a debate on home ownership, housing stock and the downturn in the housing market. I have no difficulty in allowing time for a debate on the matter.

Senator Prendergast, an experienced Senator, raised the matter of funding for long-term residential and nursing home care. I have no difficulty with a debate on it. On the issue of the inspectorate, I will contact with the Minister's office this afternoon and will come back directly to the Senator on it.

Order of Business agreed to.

The Irish Market in a Globalised Economy: Statements.

Minister of State at the Department of Enterprise, Trade and Employment (Deputy Billy Kelleher): Globalisation dominates our economic and social policymaking at national and EU level. It has elicited different responses across the world, stimulating competition and bringing opportunities and challenges to the doorsteps of many nations. It has also brought fears that intense competition will widen the gap between rich and poor countries.

People throughout the world see employment as the litmus test for the success of globalisation. According to the International Labour Office, work is the source of dignity and is fundamental to the stability, peace and credibility of governments and the economic system. To optimise the benefits of globalisation, Ireland has focused on creating the environment in which employment is fostered and grows. Economic growth, however, does not necessarily lift all boats and we must ensure we do not leave people behind in our push for growth.

Mechanisms are required, therefore, to provide confidence about decent standards and fairness without compromising flexibility or adding unreasonably to the burdens of regulation of the

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labour market. That delicate balance requires the active engagement of all the parties to our employment market. In striving to achieve outcomes which are fair to society at large, a key aspect of our approach has been to foster, develop and ensure to the greatest extent possible policy co-ordination and coherence across a wide policy remit in cross-cutting areas of economic, employment and social policy and to ground these developments within social dialogue. Social partnership is fundamental to the formulation and delivery of these core strands of policy.

The outcome of the recent partnership negotiations in respect of employment standards, which includes new legislation as well as the establishment of a national employment rights authority, will provide confidence for the future in a rapidly changing labour market. It will also ensure Ireland continues to provide an excellent environment for business and job creation. The social partnership process has provided a good mechanism for balancing flexibility and security. The European Commission has recognised this and it is cited as an example of how so-called flexicurity policies can work. There are different models of flexicurity and much has been achieved here under that heading although we have not given it that title. The Commission communication emphasises the need for social dialogue in the development of flexicurity policies, and the European social partners recently agreed joint recommendations on reconciling flexibility and security. Our experience has shown that social dialogue is essential and I hope the well-established partnership process will continue as the mechanism to achieve the balance between flexibility and security.

Innovation is essential to safeguard and deliver high quality jobs, successful businesses and better products and services. The quality of our workplaces and their levels of innovation and change are critical to our ongoing transition to a dynamic, highly skilled and knowledge-based economy. The Taoiseach launched the national workplace strategy in 2005 to focus on stimulating workplace change and innovation. The strategy is the Government's blueprint to transform workplaces for the future with action concentrated on five priority areas: commitment to workplace innovation, capacity for change, developing future skills, access to opportunities and quality of working life. The strategy also recognises the critical role social partnership can play in this process.

The strategy identifies the need for greater innovation in products and processes and for more organisational innovation and related improvements in internal workplace cultures. It also highlights the need for improvements in organisational culture that facilitate the delivery of high quality services in private, public, community and voluntary sectors. The Taoiseach recently announced the establishment of a work-

place innovation fund, accessible to individual companies and the social partners, which is being used to enhance the capacity for change in workplaces.

The competitiveness challenge outlines key policy recommendations that would help to restore our international competitiveness. To support the continued availability of a well-qualified workforce, the National Competitiveness Council suggests three policy areas that need to be addressed: participation, upskilling and attracting skills from abroad.

Participation is so important to the efficient operation of the labour market and for competitiveness in a global economy that we must continue to increase participation rates in the workplace. This involves increasing the rate of participation by women and excluded groups while facilitating the ongoing contribution of older, more experienced workers. Appropriate work-life balance policies and practices are essential to help us accommodate diversity. Senator Mary White has been very involved in ensuring older people make a positive contribution to society in the workplace and beyond, and she has a keen interest in these statements.

The Government is committed to a two-pronged approach to making workplaces more family friendly by providing statutory entitlements through legislative measures and through the voluntary approach in enterprises. The national framework committee for work-life balance policies encourages this approach. Earlier this year, the committee undertook two initiatives. One was a guide, entitled *Work Life Balance: A Planned and Systematic Approach at Enterprise Level*, providing practical advice to assist employers and their staff in developing a work-life balance. It recommended that employers develop a policy on work-life balance setting out the organisation's commitment to flexible working arrangements for staff. It should ensure there is no discrimination against staff availing of such arrangements and that work-life balance arrangements take account of staff diversity across the nine grounds covered by the equality legislation.

The second initiative involved establishing a panel of suitably qualified consultants funded by the committee. Businesses will be able to benefit from their support and expertise for training and advice in developing new work-life balance initiatives and interviewing and developing further existing work-life balance arrangements. Details of the panel will be announced soon in the national press and will be available from the national framework committee. This expanded support programme will enable organisations to put in place arrangements that suit the needs of business and employees alike. The correct balance between work and life in the workplace will benefit everybody in the long run.

The National Competitiveness Council has stated that further reforms of Ireland's labour tax

system are required in addition to improved facilities for child care and better incentives and enabling structures for lone parents to participate in the labour force. The development of a knowledge intensive workforce is a long-term source of competitive advantage and policy efforts aimed at improving the quality of the labour force are essential. We have made substantial progress in this area recently, with significant increases in investment and improved outcomes in education and research and development. Our track record in education and skills investment has been a fundamental element of our recent economic success but we cannot rest on past success. Research by the expert group on future skills needs has made it clear we must continue to invest heavily in educating and upskilling our workforce, and making those without employment job-ready, so to speak, if we are to continue to attract blue chip companies, domestic and foreign owned, to provide the quality jobs our people deserve.

The competitiveness council recommends that additional training for workers with low levels of educational attainment should be a priority and that use should be made also of industry-led networks to support lifelong learning. The council has called for the development of greater incentives for individuals to participate in, and educational institutions to develop services for, part-time education.

Under the national development plan, my Department will invest €7.7 billion in upskilling the workforce to maintain access to the highest standards of education and training for all our people. Without such investment we will not be able to supply the labour skills required to compete in the knowledge-based, innovation-driven global economy of today.

The investment is divided between two areas. Approximately €2.8 billion will go towards upskilling people in employment, including new skills for those affected by industrial restructuring, as well as expanding and enlarging the apprenticeship system and further training for school leavers. Approximately €4.9 billion will be used to provide employment and training services to groups outside the workforce, including the unemployed, people with disabilities, women, lone parents, Travellers and ex-offenders.

The enterprise strategy group report highlighted our need to pursue a knowledge-based, innovation driven economy to maintain competitiveness into the future. A key labour market initiative is the implementation of a strategy based on the findings of the expert group on future skills needs report, *Towards a National Skills Strategy*. The objective of this strategy is to ensure that between now and 2020 we have the skills required to remain competitive in the global marketplace. This envisages that by 2020, a total of 48% of the labour force would have qualifications at national framework of qualifications, NFQ, levels six to ten, while 45% would have qualifications at levels four and five. Within this

objective, Ireland aims to build capability at fourth level and double its PhD output, level 10, by 2013. This vision will be achieved by maximising the skills of the resident population through both education and training and at the same time continuing to attract a highly skilled migrant cohort from abroad.

To achieve the vision, a little more than half a million additional individuals will need to progress by at least one level of educational attainment above their current highest level. Some 300,000 of these workers will need to be trained up to leaving certificate level and the national skills strategy will encompass the One Step Up initiative that had been endorsed by the enterprise strategy group. In response to these changing demands for training and upskilling of workers, FÁS has already significantly increased its services to encourage and assist training for companies and people in employment. FÁS's strategy statement, *Building on our Vision*, focuses on the continued need to upskill the workforce to meet competitive challenges of the future. It also addresses the need to ensure greater access by all groups to FÁS services by increasing flexibility and customising FÁS services to clients' needs. In tandem, FÁS has developed a new training strategy identifying the nature and mix of FÁS training programmes and services required for the future. These strategies jointly provide the framework within which FÁS is contributing to the achievement of a knowledge-based economy.

Skillnets has also responded to the changing upskilling needs by developing and focussing its enterprise-led training networks. In addition, and in line with our commitment under *Towards 2016* to engage with redundant workers and people facing the prospect of long-term unemployment to ensure that the period out of work for a substantial number of people is kept to a minimum, FÁS has developed a process of engagement with redundant workers. This process is flexible and adaptable to meet the needs and circumstances of company closures. The process generally involves establishment of a task force and agreement with all parties as to their responsibilities, with particular emphasis on the role FÁS has to play and how their services are to be provided. Information sessions in conjunction with skills audits and subsequent training provision form the backbone of interventions. Investment in human capital will, of course, run in tandem with the many billions being invested in our education system at all levels, from primary to post-graduate which, taken together, should make this country the place where indigenous entrepreneurs and foreign-owned enterprises look to set up base and grow their businesses, providing the employment opportunities for all.

As regards the National Competitiveness Council's third priority of attracting skills from abroad, there is increasing recognition in the EU that the mobilisation of skills across the EU is

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crucial to becoming the most dynamic and competitive knowledge-based economy within the new global economy. The labour market in Ireland is currently buoyant, with the total number of people in employment in the State at more than 2 million for the first time in our history. However, it is important that we are not complacent and continue to work to maintain and develop a dynamic economy that responds effectively to the evolving demands of international competitiveness. Ireland is fully committed to playing its part in managing the EU transition to knowledge-based investment. In May 2004 we, along with the UK and Sweden, opened our borders to the workers of the ten new member states and the success of this policy has been remarkable. Today 240,000 people in Ireland's workforce are foreign nationals and almost half of these are from the new member states. The presence of these workers has made a significant contribution to our economy and society, helped to maintain economic growth at rates far above the European average and addressed labour and skills shortages. A continuing challenge for the Irish labour market is to bring in from outside the European Economic Area, EEA, those skills which we cannot source from within the EEA and which we need to progress our economy to one that is knowledge-based and innovation-driven. Our implementation, earlier this year, of a new green card system for highly skilled non-EEA nationals was an important initiative in this regard.

There is no doubt, however, that with labour mobility come responsibilities. I am referring to areas such as education, public services and housing. The current economic climate offers Ireland opportunities to not only reform its immigration programmes, but also a key challenge in implementing a robust integration strategy. Our positive early experience of migration does not automatically mean that migrants will integrate sufficiently into Irish society or the Irish economy and a vibrant civil society is pivotal to successful integration. Therefore, in working towards integration we should adapt our mainstream policies and services, rather than create separate services for migrant groups. How do we successfully adapt social policy to the needs of a growing and increasingly diverse population? This growing scale and diversity provide the overarching context for future policy making. Integration is a process that is multi-dimensional and we therefore need to deal with the economic and social issues which it raises in a way that is joined up. We also need to be flexible in the way we respond to changes and issues as they arise.

In conclusion, I believe Ireland is now at an exciting moment of transformation which, if well managed, can deal with the challenges of globalisation and bring better, more adaptable services provided by people who feel increasingly confi-

dent in their ability to address the needs of a more diverse Ireland.

Senator John Paul Phelan: I will be as brief as I can because I am choking with a cold this morning.

Senator Mary M. White: Follow that, Senator.

Senator John Paul Phelan: This is the first time I have seen the Minister of State at the Department of Enterprise, Trade and Employment, Deputy Billy Kelleher, in this House and I welcome him and congratulate him on his appointment. The Minister of State's presentation was very good and I agree with almost all of it, though there are some areas where change is required and this gives us an opportunity to discuss those issues.

I agree with much of what the Minister of State said, particularly on the subject of globalisation. Many left-wing groups in this country and around the world have problems with globalisation but I feel it has presented more opportunities than problems for Ireland in recent years and that we have largely succeeded in adapting globalisation to suit our requirements. We must ensure we continue to do this in the coming years.

The Minister of State's early remarks focussed on social partnership and I was going to address this matter at the end of my comments but I will instead begin with that subject. There is no doubt that social partnership has served the country well since the late 1980s and has been a major contributing factor to the economic transformation that has taken place here in the past 15 to 20 years. However, I have been in this House for six years and many senators have raised questions regarding the future role of social partnership. There is a real lack of democratic accountability in how the social partnership model that has evolved in this country continues to operate.

Initially social partnership was an arrangement between the social partners and the Government whereby wage moderation was exchanged for a lowering in taxation and this worked well. However, a variety of public policy areas have come into the ambit of social partnership, particularly in the most recent social partnership deal. There has been very little debate in the Houses of the Oireachtas regarding the policy formation that was discussed by the Government and the social partners in the most recent deal. For the sake of democracy there should be a more integral role for the Houses of the Oireachtas in the next round of social partnership. In the lead up to the election Fine Gael's finance spokesperson, Deputy Richard Bruton, proposed that before social partnership talks take place there should be discussion of the matter in both Houses of the Oireachtas. The guidelines for social partnership would thus be laid down by the Houses of the Oireachtas and subsequent to agreement among

the partners there would be a debate and vote in the Houses of the Oireachtas.

There is a need for a more hands-on approach from public representatives in this regard and, while social partnership has served us well, it is questionable whether unelected employers and officials of unions have a greater role in the development of public policy than elected Members of both Houses of the Oireachtas, whether in Government or Opposition. This deficit in the current social partnership system must be addressed before we enter the next round of social partnership, which is due to start next year. There has been huge expansion in the areas discussed in social partnership agreements, including energy, telecoms, overseas aid, transport, arts and the environment. Many areas that were not part of the original social partnership discussions of the late 1980s have become part of discussions now and we should have a broader role for the Oireachtas in discussing these issues in the context of social partnership.

It is unfortunate that the Taoiseach and his Ministers are calling for wage restraint at a time when we have seen that they do not practise what they preach. This will lead to diffi-

12 o'clock culties in the social partnership negotiations next year. There have been significant changes in the economy since 2000 but no corresponding changes in the social partnership process. Our competitiveness has deteriorated by more than 30% and our share of world trade has declined by a quarter. Some 30,000 jobs have been lost in manufacturing. The balance of payments, meanwhile, has moved from a position of surplus to a deficit of more than €7 billion. These are significant changes. To compensate, we must radically restructure the way social partnership has operated heretofore.

The Minister of State focussed much of his commentary on the need for upskilling of workers. There is no doubt that this is key to maintaining our competitiveness in a globalised economy. The Minister of State referred to some €7.7 billion of funding under the national development plan, some €2.7 billion of which will be targeted at upskilling those already in the workforce. This funding is inadequate. A recent report indicated that by 2030, the workforce will expand from its current level of 1.4 million to 2.4 million. A significant proportion of those already in the workforce will require upskilling if we are to be confident they will still be in employment in 2030. The investment included in the national development plan is a step in the right direction but must be increased significantly in the years ahead.

There is no doubt that the notion of the job for life to which we have been accustomed no longer exists. There is an essential need to upskill the workforce at every opportunity. The statistics relating to ongoing education and training are startling when compared with those for other EU member states, particularly our nearest neigh-

bour. For example, some 14% of those aged 25 to 34 in this State are in further education or training while the corresponding figure in Britain is 35%. If we are serious about enhancing our competitiveness into the future, we must seek to meet if not exceed that target. There is little evidence, however, of the necessary urgency on the part of the Government to meet that aim.

In 2005, the unemployment rate for those aged 25 to 64 with a third level degree was just 1.8% compared with 7.4% for those whose highest educational attainment was at secondary level. It is clear, therefore, that education is a key element in developing our workforce and economy. It has been shown that one of the main contributory factors to our economic success in the last 20 years is the level of educational attainment of the workforce. We must aim for higher targets in coming years. Significant numbers of people still do not complete second level education, for instance, whereas most of the Scandinavian countries have attained completion rates of almost 100%. Numerous reports indicate that the group most likely to seek further education and training later in their careers comprises those who are well educated before they enter the workforce. We must ensure the maximum numbers complete secondary education and move on to third level before entering the workforce.

In the midst of our economic success in the last 15 years, there has been a pull factor for secondary school students to leave early. The boom in the construction industry, in particular, has meant significant numbers have left school before sitting the leaving certificate and have succeeded in securing employment. Such people have done well in recent years. However, the latest figures indicate a significant downturn in the economy, particularly in the construction sector. We will see more of such statistics in the coming months. Many of those who left education before completing second level or attaining a third level qualification will find themselves in choppy waters as activity in the construction sector declines. The number of house completions has fallen dramatically this year and may fall even further next year. Particular focus must be placed on those employed in this sector in recent years because there will be a significant decrease in employment there.

I agree with the Minister of State's comments on the positive impact of the contribution of foreign workers to the economy. However, many of those who come here from overseas are working in jobs unsuited to their level of educational attainment. People with third level degrees are generally not securing employment in skilled professions where their abilities might be better put to use into the future. The immigration that has taken place in recent years has been hugely positive. However, the Minister of State hit the nail on the head when he said we cannot rest on our laurels in regard to integration and simply hope everything will be rosy.

[Senator John Paul Phelan.]

There must be a change of attitude in the education system. The policy heretofore of training people for employment must be adapted to one of training people in employment. There must be another transformation akin to those that took place with the introduction of free secondary education in the 1960s and free third level education in the 1990s. What is required is a rejuvenation of the education system to adapt to the immediate challenge that lies ahead.

During the recent general election campaign, after issues relating to health, education and the other perennial concerns, I found that the issue constituents raised most frequently was the availability of broadband. I am sure the experience of the Minister of State and other Senators was the same. If we are serious about upskilling the workforce and improving Ireland's competitiveness, we must ensure sufficient technological resources are available throughout the State. Most urban centres have access to high-speed broadband connections but the same is not true in many rural areas. If the Government is to tackle the challenges posed by an increasingly globalised economy, there must be significant investment, whether under the auspices of the national development plan, through the Department of Communications, Energy and Natural Resources or otherwise, in the roll-out of broadband infrastructure.

Senator Mary M. White: On behalf of my colleagues on both sides of the House, I compliment and congratulate the Minister of State, Deputy Kelleher, on his first formal presentation to Seanad Éireann. The young people in the Visitors Gallery should be aware that it is the first time this young Deputy from Cork has sat in this Chamber as Minister of State. He only recently received this honour, which is the aspiration of all who enter the Houses of the Oireachtas.

I compliment Senator Phelan on his measured response to the Minister of State's speech. My experience in the last five years is that the Senator always sees the positive in initiatives while also putting forward his own thoughts. He does not knock for the sake of knocking. I always listened with pleasure to his responses, as spokesman on finance in the last parliamentary term, to the Minister for Finance, Deputy Cowen.

We are all aware that the labour market is changing at an increasingly fast pace due to globalisation and various demographic factors. For companies to compete and remain competitive, and for workers to thrive and retain jobs, they must be open to change. We all know change can be difficult for everyone but it is also a challenge and opportunity. Employers and employees must become adaptable and respond in a positive manner.

I looked up the word "flexicurity", and the múinteoir and young people in the Gallery should know this debate, in essence, relates to that con-

cept. It means having flexibility and security, as it relates to employment. For example, a job may not be rigidly from 9 a.m. to 5 p.m. or Monday to Friday. I will return to this later. The word is not in the dictionary.

The aim of flexicurity is to create an environment conducive to the creation of more jobs while at the same time promoting the active inclusion of all people in the labour market by helping individuals adapt and to take advantage of new opportunities. At the EU level, the concept of flexicurity has been the catalyst for lively discussions on the need for Europe to respond to the challenges and opportunities of globalisation. Arising from discussions, it was agreed and accepted by member states that there could not be a one size fits all approach to flexicurity. Each of the 27 member states in the EU could have a particular and suitable flexicurity system.

I would define flexicurity as having three main components. First, there should be flexible and reliable contractual arrangements, from the perspective of both the employer and employee. Second, as the Minister of State has indicated, there should also be comprehensive lifelong learning strategies to ensure the continuous adaptability and employability of workers. Third, there should be effective and active labour market policies which help people cope with rapid change, reduce unemployment spells and ease transitions to new jobs.

The Minister referred to my policy document. It is a document with which Senators John Paul Phelan and Quinn will be familiar. I will send a copy to Senator Alex White.

Senator Alex White: I have it.

Senator Mary M. White: In the policy document, entitled *A New Approach to Ageing and Ageism*, I made 28 recommendations on ageing and ageism in Irish society. The document was drawn up after detailed research and discussions at many public meetings I arranged on the subject.

If only I could convey the feelings expressed at these meetings. There were pleas from men and women approaching 65 who did not want to give up their jobs. Women described how they had to give up their jobs when they got married, which was the case until we joined what is now the EU in 1973, when Ireland was forced to abolish this discrimination against married women. Women at many of my public meetings cried that they were being discriminated against for the second time, as they had to retire when they married and had to retire again at 65. People have called me who are only 60 but are dreading that they will be forced to retire in five years.

Senator Fidelma Healy Eames: The legislation should be changed.

An Leas-Chathaoirleach: Senator Mary M. White, without interruption.

Senator Mary M. White: I will tell the Senator about that later as I have prepared a Bill.

In 2007, a retirement age of 65 is out of date. Mandatory retirement at 65 was introduced when life expectancy was only 65. With greatly improved standards of living and better health care and nutrition, the average life expectancy of a man aged 65 today is 80. For a woman aged 65 today, the average life expectancy is 84. As this is the average, some people will live until 90 who are 65 today. As a result, many people do not want to retire at 65.

There are four key reasons for abolishing mandatory retirement at 65. An Agreed Programme for Government for 2007 promised to abolish mandatory retirement. I must boast that I worked hard to include this, first in the Fianna Fáil manifesto and then the programme for Government. I will track the matter until it is delivered. The second reason is that as the population ages, people remaining in employment longer will remain as financial contributors to the economy. It is common sense that if people do not wish to retire and draw on their pensions, they should be allowed to continue working. Forced retirement at 65 is a clear example of age discrimination.

The first recommendation in my document, A New Approach to Ageing and Ageism, is that mandatory retirement at 65 in the public and private sector be abolished. Continued employment should be subject to the same assessment of competence and ability used by employers in the case of employees of all ages.

My second recommendation from 28 in total was that the Government should introduce phased retirement options to allow employees to gradually retire. It is very blunt for a person to have an important job one day, complete with social and intellectual interaction with colleagues, only to abruptly retire at 65. There should be innovative options for people to retire in a phased manner and be allowed to work to supplement a pension. We have introduced an allowance but this is not enough, as people are only allowed to earn approximately €100 per week in such cases.

At a meeting of the Fianna Fáil parliamentary party last night, I pleaded with the Taoiseach, the Tánaiste and Minister for Finance, Minister for Enterprise, Trade and Employment and my party colleagues to introduce this change. I asked why it should not happen, as Deputies and Senators do not have to retire at 65. Why should anybody else in the public and private sector have to retire at that age? I cannot understand why this change has not already occurred. People raised arguments about complications, which we all know.

The pensions programme we discussed last year from the Pensions Board indicated that people may have to stay in their jobs beyond 65. I am talking about choice, as many people are in

jobs they wish to get out of. Not everyone wants to stay in a particular job but people should be free to take up another opportunity. Some may be bored as their potential has not been developed and they may want to leave their jobs. We should not introduce rules meaning people would have to stay until they are 67 but there should be a choice as to stay or go at 65.

It is a pity Senator Fidelma Healy Eames is missing as I drew up a bill on flexible working arrangements. I was in full flight with it before I run into some stubborn walls. I warned my colleagues at the meeting last night that I will persist with the issue, whether they get sick of listening to me or not. That is the reason I am here.

Returning to my Bill on flexible working legislation for parents, modern communication technologies have delivered an unprecedented ability to work away from the standard office setting.

An Leas-Chathaoirleach: The Senator has one minute remaining.

Senator Mary M. White: I do not wish to criticise the Leas-Chathaoirleach but I was watching the clock when Opposition Members were speaking. With Internet access, conference calls, wireless communications, mobile phones, laptops and e-mail, there is no reason a person must be under a particular roof from 9 a.m. to 5 p.m. to do a job. Conference calls and e-mails mean that the standard office setting no longer exists for many jobs. Accordingly, the argument that an employee must be in an office from 9 a.m. to 5 p.m. has been greatly challenged by modern technology.

In my White Paper on a new approach to child care in 2006, I called for the introduction of a flexible working Bill that would allow parents to spend more time with newborn babies. The Bill has been drawn up and would be ready to go if I could get the momentum from my colleagues. The proposed legislation would allow working parents who have been employed in a job for at least 26 weeks and who have a child aged under six or a disabled child under 18 to apply for work flexibility. Employers, in turn, would have a statutory obligation to consider the application seriously. While the legislation does not provide an automatic right to work flexibility, it aims to encourage both employees and employers to find solutions that would suit them both. The employer is required to follow specific procedures to ensure applications for work flexibility are considered seriously.

I do not have time to outline the benefits to both the employee and the employer, but the Minister of State's speech outlined that our vision is for all people to be able to work. The two cases I have addressed today are older people, those at the peak of their experience whom we currently tell to get lost, and young parents, who should have a legal entitlement to apply for flexibility

[Senator Mary M. White.]

and to negotiate in order that they can work from home.

We are delighted for the Minister of State, his family and his constituency in Cork that he has been granted the tremendous honour of serving as a Minister of State in the Government. His speech was a credit to him. I will keep and use it for the next few years because it contains everything we want to know about the labour market.

Senator Alex White: Steady on.

Senator Mary M. White: That is a fact. The Senator was not here for the speech.

Senator Alex White: I read it. It is very good but the Senator should not get carried away.

Senator Mary M. White: It was a pleasure to listen to it because a lot of thought was put into it. It was first class.

Senator Feargal Quinn: I notice the Leas-Chathaoirleach is being lenient with time so I will be happy to judge it correctly.

An Leas-Chathaoirleach: I am bound by the order of the House.

Senator Feargal Quinn: Of course. I also welcome the Minister of State, Deputy Kelleher, who was a Member of the House for the first five years I was here. It is great to see him back here. I found the Minister of State's speech, and the two other speeches, very useful, particularly the positive attitude of Senator John Paul Phelan and the experience of Senator Mary White and the way she speaks from the heart.

I approached Senator Mary White last year when I was invited to South America to make a speech to see if she could help me with a book her husband and former Minister Ray MacSharry had written. It was a fascinating book, just as it was a fascinating challenge to explain the Irish success story to people in South America. One of the reasons for that success I found in that book and from own experience was social partnership, a crucial area. In preparing my thoughts, I was aware of the benefits we have had and the success we have enjoyed and hope we can continue that in the future.

I do not believe in re-inventing the wheel and, therefore, I will rely heavily on a recent report by the expert group on future skills needs on the very topic we are debating today. First of all, I pay tribute to the excellent work of this body, and the foresight of those who set it up. It embodies precisely the kind of forward thinking we urgently need in this country but too often it is a need we ignore. In this case our fault is different — we have the thinking, and the conclusions from the thinking, all set out clearly before us but we, for the most part, ignore it when discussing the subject.

In preparing this report, “Tomorrow’s Skills: Towards a National Skills Strategy”, the expert group carried out detailed research to underpin the development of a national skills strategy. This included the identification of the skills required for Ireland to develop over the period to 2020 as a competitive, innovation-driven, knowledge-based, participative and inclusive economy. Those words are very similar to those in the Lisbon strategy that set out what Europe is trying to achieve, “to become the most competitive knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion.” If Europe is trying to achieve that for all member states, we must recognise we are competing against other European economies that are looking at what happened here.

There are three steps along the road to the conclusions the expert group reaches. First, it identifies the skills we need for Ireland to make the transition to the kind of economy we want to have by 2020; second, it makes projections of the labour force’s skills profile we will need to make the transition to that kind of economy and, crucially, compares that ideal profile with the one we will have if we continue as we are at present; and third, it outlines the training and education objectives where gaps and deficiencies are clear between the desirable situation and the likely supply. After all this careful research, its conclusion is clear — we cannot get to where we want to be simply by carrying on as we are.

That is the bad news. The good news, however, is that we can get to where we want to be if we put in place the right training and education objectives. There is still time for us to achieve our aspiration towards leadership in the knowledge society, but only if we roll up our sleeves and focus our national efforts on what we need to do.

The headline conclusion and recommendation in this report is that sustained and enhanced investment in the educational and training infrastructure is essential to our economic and social development. It therefore reinforces a point I have been making repeatedly in this House in recent months, namely, that our number one national priority must be to invest more — much more — in our education system, and to maintain and sustain that investment consistently over the next decade at least.

This report tells us that employees in all jobs will be increasingly required to acquire a range of generic and transferable skills, including people-related and conceptual/thinking skills. Work will be less routine, with a requirement for flexibility, continuous learning and individual initiative and judgment. Science, engineering, ICT and research and development skills are an integral part of a knowledge-based economy and their promotion remains important. Importantly, however, the report stresses that all occupations will become more knowledge-intensive. In many cases, this

will result in a rise in the requirement for qualifications and technical knowledge.

Part of the problem is that we have an exaggerated impression of how our education system does when pitted against the rest of the world. Far from being ahead of the pack, as we are sometimes inclined to believe, we are behind on most of the key benchmarks that are used to measure investment and achievement in education. In 2004, only six out of 27 OECD countries had a worse performance than Ireland in terms of the percentage of the labour force who had only attained up to lower secondary qualification.

Looking forward to 2020, the report identifies clearly the gap in qualifications levels that will exist. I refer to what is called the national framework of qualifications, NFQ. I am sure the Minister of State knows that TLA stands for a three letter acronym and NFQ is such a TLA that I like to use.

Senator Mary M. White: Well done.

Senator Feargal Quinn: At the top of the scale, that is, at the national framework of qualifications levels eight to ten, there will be a slight shortage of people. However, below the very top of the scale, that is, at NFQ levels six and seven, the report foresees a significant shortage of people. Most significantly in terms of its social impact, the report foresees a significant surplus of people at NFQ levels one to five. At present only a relatively small number of people are unable to find jobs because their lack of skills makes them unemployable. This report suggests that by 2020, a much larger number of people will be unemployable for that reason.

This is the situation to which we must face up. There is no dispute about what we must do to reach the levels of skills that we must achieve by 2020. The issue does not pertain to wondering what we need to do as that is clear. However, we lack a clear awareness of the problem facing us and the disastrous consequences for society unless we reach out and firmly grasp the nettle.

I will summarise in terms I have expressed in the House previously. I believe that our overwhelming national priority at present should be to invest a considerably greater share of our resources into the field of education and training. The conventional wisdom in this area is that education already gets more than its fair share of the cake. That is incorrect and we follow such wisdom at our peril.

I recently visited Estonia, which I had never visited before. It is a smashing and interesting country to visit and is considerably smaller than Ireland. However, a much higher percentage of people there are able to read and write and are computer literate than is the case in Ireland. It has a much higher level of broadband use than does Ireland. We operate in a competitive environment in which the rest of the world is examin-

ing the Irish success story and asking how it was achieved. One reason for my invitation to South America and my being questioned in Estonia is that people want to be told about such success because they wish to emulate it.

The Minister of State used the word “complacency” and I believe there is some danger of it. There is a danger of overconfidence among the younger generation in particular who do not have the experience of knowing what the 1980s were like. We must be aware that we operate in a competitive world and success depends on ensuring that we take all the necessary steps. While the steps outlined in the House today are certainly important, above all, a greatly increased degree of investment in education should be our priority.

Senator Dan Boyle: It is particularly useful to have a debate on the position of the Irish labour market in the globalised economy given the present state of the global economy and Ireland’s position within it. Recently I listened with interest to Senator Quinn’s observations in a radio programme on the role played by Dr. T. K. Whitaker in Ireland’s economic development. Senator Quinn gave a fair treatise on the fact that, largely on his own but with the help of other significant political figures who were mentioned in the programme, Dr. Whitaker brought Ireland into the real world in respect of global economics. Until that time Irish economic policy was based on the notion of self-sufficiency that suggested we could meet all our needs from within our own resources and that we needed to protect the local market in so far as possible. As Members are aware, this led to stagnation, mass emigration and the failure to develop an indigenous entrepreneurial economy. Consequently we should be grateful for the success of the programme for economic expansion and Dr. Whitaker’s role in it.

The world has advanced significantly since then and what we now understand by globalisation is a matter for debate. Undoubtedly, while a globalised economy has increased total planetary wealth, major questions arise as to how such wealth is distributed around the world as a result of such economic policies. Heretofore, it has been the case that globalisation has led to the further enrichment of already rich countries and Ireland can consider itself fortunate to be on that side of the divide. Our economic policies in the past 15 years in particular have wedded Ireland to being one of the most open economies possible in a globalised market. While we have been successful in increasing our standards of living and gross national and domestic product, we also have exposed ourselves to being reliant on larger economies. Were such economies to catch cold, we would be at risk of catching influenza, if not pneumonia.

Strangely, we may be coming full circle. I do not refer to a return to the de Valera days of self-sufficiency but to a need for a balanced economy that at least incorporates a strong indigenous

[Senator Dan Boyle.]

economy that will meet a bedrock of our needs. Such an economy would enable us to build on the entrepreneurial success that we have achieved in the past 15 years to produce indigenous companies that face outwards towards the world. The problem has been that although it has been both significant and beneficial, we are still highly reliant on foreign direct investment and its associated expertise. We should view the current position as an opportunity to reassess and alter slightly the direction of economic policy and some factors in our favour exist that will help us to do so.

For instance the environmental crisis should be viewed almost as an opportunity as we examine means of using technological and entrepreneurial approaches to deal with the real problems faced by the planet and Ireland's contribution to their resolution. Since the Green Party's accession to Government, I have been struck by the number of people from the business community who have visited me at my constituency office or who have sought meetings with me in Leinster House. While I would have treated such meetings warily in the past as I wondered what was the agenda, I have been struck by the ingenuity of people's proposals regarding entrepreneurial ideas to address environmental problems in the fields of energy efficiency and waste management. Ireland can shine in the aforementioned two sectors. I also heard a mini-debate on radio recently in which the commentator Tom Savage spoke of the ability to define a clean, green image as our selling point as we face outwards toward the global market in future. While there has been too great a willingness to compromise this in the past, we should now consider it to be one of our greatest assets in the future.

As Senator Quinn noted, real changes are required in terms of greater investment in education, which is badly needed. Standards must improve in particular areas that are required for economic improvement. Changes also are required in the related area of research and development. We are well below the Lisbon Agenda targets and the levels of research and development that exist in Ireland are still overly dependent on that which is brought in by those companies that are multinational in scale and that do so as part of a production process. Such processes often originate somewhere else, go somewhere else afterwards and the added value of the research and development is not what it could or should be in Ireland.

The budget offers a good opportunity and I am hopeful the Minister for Finance will respond to many of the representations made to him in this respect. I refer both to those made by the Green Party as Government partners and by bodies such as the Irish Taxation Institute. One of the central messages in the budget should be to increase incentives towards research and development that would induce more people to come into this

country with value-added research and development processes and, more importantly, would develop a culture of research and development within Ireland itself, which has lagged well behind in this regard. The proportion of research and development carried out in Ireland that is performed by Irish-only companies is pitifully small. Until it can be done from within our own resources, our ability to protect ourselves in the event of a global downturn will be seriously diminished.

The onus is on Government to ensure we progress these areas because we have been deluged with reports on enterprise culture in recent years, including the Telesis, Culliton and O'Sullivan reports. The analysis of what needs to be done is clear. Now that we have an opportunity due to the change in the global and national economies, it is time to share that analysis and put in place those recommendations. It is an opportunity we can grasp. To do so would be to put in place our economic prosperity for generations to come.

Senator Alex White: As we are coming up to lunch time I will do what I can for my colleagues. My gentle banter across the floor with my namesake Senator Mary White should not be interpreted as showing ingratitude to the Minister for presenting his thoughts to this House. It is good to see the Minister here and it is important we have this debate. It is a stimulating debate for us and it is a pity more people did not have the opportunity to be here and contribute to it, however they have plenty of other things to do. At this time of year when we approach the budget, which is the key opportunity in the year for us to debate economic issues, it seems over the years we have become less inclined to debate these wider economic issues, even at the time we should debate them. In the budget we concentrate on the most important aspects, ensuring the show is kept on the road and the books balance. That is the first task required of a Government and a Minister for Finance, but this is about more than balancing the books. The impact of globalisation on our country, labour market and society is a significant question for our economy and society.

Senator Boyle said globalisation has had positive effects on our world. It has also had a differential impact on different countries. Ireland is fortunate to be in the "club" of countries that has done relatively well in the past ten years from the changes in the world economic order. That will not necessarily always be the case. I welcome the fact that the Minister is here. I am not sure whether we called for this debate, but I am pleased we are having it. That there has not been a clamour for it might be the basis for saying it is one of the most important debates we have had.

It is important we look to the future. The television news frequently reports the loss of 100 or 150 jobs. The evidence is that those jobs have gone to the Far East, China, India or elsewhere.

There is almost a sense of powerlessness. This is not a party political point. We feel as though that happens in the big world and this country can do little to address it. A multinational company's decision to move a plant from Ireland to China cannot be stopped or addressed by the Government. However we can examine how to ameliorate the worst effects of those changes, not just in a remedial way, but to address what kind of economy we want to build for the future. We use phrases such as "innovation economy" and "knowledge based economy" but we must work out specifically what that will mean in policy terms. I commend the Minister on setting out the agenda points for that debate in the future. He goes further than that. It is a wider debate than just examining the financial position of the country in the context of the budget, important as that is.

I wonder about the quality and level of debate on this issue in our country. As the Minister pointed out in his speech, organisations such as FÁS and NESC have addressed these issues and have tried to foster a debate on competitiveness, skills, investment and the knowledge economy. They have tried to tease out that more clearly than has been done heretofore. However there is a danger that we see these forces as beyond our control and pull back from addressing them. We need a framework to allow us to grab hold of these issues and have a wider public debate, and to make decisions on the direction in which we want to go.

Although I agree with the Minister and other speakers who said the partnership process is vital, and nobody could gainsay that, it has been an indispensable element of our success in the past 20 years. However there are weaknesses in that process from the point of view of the political system. I compliment Senator Mary White on her efforts in these areas. If we are here for any purpose it is to lead debate on these major issues for the future. They are more important than those that can be left to the partnership process. One of the achievements of the partnership process has been to take people beyond their immediate sights. The trade unions and employers must see each other's arguments. However they are inevitably hidebound by their own direct and immediate interests. The point of having a political system and a democracy is that we have a forum for debating the issues without any of us being hidebound by a particular point of view, although we each have our own views and politics.

Although the Minister set out areas where the national development plan and other initiatives related to upskilling and education, we are behind internationally. Senator Quinn's point that we are behind in our funding of and attention to education is unanswerable and cannot be denied. Any serious international comparison will show that is the case. If we compare Ireland with other smaller globalised countries, the share of Government spending of GDP is relatively low.

When we talk about public expenditure the conventional wisdom is that we should reduce it. While we do not want big, overarching Government in the traditional sense, this area may lead us to the conclusion that we need more active engagement by the Government and its Departments. That requires us to have skill sets in the public service, which we have, but to improve on that in order that the economic policy makers in the Departments such as Enterprise, Trade and Employment and Finance take a lead role and that this is backed up by investment through the budgets, particularly in areas as important as education.

I agree with what Senator Quinn said about skills. He said we need skills associated with newer industries, such as IT, and we want people who have skills that can be immediately employed in work. He also said we need people with conceptual skills and a wide grounding and an ability to move from one sector to another. We are also educating citizens, not just cogs in a wheel. We must ensure when we fashion our education and training policy we do not have a narrow sense of skilling people for a particular sector or industry, which could quickly disappear, given the way the economy has changed. There is a pragmatic reason for that but also a wider principle that we should have an education system that makes available a broad grounding for people of all ages through the important role played by further and second-chance education, as Senator Mary White said. The vital role that plays in the overall picture should not be forgotten.

I also agree with other speakers who emphasised the importance of entrepreneurial genius. There is an entrepreneurial ability and genius in this country and it should be fostered and promoted. As leader of the Labour Party in this House I have no difficulty associating my party with the promotion of policy that will foster an entrepreneurial spirit and new business, promote business and ensure there is economic development based on the skills and entrepreneurial abilities of our people.

However, I am anxious to make a point to which I hope the Minister will respond, although there might be an element of tension between us on it. Whereas we must press for development of innovation and our economy, we must also have fairness and equality. The Minister mentioned it briefly but I am seeking action on it. We have discussed the issue of immigration. We cannot have a situation where agency workers in this country are only filling a gap for employers who wish to avoid the traditional responsibilities of employers. It is happening too often. The Minister and others claim there is only anecdotal evidence of this but why would SIPTU, the largest trade union in the country, and Tesco, an exceptionally successful British retail chain, conclude an agreement on this issue, as they did recently? Tesco does not make agreements with trade

[Senator Alex White.]

unions unless there is a perception that there is a problem.

Senator Mary M. White: The parents of the chief executive of Tesco, Sir Terry Leahy, are Irish.

Senator Alex White: That is all the more reason for doing it. The trade unions have made a reasonable demand for legislation on agency workers. I have twice asked the Leader of the House when that legislation will be introduced but I have received no reply. I am pleased the Minister of State, Deputy Kelleher, is present; perhaps he can give me a reply. Will he also assure the House that he and the Government will abandon their association with two or three other European Union member states in blocking or delaying the implementation of the draft directive on agency workers? That directive will give the vital balance we need in this debate. Yes, we need development and innovation but we also need workers' and employees' rights to ensure there is no continuation of the exploitation of agency workers. I ask the Minister of State to address this as it is a vital issue in the overall debate.

Senator Fiona O'Malley: I welcome the Minister of State. I was not present to hear his speech as I was attending a meeting but I have read it and am very impressed. One of his comments, which he quotes from the International Labour Office, is that work is the source of dignity. This is vital and is the essence of the philosophy of my political party. There has been recognition of this over the past 25 years. Earlier contributions referred to the state of the country in the 1930s, 1940s and 1950s and what had to be done. There were concerted national efforts to get the country on its feet and make it the prosperous country it is today. The seeds were sown by people such as the late Mr. Lemass who recognised what had to be done. That is the great thing about politics, that when one is a politician for one's country and the country needs a big gesture, one is able to provide it and, many years in the future, the country can reap the rewards.

The concerted efforts made in the past include the social partnership, which the Minister of State mentioned. It has been hugely important and influential in terms of delivering a peaceful environment in which we could prosper. It provided a level of security through industrial peace. There were benefits all round for workers, employers and the country at large and it brought us to the position we have today. However, as Senator Quinn said, we cannot continue as we are.

Ireland is a model for other EU countries and countries that wish to join the Union. One such country is Ukraine which I visited 18 months ago. It is trying to replicate what Ireland did. It was the philosophy of my party, of a low taxation

regime, which I am glad has been adopted by all political parties, that delivered this prosperity. We must recognise how important low taxation has been and keep an eye on it. As has been proven, it has generated more resources. The Minister spoke about ensuring there are no unreasonable burdens of regulation, which I presume include taxation and labour.

Senator Fidelma Healy Eames: The Senator should talk to the Minister, Deputy Cowen, about back-peddalling on income tax.

Senator Fiona O'Malley: One cannot put a burden on people that stops them working. It is my political philosophy that one rewards enterprise and effort and does not burden people through over-taxation. A lower taxation economy has delivered results for all people.

Take the example of France. I know somebody from France who has come here to locate their business. It is a modest business employing four or five people but this country was chosen because it was easier to employ people here than in France. France is now going through huge change as a result of the inflexibility that is part of the working environment there. It is unsustainable. We should observe what is happening there.

This brings me to one of my hobby-horses, tax harmonisation in Europe. Tax harmonisation would be detrimental to Ireland. Much of Europe is seeking this harmonisation; only two or three countries, which are unfortunately smaller countries, are resisting. It would jeopardise Ireland's competitive edge. Ireland is on the periphery of Europe and we cannot forget that. Doing business from a peripheral island location is not the same as from mainland Europe. In addition, Ireland is small in size. I have complimented the Minister many times on his work in trying to stop harmonisation but I am frightened that it could be railroaded through. A certain momentum might start, so at every opportunity I raise this matter. It would sound the death knell of Ireland's economic success. We must realise that and prepare.

Another issue that should be raised is pensions. We had a good debate on this last week and a Green Paper has been produced. There was a great deal of information in the weekend's newspapers about the cost of various pensions. It is alarming, particularly with regard to public sector pensions. If we are to continue being able to employ people and to cater for them in their retirement, we must plan for it now. For that reason the debate we held last week, early in the consultation process, was welcome, and I look forward to seeing the final deliberations. It is a difficult task because we must provide for the future generation.

Everybody prefers to see the benefits of whatever policies they are implementing in the immediate future, so they can be rewarded at the

next election for it. However, this issue will require a great deal of combined planning, not just on the part of politicians but also on the part of employers and trade unions. There must be recognition that a flexible environment is needed. We operate in a fluid economy so we must introduce a certain level of flexibility.

The Minister of State also spoke about the importance of education. Naturally, training and the continuation of training over a person's lifetime is important. It is also important that people be trained appropriately to their own needs. Not everybody is suited to the formal education system and we need to ensure everybody is provided with an education that will bring out the best in him or her. This also applies to older people who missed out on a formal education. The Government has been doing great work, especially by giving responsibilities in this area to Ministers of State.

It is important we develop a broad indigenous industrial base which will safeguard us against the flux of international markets in which corporations may find us attractive today but not tomorrow. However, flexibility is also important in an environment in which multinational corporations can just get up and go, so to speak. We must recognise this because, as the Minister of State said, the most important way of giving dignity to people is to allow them to work and provide for themselves.

Senator Paschal Donohoe: I join others in welcoming the Minister of State to the House. Although I was not present during the earlier part of this debate, I listened and watched upstairs and heard the Minister of State's contribution and the comments of different people. I will start by quoting a number of figures which set the entire debate in context, namely, the gross domestic product per head of population in Ireland and a number of other countries. The figures are from last year. In Ireland, the GDP *per capita* was €139,000. The equivalent figure in Poland was €58,000 and that of Turkey was €28,000. Those figures represent many different things, such as living standards and the values of currencies in these countries. However, one fact they indicate which is pertinent to this discussion is the huge differences in the competitiveness of these economies. For example, in a country such as Turkey, income and purchasing power are a fraction of ours. This will have a profound impact on the ability of our country to be competitive in the future.

A sign of these developments, as I mentioned in a previous debate on this subject, is that the more competitive countries are now advertising this fact in the business press. A number of months ago Estonia had a full-page advertisement every week in *The Economist*, and for the past two weeks it has been Turkey, with an advertisement co-sponsored by Hyundai which points out how cheap it is to do business in Turkey, how

little people need to be paid, how educated the workforce is and how high the productivity. The reason I mention this point is that it would be easy for us — but a huge mistake — to underestimate the phenomenal power of globalisation and the way in which the competitive sands upon which our economy and society are built are shifting every day. It is a relentless turmoil in which something that is competitive one day or month or year is no longer competitive the next.

All of these figures are deeply relevant to my experience of working in an industry which is affected by this. As I listen to the speeches people make in this and the other House, I am struck by the difference in the quality and passion of the contributions of people who have been involved with the industries affected by this. Something that we in the Oireachtas need to consider is the degree to which the sectors that produce this wealth and employ people are under-represented in the Oireachtas. Senator Mary White has experience in employing people and running a competitive business. That is all I did for ten years before I came to the House. With the potential exception of energy security, this is the most important challenge we will face as a country in the future. These two issues — keeping our labour market competitive and maintaining access to energy supplies — are those on which we will stand or fall.

While preparing for this debate I read the report of the National Competitiveness Council from 2006 in which it was mentioned that we need to focus on these two issues. I am concerned that the urgency of the competitiveness issue is not appreciated. This is not a point about the Government, as I refer to politicians of all parties. We do not give this the weight and credence that we need to. It is the responsibility of us all, and I will illustrate this with a number of facts.

In 2004 only six other OECD countries had a worse performance than Ireland in terms of the percentage of our workforce that did not have secondary education. A total of 32% of our workforce did not go to secondary school. This is an overwhelmingly important and frightening point. In addition, the report of the expert group on future skills needs, to which Senator Quinn referred earlier, made the point that 14% of the age cohort between 25 and 64 is involved in continuous learning, while the equivalent figure in the UK is 35%. If we view all these figures together we can see the major change that must be made in terms of education.

The recent report on the national skills strategy mentioned that, if things do not change soon, around 200,000 people in our economy will find themselves unskilled for the type of employment being generated. There are 500,000 people whose skills need to be improved if they are to contribute to the economy. When I consider the decisions made by politicians of all parties in the history of our country, I think of the effect of the changes made by former Taoiseach, Seán

[Senator Paschal Donohoe.]

Lemass, and the actions of Garrett FitzGerald on our economy and our society. The same urgency is needed now in planning the future education of our workforce.

It strikes me that we always seem to leave the important points until the end of a speech.

Senator Mary M. White: It is the essence of a good speech.

Senator Paschal Donohoe: Maybe it is. We need to get the facts in place and build up the passion to get to the main points.

Senator Fidelma Healy Eames: That is it.

Senator Paschal Donohoe: Before I came to the Seanad to make this speech I gave my old secondary school a call. I asked the people at the school what type of institution people think of when they consider furthering their education. The answer that came back was the Central Applications Office, which is for people who want to get into third level education. We need to instill two things into the boys and girls in primary and secondary school. The first is basic literacy. We cannot have anybody leaving our schools without being able to read and write and do basic mathematics, although there are such people at the moment. Second, every boy and girl needs to know how to access lifelong learning in the future. They need to know what FÁS is and what the successor to FÁS will be. They must be as familiar with these as people are with the CAO at the moment. If we do not do these things, the relentless turmoil that is the global economy will undermine the foundations on which our society is built. We will not be able to do everything else we discuss, such as funding the health service, because our economy will not deliver the wealth to do it. The time we spend in this House debating these issues and deciding how we want to change them is worthwhile. There are few topics more important.

Senator Fidelma Healy Eames: I welcome the Minister of State, Deputy Kelleher, who I have not met previously. I certainly welcome the fact that he stayed for the entire debate and I look forward to hearing him sum up.

I chose to speak on the challenges and opportunities to the Irish labour market in a globalised economy because, like many of my constituents in Galway from whom I receive constant feedback, I have been concerned about our over-reliance to date on the construction industry and what has really been a one-horse economy. It is clear that we live in changing, vulnerable and uncertain economic times.

Last week Deputy Leo Varadkar, who is the Fine Gael spokesperson on enterprise and trade, and I held a think-in in Galway among the business community. There were people from small

businesses, Enterprise Ireland and the enterprise boards, that is, representatives of State agencies as well as people running their own businesses. Some of the feedback I am sharing with the Minister of State came from that session.

The main finding was that there are two main tasks we need to do in the Irish labour market to be able to compete in what is now a globalised economy. First, we need to encourage more people to be new employers, preferably indigenous, and second, we need to mind and support the current employers. Employers, after all, are our multipliers. They are our economic generators. We depend on a thriving economy and on the value, money and revenues that come from that to fund the health and education systems. Our economy is the driver for social gain.

On the issue of how we can create an environment to create more employers, we first need to find real and creative ways to help employers make, rather than take, a job. To do so, there should be no employers' PRSI in the first five years of new business start-ups. I say this following much feedback from business and constituents but also having myself been an employer. Employers' PRSI is a tax on being an employer, the very person we need to encourage and help, not penalise, in the early days. The employer will keep young people and jobs at home and will keep the economy going.

As a start-up employer, I found having to pay employers' PRSI a major turn-off. It is a tax for which there is no obvious credit and from which one would not necessarily get credit from one's employees. It was much more appealing for me in that case to have my people work as self-employed contractors, but that was not always possible.

One must look at how the State encourages and supports employers. It is ironic that the first agent of the State a new employer hears from is the Revenue, which informs the person of his or her VAT, PAYE and PRSI responsibilities. This is not the way to stimulate business excitement and hope. Equally, start-up business should hear from Government agencies offering help and encouragement, for example, in the form of mentor programmes where there is the so-called much experienced buddy helping the start-up buddy in business. In a way this is a form of real education practice on the job. The one point I will make about business people is that they live, not always in the theoretical world but in the real world. Any practice such as mentoring that can help them in their day-to-day jobs often has far more value for them.

Let us consider the type of individual an employer is. They are largely risk takers, imaginative, creative, with a goal oriented, can-do attitude. The threat of bills, excessive regulation and fear of breaking the law through regulation can curb this spirit in the early, start-up days of a business and, according to business people, leads to worrying times and has a negative impact on

them. The last thing we want to do is stifle this creativity which is the lifeblood of business ideas.

One of the strongest recommendations that came from that Galway think-in of which I spoke was the urgent need for the Minister, Deputy Martin, to implement the recommendations of the forum on small businesses. He is slow to implement them. One of the main recommendations of this report is the need to take away some of the excessive regulation stifling start-up business.

It appears that the days of foreign direct investment are gone due to the high cost of doing business in this country.

Senator Mary M. White: That is ridiculous.

Senator Fidelma Healy Eames: It is critical that we support our small businesses before we kill them off with regulation. For example, people running private crèches are so regulated it is unbelievable. They are visited every month and it costs them a great deal to stay in business. The interesting point is that entities such as the rat-infested health centre in Oranmore, an example I cite again this week, do not face half the amount of regulation when it is an arm of the State regulating itself. These are double standards.

Another area with which small and medium-sized enterprises urgently need help is venture capital to match the employers' investment in the business and to help them afford to pay wages in the early days until they come to make a profit. It is worrying that there is no bank in this country which will back people's ideas. The enterprise boards spoke to me about the worrying prospect of small business owners going to the bank, for example, to pay ten weekly wage packets. It places a heavy toll on the man or woman investing his or her money and time in the early days. One must remember that this person is the economic generator who has the potential to do the economy a great service. He or she needs to be supported with a matched venture capital input and there are models available whereby the Government can insure against this risk which I recommend should be explored in the short term.

As other Senators have said, we need to find creative ways to stimulate entrepreneurship. We need to breed an ethos that employers are now competing globally, not just locally, with the globe as the new marketplace. This means we need to embrace new modern technologies and, in this regard, an audit of small businesses is needed to see who needs training and upskilling to help businesses compete in the marketplace.

As my colleague, Senator Donohoe, said, there are 600,000 people in this country with qualifications of junior certificate or lower and 10% with no qualifications at all. Enterprise Ireland finds that urban-based businesses experience more organic growth whereas rural-based businesses still relying on more traditional ways of

doing business which are no longer adequate to compete.

We also need to invest in infrastructure. We in Galway, for example, still have the poorest road network in Ireland and our railway is still coming, but the one major area in which the Government should make major strides in a hurry is broadband. Not only is broadband not broadly available, its speed and the bandwidth is inadequate and businesses are encountering significant costs by having to use satellite broadband. A town such as Tuam, which is quite large, still does not have broadband available.

We also need to view second level schools as hotbeds in which to stimulate entrepreneurship. We invest a good deal of money in research and development at third level, but none of us knows the outcome of that. What are we getting out of that?

Coming from the education field, I make this recommendation. The Minister should look at finding unique ways to invest in entrepreneurship and research and development at second level while all those children are still at school. One still has use of compulsory attendance until the age of 16. Although I have not done research on this, I would bet that of the people who drop out at second level, more try their hand at business than in any other area and this is a unique area which has not been tapped. In private business I work with thousands of students from throughout the country and 50% of students in any of my classes will eventually go into business of some form. That is a vast untapped market.

I hope my presentation has been in some way useful and that there is some exchange which may be worthwhile and which the Government would take on.

Minister of State at the Department of Enterprise, Trade and Employment (Deputy Billy Kelleher): I thank the Senators for their contributions.

I want to outline the background to this debate. I was asked what I would like to discuss if I came before the Seanad. I thought about the area of social partnership and other areas under the auspices of the Department, including health and safety, but globalisation, in the context of the labour market and the economy, is fundamental to what we are about as a nation.

I thank Members for their contributions with which I will deal individually. If I repeat some of the points made by Senators I do so because I believe the contributions made here are valuable in the context of what we are trying to achieve.

Reference was made to social partnership. I accept there may be a perceived democratic deficit in the context of social partnership but we must always remember that the Government, which is democratically elected by the people, is central to any partnership talks. Government is a partner and the honest broker in terms of what the social partnership model is about. That model

[Deputy Billy Kelleher.]

arose primarily out of a desperation in the late 1980s — Members will be aware what was in place at that time — and it has evolved organically. It arose first in the context of wage restraint, industrial harmony and the need to sell a positive image of Ireland but it has evolved and brought in the community and voluntary sectors, non-governmental organisations and others.

The social partnership model has a valuable contribution to make in terms of the way we plan for the future. One of Ireland's main selling points in recent years, not only in terms of low taxation as referred to by Senator O'Malley and others, is the fact that we have industrial harmony. That is an important factor which people should acknowledge. We have a Labour Relations Commission, a Labour Court and the National Implementation Body to ensure that if disputes arise they do not fester and result in full-scale strikes. That is something of which the social partnership model should be proud in terms of what it has achieved in the context of industrial harmony. I am aware pressure points exist but we must deal with them as they arise. In that regard I ask employers and unions to consider what we have achieved in that context. In addition to low taxation, investment in education, infrastructure and so on, the most fundamental aspect is employment harmony which has helped sell this country abroad.

Regarding the opportunities available in the entire globalised market, we have made choices as a society and that is reflected in the way people have voted. They now accept that low taxation, in terms of employment taxation and corporation tax, is an accepted practice. They have also made the choice to have high wages and we want to become a knowledge-based society. Those issues have been discussed in social partnership and endorsed by the public in numerous elections. We cannot be complacent, however. I was in Hong Kong recently where we were given statistics on what is being achieved in China. Globalisation has benefited that country enormously. Some countries, particularly those in the African continent, have struggled to deal with globalisation but others have embraced it and become very successful. We may not always agree with their political philosophies and the way they deal with certain aspects of human rights but the way they have taken on the challenges of globalisation has been very effective. I went to Hong Kong in the knowledge that Ireland was a successful economy that had achieved a great deal but if we sit back even for a moment in the context of where we want to go in the future, we will be lost.

Senator Mary M. White: Hear, hear.

Deputy Billy Kelleher: A pertinent point was made about graduates and bringing skills into the country. Our labour market has benefited greatly from migration, mainly from eastern Europe, but

there is a bigger issue at stake, namely, attracting graduates here from universities throughout the world. We will not compete in manufacturing alone. It is fundamental that we promote research and development and high end upskilling. We can produce highly efficient people in research and development but if we are to broaden our base and our minds we must attract the top class university graduates throughout the world to our universities, link them up with businesses and research and development and sell that positive message abroad in future years. One of the best ways to make links with the globalised economy is through graduates who have studied here and forged links with our country. In future years they will become entrepreneurs, business people and academics and will have a very positive view of Ireland.

A number of areas were referred to by Senator Mary White. I must acknowledge, from my party's point of view, the work Senator White has done in several areas but the issue of the retirement age is being examined in a number of contexts. There is a financial imperative in addressing the question of mandatory retirement. Demographic changes and the challenges ahead were referred to by other Senators also. Those are issues we must address now. This was acknowledged from a financial point of view in the context of setting up the national pensions reserve fund, for example, but the human capital and the loss of talent and ability—

Senator Mary M. White: Hear, hear.

Deputy Billy Kelleher: —is something this society cannot sustain in the long term.

Reference was made to longevity. A recent statistic indicated that the average life expectancy of girls born this decade will be 100.

Senator Paschal Donohoe: Great.

Deputy Billy Kelleher: That is a long way off but it is food for thought and will present us with many opportunities.

Senator Mary M. White: Yes.

Deputy Billy Kelleher: We had a shortage, until recently, in the labour market but the skills and leadership levels these people have acquired over many years is something we will have to examine. That is in the context of the Green Paper on pensions and the way we deal with retirement. Should there be a cut-off point or should people be allowed phase out of the active labour market over a period of time and pass on their skills and knowledge to the next generation?

The issue of lifelong learning has been acknowledged by the Government and society as a whole. We value education here. That was always one of our strengths, even in times past when people—

Senator Mary M. White: Bringing in the multi-nationals in the 1980s.

Deputy Billy Kelleher: —were leaving this country but at least they were leaving with a reasonable education. I acknowledge, however, that a challenge remains in the area of adult literacy and numeracy, something we must address.

Senator Fidelma Healy Eames: Hear, hear.

Deputy Billy Kelleher: We can talk about having a knowledge-based and an entrepreneurial society but if people do not have the basic fundamentals of being able to read and write, as well as basic computer skills, many of them will be left behind as we forge ahead.

Senator Quinn highlighted a number of areas, which we accept, but in the context of what we are trying to achieve with the skills strategy, we examined all of that when the economy was strong and people were coming here in droves to find work and address the labour shortage. We acknowledged that the major economic growth could not be sustained forever and that we had an obligation to those in the labour market, the long-term unemployed and people who dropped out of formal education early to ensure that in the event of a change occurring they would not be left behind. The skills strategy and lifelong learning is of fundamental importance to us as a nation. We must do whatever we can to change the mindset that when someone finishes national or secondary school, an apprenticeship, third level or finds work, their formal education ends at that point. We must foster the idea that their education should be updated and that they should continually upskill. That must become part and parcel of people's thinking. The Government can do so much in that regard but there must be a shift in people's view of life in general.

Regarding quality of life and work-related issues, we will announce in the near future a measure whereby small firms will be able to access funding by hiring a consultant to examine their working arrangements with a view to making them more family friendly. People will be able to apply to—

Senator Fidelma Healy Eames: More funding must be put into lifelong learning.

Deputy Billy Kelleher: This is not to do with lifelong learning; it is to do with quality of life.

Senator Fidelma Healy Eames: I am going back to the Minister's previous point.

Deputy Billy Kelleher: I will refer to that towards the end of my contribution. We have a great deal to do in that context. The work environment must be family friendly. It must be conducive to employees looking forward to going to work and not impacting negatively on their quality of life and that of their families. We are exam-

ining that issue and it is hoped that in the next few months we will be rolling—

Senator Mary M. White: We do not need another report.

Deputy Billy Kelleher: The report has been concluded. This is action.

Senator Alex White was going well while referring to a number of issues, but then he mentioned the thorny subject of agency workers. I am glad I left time to address it.

Senator Alex White: I was still going well at the stage.

Senator Paschal Donohoe: The Senator was going better.

Deputy Billy Kelleher: Two issues are involved. Regarding the European directive, we gave a commitment in Towards 2016 that we would regulate agencies. In that context, we will introduce a Bill and a memorandum will soon be sent to the Government. The matter is taking time because there are issues regarding the European Court of Justice's findings on the free movement of goods and services throughout the EU and the question of whether agencies regulated in one country are regulated elsewhere. The court decided that regulation in Poland, for example, as the country of origin would be sufficient in another country. We needed to get around that issue. There are complexities involved, but we are committed to ensuring a legislative framework for the regulation of agencies.

Senator Alex White: Is there a timeframe?

Deputy Billy Kelleher: The commitment is to have a framework shortly. The memorandum will go to the Government to ask for permission for a Bill to be drafted.

The temporary agency workers directive will be discussed at the Council of Ministers meeting on 5 December. As I stated in a recent interview, Ireland will continue to play a proactive role in terms of our situation, what we are trying to achieve and flexibility and security in the workplace.

Fostering entrepreneurial instinct was mentioned. Let us be under no illusions. Sometimes, people believe there is something wrong with a person making profit. Profit is a great motivator. It encourages people to think outside the box and should be encouraged. If a person is successful, we may try to do him or her down, but the opposite should be the case. If a person steps outside the box to create or do something, we should encourage him or her.

Through the business expansion scheme, we have acknowledged that people should be encouraged to invest in venture capital, but more profit was to be made in recent years through

[Deputy Billy Kelleher.]

investing in property, the construction industry and stocks.

Senator Mary M. White: There is still more to be made.

Deputy Billy Kelleher: There was no financial incentive to——

Senator Fidelma Healy Eames: For which reason we need to create new ways.

Senator Mary M. White: Becoming an entrepreneur is not inexpensive.

Deputy Billy Kelleher: I hope that the scheme will be an encouragement and that the property market will not be as conducive to investment. The scheme has been altered to allow for people investing in venture capital.

Senator Fidelma Healy Eames: It is not enough in and of itself.

An Cathaoirleach: The Minister of State has run over time. As we are finishing early, I have given latitude.

Deputy Billy Kelleher: I thank Senators.

Senator Fidelma Healy Eames: The Minister of State is good and we should let him finish. He has been excellent.

Deputy Billy Kelleher: Flattery can get me into trouble.

Senator Mary M. White: We are impressed.

Deputy Billy Kelleher: We value education and are trying to move towards the high end, such as by investing in fourth level and doubling the number of PhDs, but these are not the end. People will not be able to access that education because they dropped out earlier. They must be continually upskilled. Many went into trades, which are fine in and of themselves, but people must be skilled in other areas as an economy evolves. Conceptual training should be considered.

There is much food for thought. Ireland is well positioned to grasp opportunities and to meet the many challenges arising from globalisation. As a society, we must have the confidence to know that, if we put our minds and resources to something, we can meet every challenge.

Senator Fidelma Healy Eames: And infrastructure.

Deputy Billy Kelleher: In the context of the budgetary position for the coming years, the national development plan will be fundamental in

terms of investment in infrastructure, increasing knowledge-based activity——

Senator Fidelma Healy Eames: Broadband.

Deputy Billy Kelleher: ——and training and education. These issues are of paramount importance to Government policy. I thank Senators and the Cathaoirleach.

Sitting suspended at 1.35 p.m. and resumed at 3.30 p.m.

Seafood Industry: Statements.

Minister for Agriculture, Fisheries and Food (Deputy Mary Coughlan): I am delighted to set out the Government's strategy for the seafood sector. Generating total annual revenues of more than €702 million and providing employment for approximately 11,000 people, the seafood industry is an important indigenous industry. It makes a significant contribution to the national economy in output, employment and exports, and to the economic and social viability of the coastal regions in which it is located.

Although the industry recorded progress as a result of investment made under the National Development Plan 2000-2006, it is in a transitional phase, facing a range of developmental challenges mainly related to declining fish stocks and a consequent structural imbalance at catching and processing levels. Profitability in the sector is weak and investment in research and development and value-added development in the processing sector has been historically low. As a result, the industry is not well positioned to take full advantage of prevailing market opportunities.

Against this background, the then Minister for Communications, Marine and Natural Resources, Deputy Noel Dempsey, and the then Minister of State at the Department of Communications, Marine and Natural Resources, Deputy John Browne, invited Dr. Noel Cawley, along with Mr. Joey Murrin and Mr. Ruán O'Bric, to form a seafood strategy review group in June 2006. Its aim was to investigate the industry and make recommendations on how its future might be secured. Dr. Cawley was appointed as chairman of the group and Bord Iascaigh Mhara, BIM, provided the secretariat.

Between July and October 2006, the group consulted widely with fishermen, fish farmers, fish processors, marketers and other stakeholders in the seafood industry. Four public consultative meetings were held at venues in Wexford, Kenmare, Killybegs and Galway. The group considered more than 80 written submissions from interested parties and convened 19 ordinary meetings, including discussions with representative organisations and groups from the fishing, fish-farming and seafood processing sector, to determine its findings and recommendations. Discussions with industry stakeholders were dominated by concerns over declining fish stocks and

falling quotas for most fish species, the perceived lack of even-handed conservation and enforcement for the fishing activities of all fleets in Irish and EU waters, and the impact these factors were having on the viability of Irish fishing vessels and fish processing plants.

In its determination the group formed the view that all stakeholders and the EU and Irish Government must face up to the inescapable fact that the scientific evidence, largely borne out by industry experience, is that 75% of the stocks in the waters around Ireland are harvested beyond their safe biological limits, even though these waters are potentially among the most productive in the EU. From discussions with industry and the then Department of Communications, Marine and Natural Resources, the group found broad agreement on the need to scale up fleet decommissioning in the whitefish sector. It concluded that vessels over 18 m long should be identified for decommissioning and that radical change in quota management arrangements should also take place.

The group identified critical developmental challenges facing the industry which need to be addressed. These include the need to ensure a competitive market-focused strategy is adopted throughout the industry; to develop value-generating strategies to ensure that the maximum possible return is achieved for each tonne of fish landed and produced; to address the issues of overcapacity, fragmentation, weak profitability, lack of innovation and poor performance levels within the processing sector; to enhance management, technical, marketing and commercial capability across all industry sectors; to achieve greater balance between the catching capacity and resource availability, requiring further managed industry restructuring and right-sizing; to define and establish stakeholder-supported, commercially aware quota management policies and procedures; to establish a policy position, supported by an appropriate regulatory framework, to encourage market-led investment in, and expansion of, the aquaculture sector; and to ensure that industry practices are environmentally sustainable in the long term and are cognisant of the role of and need for conservation.

Despite these challenges, the industry has a positive future based on the growing demand for seafood. Across all major markets, seafood enjoys an extremely positive image associated with a healthy lifestyle. Consumers are increasingly aware of the enormous nutritional and health benefits to be obtained from eating seafood products and are developing a greater understanding of the range of fish on offer. In addition, enormous untapped opportunities exist to develop new seafood product offerings and to explore the benefits yet undiscovered for marine-based functional food products. In addition to our existing trade, further developing the perception of the natural goodness of fish, providing convenient pre-prepared offerings and supplying eco-

friendly, organic and environmentally responsible products all represent significant market opportunities.

A key challenge for the Irish seafood industry is to exploit these favourable market conditions to generate the maximum value for each tonne of product landed. The group concluded that decisive and radical action is called for at national and EU level to safeguard the seafood industry, the fish stocks and the future viability of coastal communities. This, it stated, would entail adopting environmentally-friendly conservation measures and an equally compliant approach by Irish and EU vessels.

The cost of inaction now would be incalculable in years to come, when the country would be faced with further and possibly irreversible stock depletion and dismantling of the same coastal communities which, directly or indirectly, have come to depend on the industry for their livelihood. To address this situation, the group set out its vision for a sustainable, profitable and self-reliant industry that will maximise its long-term contribution to coastal communities based on fish stocks restored to sustainable levels in a healthy and diverse marine environment. An essential element in the achievement of this vision would be a further sharp reduction in fishing capacity and effort, more effective management and conservation of fisheries and a substantial role for aquaculture in meeting the increasing demand for seafood in the marketplace.

The group concluded that achieving these objectives would require a significant increased financial commitment by the State between 2007 and 2013 while at the same time the industry would undergo a painful adjustment process which together would secure the long-term future for all concerned. In its report to the Minister, the group made 49 recommendations incorporated under ten core themes and concluded that value generation in the seafood sector could result in increased sales to €911 million by 2015 if the recommendations were adopted.

The seafood strategy review group produced a vision for the Irish seafood industry that by 2013 all sectors of this industry will have evolved such that the industry can be described as a competitive, profitable, market focused industry capable of sustainable economic growth and recognised as making the maximum economic contribution to coastal rural communities and to Ireland as a whole. This vision calls for an innovative and co-ordinated approach to the marketing of seafood which would capitalise on its healthy and nutritious image and maximise value at every point in the supply chain.

The group envisages the emergence of a commercially focused self-reliant industry with market forces driving success, centred on delivering strategic development priorities. These include the positioning of Irish seafood in the international and domestic marketplace as a premium quality offering, with positive environmen-

[Deputy Mary Coughlan.]

tal attributes, supported by superior customer service, effective key account management practices and enhanced branding and promotional activity, thereby justifying premium prices, and culminating in the development of a robust seafood island proposition.

We should build a track record and reputation for being ahead of the competition by delivering market-led innovation, including new product and packaging development, enhanced processing techniques, quality schemes, product labelling, etc., with a view to increasing the percentage of sales and exports in the higher value seafood and convenience food categories. This will require significant and concerted investment in basic and applied research and development and in fast-tracking the time to market of new products.

The group recommends a restructured and more integrated and efficient industry, with a processing sector comprising fewer but larger-scaled and more profitable operations, and a national fleet that has been right-sized in line with the sustainable exploitation of the available fisheries resource base. The vision calls for addressing certain critical factors along each stage of the industry value chain, that undermine industry competitiveness and the ability to command a premium price in the marketplace. It also requires significant uplift in technical and business management skills and competencies, through investment in bespoke training and development programmes.

We need a catching sector operating under a new fisheries management regime, comprising both a quota management system and a fleet management and licensing system that is equitable and transparent, incorporates effective control and delivers biologically sustainable stocks while ensuring economic viability and stability for vessel owners. Significant development and expansion of the aquaculture sector is needed within clearly defined Government policies, output targets and an efficient licensing regime, and supported by an aquaculture development programme. The group recommends the holistic and balanced development and exploitation of in-shore fisheries for the benefit of the seafood, leisure and tourism sectors alike, based on an integrated in-shore fisheries management strategy. Key stakeholders should adopt an environmentally conscious, responsible and compliant approach to all activities within the industry and so operate in a mutually respectful manner.

These development priorities will be delivered under the aegis of BIM through certain measures in the seafood development sub-programme, seafood marketing, processing, human resources and training development, aquaculture and sea fisheries. The national seafood strategy and the National Development Plan 2007-2013 reflect the group's findings.

There is a reference in Chapter 8, under the marine and coastal communities programme, to the recommendations of the Cawley report and to the fact that €216 million is earmarked for the seafood development sub-programme. A further €118 million may be made available over the life of the plan, depending on the willingness of the sector to undertake and co-operate with, in a verified manner, changes in the industry. After the Taoiseach launched the report in January 2007 a seafood strategy implementation group, SSIG, was established comprising 20 representatives from all sectors of the seafood industry and State organisations, chaired by Dr. Noel Cawley. The SSIG's remit is to advance the delivery of the recommendations set out in the report of the seafood industry strategy review group, Steering a New Course. The implementation schedule covers the ten core themes incorporating the 49 recommendations contained in the report.

Since its inaugural meeting in June, the SSIG has held meetings in July, September and November. Progress to date on the recommendations has included the preparation of a fleet decommissioning scheme, developments in the aquaculture sector and ongoing work on development of a step-up programme for the seafood processing sector.

In the aquaculture sector, the problems encountered in Ireland are common to other EU producing countries. In the EU, the Directorate-General for Fisheries and Maritime Affairs has indicated that it is setting out a new strategy for the encouragement of sustainable aquaculture in the community and to address some of the difficulties the sector is encountering.

The main recommendation from the review group for the aquaculture sector is the need to develop a comprehensive and sustained fact-based communications programme, run by State agencies with industry support, to engender greater acceptance of aquaculture as a sustainable and legitimate activity by other stakeholders in the coastal zone. The decommissioning scheme, which is in final preparations, will withdraw capacity permanently from the whitefish sector of the Irish fishing fleet.

During the consultations with industry the need for continued restructuring of the demersal fleet emerged as the most pressing challenge facing the catching sector. Recent economic analysis carried out for this sector indicates that whitefish stocks generally and available quota in particular would have to be 45% greater to yield a viable return for the vessels now in the demersal sector.

The situation facing the whitefish sector means there can be no expectation of increased catches in the short term. On the contrary, reducing fleet capacity, developing long-term management plans and introducing effective technical measures supplemented with strong control and enforcement will drive thinking on fisheries management for many years to come. On this basis and taking into account the current capacity of

the polyvalent and beam trawl segments of the fleet, it is appropriate that, in total, 14,318 gross tonnes should be decommissioned, of which 3,178 gross tonnes has been scrapped to date. The 2007 decommissioning scheme sets itself the target of removing a further 11,140 gross tonnes from the whitefish fleet. This represents the full programme of decommissioning recommended by the seafood industry strategy review group and provided for in the national development plan.

The process of decommissioning is complementary to the whitefish fleet renewal programme delivered over the past eight years. The latter has seen the safety and operational standards of a large section of the whitefish fleet vastly improved while decommissioning has removed some large, old, and less safe vessels that are every bit as demanding of resources as their modern counterparts. The completion of this twin-track approach involving renewal and restructuring is vital to the future success of the catching sector and it will deliver ultimately a smaller fleet that is modern, efficient and safe.

The first stage in addressing the issues of low profitability and scale in the processing sector takes the form of a step-up programme. This programme, which is being developed, is specifically aimed at Irish companies engaged in both primary and secondary seafood processing and has four key objectives. It will encourage and incentivise restructuring within the processing sector, prioritise and accelerate support for developing seafood businesses where there is good potential for the creation of sustainable long-term value, increase the value generated within the sector in accordance with the overall national strategy target of €911 million in sales value by 2015, and improve profitability and competitiveness levels across the sector through the pursuit of efficiencies in operational processes and fast-tracking technology transfer.

I am committed to the implementation of the national seafood strategy and I look forward to working closely with industry on its delivery. The seafood industry must address a range of structural and supply related challenges but when these are successfully addressed we can capture the clear and growing opportunities within the sector. We now have the plan which I firmly believe will ensure that the future of coastal communities dependent on fishing and aquaculture is secured for this and future generations. I look forward to hearing the views of the Members of this House on the implementation of this project.

Senator Liam Twomey: I thank the Minister for her detailed presentation on the Cawley report and what it will do for the fishing industry. Historically, Irish people ate fish only on a Friday and there is a certain amount of guilt relating to what we have done to the fishing industry in this country in the past 30 years, especially since we

joined the European Union. There have been many problems in our fishing industry. One would have thought a clear policy would have been formulated many years ago on an industry confined to the sea, harbours, fishing boats, fishermen and so on. Given how things are structured, one would have thought a report such as this on the fishing industry would have been possible many years ago. Conflicts in the fishing industry and mutual antagonism between the Government and fishermen have led to many of the difficulties that have brought us to this point.

I find it interesting that the Minister's speech and a report should refer to mutual respect between groups in the fishing industry. One would expect that all parties involved, including the Government, the Department, processors and fishermen, would have mutual respect for each other without a need to write such comments in an official report. This indicates that things have gone wrong in the industry because people have not worked together. It is interesting that only now, as fish stocks decline, are we examining what we are doing in the industry. Policy decisions in recent years have seemed haphazard in areas such as the commissioning of fleets, the decommissioning of fleets, paying out and not paying out grants.

I would like the Minister to expand on her comments on research and development because this area is very weak in the fishing and seafood industries in Ireland and profitability is a problem. We must be clear on what needs to be done in terms of research and development and there are two approaches. Research and development can be carried out while the fish are still in the sea or as part of processing and marketing. In Kilmore Quay, County Wexford, lobsters were tagged for many years and people worked together, throwing those considered too young back into the water, and this helped to develop a sustainable lobster fishing industry. There was a small research institution there and fishermen worked together to subsidise it. This is a model of what can be done throughout the country.

There is an idea that there is great antagonism in coastal communities to fish farming and lobster pots in the bay area and this has created problems. Many of these problems stem from a lack of communication and direction in the industry for many years. When we discuss policy it should be clear what is happening in this regard. Ministers, especially the Minister of State with responsibility for fisheries, must be clear on policy and must not take a hands-off approach that allows people to feel they can do as they wish. An able Minister, a former Minister of State with responsibility for fisheries, with plenty of experience of the fishing industry ran into all manner of problems when he sought to deal with issues affecting fisheries.

[Senator Liam Twomey.]

It is important we do not try to diminish the scale of the problem in this debate. We must be clear on what we want. Many processing plants have closed. Two people in the House at the moment fully understand the issue at Castletownbere and I grew up in west Cork and go on holidays there. Every night articulated trucks leave Castletownbere to head for ferries in Rosslare Harbour, near where I live. The fish are not processed but are simply put on ice before going straight to France. When the fish come off the boats in Castletownbere little is done except to add some extra ice. This occurs every night.

When we discuss added value we must be clear what we will do because we have some good niche markets in this country in value added to fish. Some people smoke salmon and

4 o'clock do extraordinary things with fish but these markets and producers are small and cannot develop their areas on the grand scale we are discussing for 2015. The Minister must provide some direction if she is serious about adding value in the fishing industry. As she observed, there is neither the wherewithal nor the resources within the industry itself to do so. It seems like a very valuable and profitable industry in view of the figures we have seen, but we know there are not huge profits to be made. Neither is there the will and inclination within the industry to provide the level of investment required for research and development. The industry requires direction from the Government. It needs to see that the Government has faith in the sector. We must rid ourselves of the Friday mentality, so to speak, we have in regard to the fishing industry, the part of our mindset that says fishing is not so important. We are losing out significantly because of this.

We have no idea how much fish has been taken from the Irish Sea in the past 30 years. We are certain, however, that there are insufficient stocks to continue fishing as we have done heretofore. Every boat in the world seems to have fished in the Irish Sea. What will be done to protect stocks? What plan has the Government to secure funding from the EU or to provide it from its own resources to put in place a coastguard service that would include a fishery protection role to prevent the illegal removal of fish from the Irish Box? Many people play by the rules and are frustrated to see others becoming wealthy from not doing so. This is wholesale throughout the industry. The Irish Sea is one of the most productive environments in Europe for fish and we must protect it. There should be EU funding to provide fast, easily manoeuvrable boats to patrol the waters and protect what are now considered the fish stocks of Europe.

Aquaculture is being undertaken in numerous locations in the State, generally in bays and estuaries. One of the greatest challenges faced by this

industry is our failure to deliver adequate sewage treatment infrastructure. Ireland is fortunate to have a clean image. People who come to this country from places such as France or the United States, where people are fussy about their food, know they are getting the best fish when they eat it in Dingle, Kinsale or Kilmore Quay. The Minister must liaise with the Department of the Environment, Heritage and Local Government to ensure sewage treatment plants in important waterways are adequate. It is not farming effluent that is destroying our rivers and seas but, in many cases, our inability to deal with human effluent which is simply being run into rivers and seas. This is damaging to aquaculture throughout the State.

I am sure the Minister of State, Deputy Browne, who has entered the Chamber, will give Members a clear idea of what he would like to see happening in the fishing industry. He has visited Brussels on numerous occasions and is deeply involved in the industry. I seek clear and incisive explanations from him of what the Department intends to do. I hope he will speak about the need to protect the livelihoods and interests of fishermen in coastal communities but also about how to develop the fishing industry. We must take on board the importance of conservation, processing, adding value and undertaking research and development. Such an approach could have a massive impact on the fishing industry but it has been absent in the past ten years. I hope the Government can offer Members a clear policy with a little more fish on the bone.

Senator Denis O'Donovan: As one of the Senators who sought this debate, I am pleased the Minister for Agriculture, Fisheries and Food, Deputy Coughlan, has come to the House to facilitate it. I take this opportunity to wish her well. I also welcome the Minister of State, Deputy Browne, who is familiar with this portfolio. It was a good decision to place fisheries under the remit of the same Department as agriculture. It rests easier there than in its former Department because there are many common denominators between agriculture and fisheries, especially in respect of the food sector, with aquaculture, fish processing and so on. It is a positive development.

The full title of the Cawley report is Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007-2013. It contains both good and bad news. It is to be welcomed that a process of dialogue and consultation was undertaken with representatives of the fishing industry from Castletownbere to Donegal and from Galway to Dublin. Some of the findings are inevitable and the industry is largely in agreement with them. It is generally accepted, for example, that decommissioning must take place. It is good

news that some will have a chance of surviving economically in the fishing industry.

The bad news is that job losses are inevitable. For example, 40% of whitefish trawlers out of Castletownbere will be unable to continue. In the past 15 to 20 years, the amount of vessels fishing out of places such as Castletownbere, Schull, Union Hall and Kinsale has declined. I refer specifically to the south coast because the southern part of the State is primarily given over to whitefish while the northern part, out of Killybegs, is engaged primarily in pelagic fishing.

Fishermen regularly ask me what is the net value to them of the decommissioning process. In other words, what will skippers and trawler owners obtain and what are the implications not only for them but also for their crews? The Cawley report includes a proposal to set up a register. It would be wrong, morally and otherwise, if vessels were to be decommissioned and the crewmen neglected. Protection must be built into the process. In Castletownbere, for instance, some 40 or 50 family men could be left high and dry.

The previous speaker referred to lorry loads of fish leaving Castletownbere. Some 85% of all whitefish landed in Castletownbere not only goes through France but ends up in Spain. At this critical juncture for the future of the fishing industry, the industry and the Government must examine how we can improve onshore processing. I understand that with larger and improved vessels, up to 80% of our pelagic fish is being landed in Scotland, Norway or further afield because the vessels may obtain a more ready market and better price in those locations. It is a shame that up to 80% of both pelagic fish and whitefish is going abroad.

We cannot in future isolate the whitefish or polyvalent fish sector and the pelagic sector from the aquaculture sector and from mussel and salmon farming. We must consider new markets, such as that for abalones, for example, and develop the onshore processing industry. The Minister was in west Cork recently and saw the success attained by onshore processing companies such as Shellfish de la Mer, which employs 150 people thanks to support from the previous two Governments. In conjunction with the initiative shown by the company's management, the support it received from Bord Iascaigh Mhara in marketing and identifying foreign markets has helped it win international awards. Another success story is Castletownbere fishermen's co-operative and other co-operatives in the south that are engaged in onshore processing. This is wonderful because jobs are being created. I would like to see this supported and continued because it is great to see that Shellfish de la Mer has grown from two or three people 12 or 15 years ago to 150 onshore now. That is a good development.

Not far away and much closer to me in Gearhies are Bantry Bay Seafoods and Fastnet Mussels, which employ people in processing jobs and which have built up international markets throughout Europe and in the UK. It is wonderful to see, with support from the Department, industry and fishermen, these companies looking to the affluent parts of society in India and China. There are 80 million or 90 million people in India who are now affluent enough to buy properties abroad and who may look at buying Irish shellfish or food products.

We are only playing catch-up with the likes of Chile, which I have studied with regard to salmon farming. That country exports much of its fish to markets identified in China and India as possibly being the best in the world. We should remember that approximately 12% of the Chilean salmon farmed in a chilled form is imported into the EU. Norway is particularly worried about that.

We have significant potential. Although we can look at the negative side of the matter, we should consider the future of the industry and how we can improve what we have. It is a sad fact that 75% of fish in Irish seas are under pressure, which is causing ongoing problems. I thank the Minister of State, Deputy Browne, and others for efforts in negotiating with Europe and trying to hold on to or improve Irish quotas. The issue will arise again in four weeks' time. It is very important we look at the matter.

I am flying a kite from southern Ireland. With the decommissioning coming down the track, perhaps the Minister of State can identify the deadline for spring next year and when the NDP funding will come into effect. When will fishermen and the coastal communities see the benefit of this type of financial input by Government and stakeholders? We must know the coastal communities will also be protected.

In my father's time there was a substantial hake fishing industry in Bantry Bay, with large British trawlers coming in. Overfishing led to the hake vanishing. As a young lad hauling lobster pots in Bantry Bay I remember often bringing up two or three fine crayfish in a lobster pot. They are gone because of overfishing and the use of monofilament nets. Crayfish are now as scarce as teeth in a duck.

I hope those in Europe realise the Irish Government and the fishing industry are in a progressive mode regarding conservation of stocks. Our European counterparts, particularly the French and Spanish, should be following the same vein. There is not much point in us decommissioning 33% or 40% of our whitefish fleet only to find out the French or Spanish will not in any way row in behind such action, or that they will still come marauding into Irish waters and take valuable fish.

[Senator Denis O'Donovan.]

I will throw another sprat to catch a herring. I read with great interest recently that new French President Sarkozy met with the French fishermen in Brittany.

Senator Michael McCarthy: Hear, hear. He did.

Senator Denis O'Donovan: Blockades were planned and they were going to protest and bring their fight to Paris, blocking up streets.

An Leas-Chathaoirleach: The Senator has one minute remaining.

Senator Denis O'Donovan: I have only just started but I will finish. If it is true President Sarkozy has done a sweetheart deal with French fishermen regarding subsidising fuel, this Government should consider that closely as well. We cannot let the French fishing industry be subsidised in such fashion, particularly with the cost of fuel now. We are extremely lucky the dollar is weak, although the price of oil is going through the roof. We are fortunate the euro is maintaining a strong position against the dollar.

I have read the Cawley report but perhaps I missed this point. What has been done with regard to environmental and global warming, or has any analysis been undertaken? As a coastal person I am worried about the impact of global warming on fish species and stocks. Is it possible to monitor it? I have no doubt the waters around Ireland have warmed by 2° or 3° in the last decade or two. What is the effect and will it mean some of the stocks will move north to cooler waters, causing other problems? Perhaps the fish preferring warmer water in the Bay of Biscay and Spain will move towards Ireland. It is a serious consideration.

I look on this report with mixed views. On the one hand it is welcome because the industry is facing up to reality but on the other hand, it is somewhat sad because we are basically indicating the fishing industry will be pruned and curtailed. I hope it will be more profitable for those who remain in the industry.

Senator Michael McCarthy: I wish to share time with Senator Bacik.

An Leas-Chathaoirleach: Is that agreed? Agreed.

Senator Michael McCarthy: I put on record my appreciation to the Leader for arranging this debate so swiftly after Senator O'Donovan's call for such a discussion in the House last week.

For too long our fishing industry has been sidelined in order to benefit other sectors of the economy. Fishermen have paid a very high price for

that and it is to their credit that we have a fishing industry at all. Dr. Noel Cawley stated, "The stark reality is that decisive and radical action is now called for at national and EU level to safeguard the seafood industry, the fish stocks and the future of coastal communities". Nobody will disagree with that, least of all sectors of the industry.

This Government was formed in mid June and it took until October to officially assign responsibility for the marine to various other Departments. That is not very helpful. The origins of the creation of a Department dealing with the marine go back to an incident off the south-west coast in the 1980s when the *Kowloon Bridge* was shipwrecked. Former Taoiseach, the late Charles Haughey, to his credit created a Department which took in all facets of the marine. That in itself was visionary and it was the right action to take. Unfortunately, in 2002 it was broken up and various functions of the marine are now spread across four or five Departments.

There was a piece in *The Irish Times* yesterday with input from Dr. Ronan Long of the NUI in Galway. He warned that we are jettisoning benefits gained from existing marine policies and structures because we are, as he puts it, going in the opposite direction to the EU in this regard. People who are involved in the marine to the point that they can produce an analysis touching on the political break-up of the Departments must be listened to. We have an opportunity to be a leader in many facets of the marine, not least in research and science. We must take full advantage of that opportunity.

There are a number of issues to be raised about the report itself. This is one of the few areas where we all know what needs to be done and how it can be done. The industry and an independent chairman is willing to run with the report but there is no political will to go with it so far, which is disappointing. If we had the same type of blueprint for health, I imagine the Minister for Health and Children would run fairly quickly with it.

There was an incident in the Dáil recently where the Tánaiste, Deputy Cowen, was taking questions on behalf of the Taoiseach and an Opposition Deputy raised a question on marine legislation. Like a deer caught in the headlights, the Tánaiste had to consult one of his colleagues to find out the responsible Minister. That goes back to the point I made at the outset, which is that because the marine is split among so many different briefs, from transport to the environment to agriculture, there is no clear political responsibility. That is bad. All other countries in Europe have been associated with something. Sweden and Finland are associated with Abba, Nokia and similar brands. We could lead the way in the marine. The map of Ireland is more than

the landmass, it includes the waters around it, and we should protect it carefully.

It is disturbing that there is no clear timeframe for decommissioning the fleet, the attitude to that must be changed. There is no clarity on taxation issues, causing discomfort for those in the sector. Recently when fishermen met Commissioner Borg, he said it would have to go through the normal process. What stage is decommissioning at? Has funding been set aside for it and has due consideration been made of the taxation implications? Anyone from a coastal constituency can tell the Minister that the salmon hardship fund was not all it appeared to be initially. People in the sector are willing to change, to go along with the Cawley report and take the tough medicine that is being dished out but there is no attempt to make these people confident about the implementation of the recommendations.

We must re-examine quotas. When there is a decommissioning programme underway in January, there should not be a problem with quotas in February. There is an appalling situation in the North Sea where prawn fishermen are catching cod and other white fish and dumping them back into the sea because it is an offence to bring them back to port, even though it is not an offence to fish them.

This is one of the few areas where we know what is needed and how to do it. What current and capital funds have been set aside in the BIM budget for 2008 to deliver on the main recommendations of the Cawley report, starting with the capital investment programme, decommissioning, communications and marketing?

Senator Ivana Bacik: I welcome the opportunity to contribute to this debate and welcome the key findings of the Cawley report, notably the finding that the Irish seafood industry is an indigenous industry based on the utilisation of a renewable and highly prized natural resource. It was noted in the report that the industry is critical for the sustainable economic and social development of coastal communities around the country and that the industry depends on sustainable fish stocks and a healthy marine environment. I emphasise these aspects of the report, and note that the Minister mentioned the need for action to safeguard the industry. Recently, however, there was an example where the Government failed to live up to the standards expected in the Cawley report when it came to cockle dredging.

On 25 October, I tabled a motion in the House calling for a particular set of regulations, SI 531 of 2007, to be rescinded. These regulations were passed in July and allowed fishing boats to dredge for cockles in Waterford estuary, a protected conservation area. Although there were restrictions on the times boats could dredge, dredging was permitted. The marine conservation NGO,

Coastwatch Ireland, monitored the area where dredging was allowed between August and October and found enormous damage was being done to the seabed as a result of the dredging of large quantities of matter.

Coastwatch Ireland was alarmed by this and sought action from the Minister. It considered the dredging was in breach of the EU habitats directive but was told there was very little monitoring or control going on and that there was a gentlemen's agreement between the dredgers and the State. Clearly this was not acceptable and in those circumstances I raised the matter. I also mentioned that Ireland is out of line with other EU countries, which have banned dredging for cockles in the interests of preserving marine life and ensuring a sustainable fishing industry and sustainable coastal community development, exactly as the Cawley report suggests.

I pointed out that in other EU countries, cockle fishing is only allowed by hand. As a result, cockles are very expensive and there is a lucrative market outside Ireland, where cockles are worth €1,600 per tonne. The cockles dredged in Waterford were mostly exported. I am glad to say, however, that following my intervention, the Government moved and introduced a new set of regulations. I have only just received Regulation 753/2007, signed by the Minister on 12 November, which provides that Irish sea fishing boats, or persons on board, or those using any other harvesting method shall not fish, attempt to fish or have on board cockles harvested in the Waterford estuary area. These regulations will provide for a ban on the taking of cockles by fishing boats or their harvesting by any means except by hand for private consumption in the Waterford estuary.

I welcome the signing of those regulations, which will mean the damage Coastwatch Ireland had feared would be irreparable will not be done to the estuary. The difficulties surrounding the issue show how far short we fall from the standards outlined in the Cawley report on the seafood industry. They also show the lack of commitment given to the development of sustainable coastal communities. It is fine to pay lip-service to the report but that example showed a lack of commitment in practice and in terms of resources that would have ensured a protected marine area was not irreparably damaged by such large-scale dredging.

Coastwatch Ireland has called for practical measures to address the need to develop sustainable coastal communities, pointing out that well chosen and well managed marine protected areas will assist in developing the fishing industry and should be monitored and developed in conjunction with local fishermen. There should be coherent coastal zone management for the entire coastline.

[Senator Ivana Bacik.]

Senator McCarthy mentioned the difficulty in finding out who is responsible for the marine. The Minister for Communications, Energy and Natural Resources signed the original regulation in July on cockle dredging but now the Minister for Agriculture, Food and Fisheries is responsible and it fell to her to sign the new regulation. Part of the problem is that matters fell between different Departments, showing up the lack of commitment to the aspirations of the Cawley report.

Senator Déirdre de Búrca: I welcome the Minister of State to the House and this opportunity to discuss the Cawley report. Other speakers have mentioned that we are a maritime nation and our fishing and seafood industry are very important. The Irish seafood industry generates more than €700 million per year and directly employs 11,665 people. The total catch in Irish waters, which are among the most productive in the European Union, was 700,000 tonnes of fish in 2004, the most recent year for which figures are available, with an economic value of €500 million to the State.

It became obvious during the debate on the Sea Fisheries and Maritime Jurisdiction Bill that fishing practices in Ireland and the Irish seas have become highly unsustainable and that serious over-fishing is taking place.

Statistics show that most of the catch taken from Irish waters is taken by non-Irish vessels. More significantly, more than 75% of the stocks are now outside their safe biological limits with either low stock size or unsustainable levels of exploitation. More than half of all stocks are exploited and a further 25% are either over-exploited or depleted. Consequently, it became obvious that a new strategy was needed. This was true in particular for the seafood industry and the transfer of the fisheries portfolio to the Department of Agriculture, Fisheries and Food may be a positive step in this regard as it allows for a fresh start and a fresh approach to take place.

One of the Cawley report's key recommendations pertained to the development of aquaculture to provide seafood products. At present, Ireland's aquaculture sector contributes approximately 40% of the revenue generated by the seafood industry. However, it is considered to lag well behind worldwide trends regarding the procedures used to farm fish and the range of species farmed. Members are aware that with the current emphasis on the desirability of healthier diets, fish is defined as a functional food. The latter is a buzzword for foods that provide a health benefit beyond meeting basic nutritional needs. It is clear that Ireland's location on the edge of one of Europe's largest marine areas represents an opportunity for development because the inter-

national markets for functional food and ingredients are expanding.

At present, France, Britain, Spain, Germany and Italy buy approximately 70% of the seafood caught here. As I noted, one of the Cawley report's principal recommendations pertains to the development of the aquaculture sector. However, the report has a wider remit. It constitutes a €300 million-plus plan for the seafood industry that was launched in January 2007. This money, which hopefully will be matched by an equivalent sum from the private sector, will be spent over the next six years as part of the national development plan. It aims to ensure that the seafood industry will generate more than €1 billion for the economy and the authors of the report were asked specifically to examine the poor state of the seafood processing industry, the need for a more innovative market-focused strategy to maximise value and to examine the significant imbalance between the declining levels of fish stocks and the size of our trawler fleet.

The key elements of the report are the recommendation to introduce a new scheme of financial incentives for the sector and for fishermen in particular to decommission their trawlers in the light of declining stocks. The report generally recommends a reduction of 45% in the numbers of fishermen and boats. This constitutes a significant reduction and obviously must be carried out in a careful manner with the economic interests and livelihoods of the fishermen at heart. However, the initial focus should be on the larger whitefish vessels that are more than 18m in length.

The report also advocated a much greater emphasis on aquaculture as a means of providing for the ever-growing demand for seafood products. It recommended the devolution of fisheries management and, importantly, the promotion of a seafood island marketing identity for Ireland. This would result in the sale of Irish seafood under its own brand in the same way that Irish butter or beef is sold. The aquaculture development programme to meet the continued demand for seafood on which the report concentrates is to be implemented by Bord Iascaigh Mhara in partnership with Údarás na Gaeltachta. As a member of the Government, the Green Party supports the emphasis placed by the strategy on funding what are called local collective actions by fish and shellfish farmers that are environmentally sustainable.

Another interesting feature of the Cawley report is its focus on the relationship between the fishing and seafood sectors and the then Department of Communications, Marine and Natural Resources. It called for much greater co-ordination between the State agencies that support the industry. As I noted earlier, the transfer of the fisheries brief to the Department of Agri-

culture, Fisheries and Food may be a positive development. It allows for a fresh start and a new look to be taken at the sector. However, the Cawley report highlighted some of the difficulties that arose from the dual developmental and regulatory functions of the former Department of Communications, Marine and Natural Resources. Does the Minister of State believe that a conflict similar to that outlined in the Cawley report might arise in respect of the Department of Agriculture, Fisheries and Food?

The report also emphasises the importance of good relationships between the sector and the responsible Department. Moreover, Dr. Cawley, who was one of the report's authors, recommended the possible establishment of a new independent regulatory agency based in Clonakilty, County Cork, which would allow for a greater focus on policy and planning.

Some of the developments that the Green Party favours are touched on in the Cawley report. The party wants grant funding to the aquaculture sector to be increased to develop technological innovation and environmentally sustainable techniques, including organic farming, as well as diversification into new species. The Green Party also wants the Department of Agriculture, Fisheries and Food to continue to work with coastal communities to identify and designate suitable marine protected areas to allow for regeneration of stocks because the over-exploitation and significant reduction in fishing and seafood stocks at present is of major concern. Finally, concerns have been expressed by Opposition Members regarding the implementation of the strategy outlined in the Cawley report. The Green Party will support the recommendation that Dr. Cawley should chair the implementation group and ensure that the key recommendations of the report would be implemented in a timely fashion. Were this to be done, the report would hold out great possibilities for the development and continued viability of the important seafood sector in the economy.

Senator Paul Bradford: I also welcome the Minister of State to the House and wish him well in his important portfolio. While it is never too late to hold a debate on the fishing industry, Members have been late in beginning to discern what can be and must be done. More than 30 years have passed since Ireland joined the European Union and during that time, great strides were made in respect of the development of the agriculture and agrifood industries. Output has increased enormously and the number of people working in agriculture-related industry grew and peaked. Admittedly the numbers have now begun to level off. Simultaneously however, the fishing industry unfortunately appeared to work in reverse. The view has been expressed that in the

debate on agriculture versus fisheries at European level, the fisheries industry lost out.

If one considers the matter from a political perspective, the manner in which responsibility for marine affairs has been moved around between Departments, as well as being named and renamed demonstrates that the industry has never received the political attention it deserved. It has been incorporated into different portfolios including Agriculture and Fisheries, Agriculture, Food and Fisheries, Lands and Fisheries, Marine and Natural Resources, Defence and the Marine, Communications, Marine and Natural Resources, as well as the Marine on its own for some time. The figures that Senator de Búrca has just cited demonstrate that this sector employs up to 11,000 people and has enormous export possibilities and potential. An industry of such significance certainly needs strong political leadership. However, that horse has bolted for the term of the present Government as responsibilities have been allocated to several different Departments. Nevertheless, we should revert to a single Department as soon as possible. Before the last general election, Fine Gael was committed to the creation of a full Cabinet Minister with responsibility for marine activities. While that has not occurred this time, I hope we soon will be in a position to establish a full Department of the marine with responsibility for all the issues under discussion in the House today, as well as many more that relate to the marine, aquaculture and fishermen nationwide.

The Cawley report offers the context for the present debate on fishing. From the point of view of the food industry, about which we spoke some weeks ago, there is a new willingness among people to consume fish. Fish is no longer a food for Friday, the first Friday of the month or Good Friday, which it might have been 30 years ago. It is part of the everyday diet. People associate fish with part of a good, healthy diet. We must take advantage of that change in people's psychological assessment of fish to try to grow and sustain the industry however we can.

Sustainability is crucial. We must concede that we cannot fish the waters clear, allowing no scope for growth. Sustainability is referred to in the Cawley report. It is a contentious and difficult issue for any Government because there has been the perception in the Irish fishing industry that the rules, regulations and controls under which Irish fishermen operate have not applied to our main competitors. There is much truth in it this perception and this has made it difficult to promote a regime of sustainability, control and quotas. The quota issue can be emotive and sensitive, as we found with the milk quotas in agriculture. However the quota regime is necessary. We must approach this with the aim of keeping

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the maximum number of people fishing and boats in operation, and we must plan for the future.

Quota management must be approached differently. Fine Gael suggested examining an alternative quota management arrangement with a view to developing a management regime that would accurately reflect the state of our fleet and fish stocks. Regarding conservation we advocate a stakeholder-driven technical conservation measurement system aimed at protecting fish stocks, and this should be placed on the EU agenda. This is a finite resource and requires management. In putting those management structures in place from a quota perspective we must examine how the Irish industry has been mistreated not only by Europe but by every Government since 1973. We must, in so far as we can, repair some of the damage and ensure the industry survives.

The Cawley report and other Government initiatives have a major role to play, but there must be a new level of political support. Politics does not serve our fishermen and coastal communities well because they lack the political impact of agriculture, which is spread across the country and has a strong lobby in almost every constituency. We must take cognisance of that and make up for the political deficit by reflecting on the figures, the significance of the industry to the country, the exports, the jobs and the question of retaining coastal communities as living political and social entities. We claim to be an island with a maritime history. If we also want a maritime future, a greater degree of political significance and attention must be attached to this industry.

The Cawley report has come about as a result of wide consultation. One can never get wide consensus, but people such as Mr. Joey Murrin, who have given a lifetime of service to the industry, will be able to give a clear lead. We must respond in so far as we can to this report and its recommendations. Senator McCarthy made the point that we have had many reports and recommendations and now we need action. The Minister is committed to responding positively to this report and no further delay is necessary. I repeat my only political point, that we need one Department to take overall charge as soon as possible for cohesion of planning and implementation. However that is a battle for another day. I support the fishing industry and demand that it be taken seriously by all Members of this House in all the political parties to make up for what we have not done in the past 30 years.

Senator Ned O'Sullivan: As it is getting late and a number of the statistics I had planned to reveal have been mentioned, I will cut to the chase and pick out some points that have not

been raised. I welcome the Minister of State. This time last year he achieved a large quota for the Irish fishing industry in the teeth of opposition and I wish him well in his forthcoming endeavours on that. The fishing industry is still very important to the Irish economy for its contribution to the gross national product and its employment potential, especially in rural, peripheral areas. I welcome this report because it singles out the fact that rural communities on the western seaboard have few other alternatives and it highlights the importance of fishing for them.

I will tell a sad, salutary tale which I hope will not be repeated. I have strong feelings on this because it deals with my forbears. Perhaps the Cathaoirleach is familiar with the village of the Cashen on the estuary of the River Feale in north Kerry. For centuries it had a thriving salmon industry. Salmon was caught by draft net, whereby one person stands on the bank with a net while others row a boat in the middle, and they bring in their haul of salmon. It goes back almost to the time of Jesus Christ.

When I was first elected a councillor 25 years ago, there was still great hope that this industry could flourish into the new millennium. In my foolishness as a young councillor it was one of my ideals that we would develop it and bank it, but finally I must virtually sing its requiem. That is a sad announcement for me to make.

There were many changes of Government during those decades of neglect, there was a reduction in the fishing season and wholesale slaughter of salmon by drift net fishermen and their monofilament nets. This industry kept a community going. It filled the pubs of Ballybunion on winter nights and the shops of Listowel. All that is gone. I thank the Minister for his initiative in commissioning this report to see if we can save and develop what is left of our industry.

The markets have been mentioned. As a business man I know there is no point in having a product if one is unable to sell it at a profit. During the recent food health debate in this House, I criticised the fact that Irish whiskey is second in the international markets to Scotch, while everybody knows Irish whiskey is infinitely superior to the best Scotch. Likewise we see South American steak restaurants all over the world but no Irish steak restaurants. I see chains of Norwegian seafood bistros and delicatessens throughout Europe and see no reason Irish seafood should not be promoted. The Cawley report is committed to the idea of Ireland as a seafood nation.

On a lighter note, there is an excellent restaurant in Leinster House and, as one would expect, a fish dish is on the menu every day. However, it staggers me that seven times out of eight the fish is cod. Why is that? There is little profit in cod for Irish fishermen and most of that cod is imported. I am sure cod is good for one.

The general public thinks it is all a cod in here so let us not reinforce that misapprehension.

I contacted some of my friends in Fenit this morning. Their dilemma is that if they are fishing for oysters and lobsters in season, they must get two separate permits and two separate boats. That is ridiculous. The Minister should examine this anomaly. With due deference to my colleague from Donegal, a bugbear of the southern fishermen is that their boats are not as big as those of the fishermen in Killybegs who get approximately 75% of our quota. There should be a more equitable distribution of quota between the big operators, who usually bring their catch ashore in the Shetlands, Norway or such places, and our fishermen who bring their catch ashore to O'Catháin Iasc in Dingle.

Senator Cecilia Keaveney: I thank Senator O'Sullivan for sharing time with me. One can say little in four minutes; this debate should have been much longer. The marine industry deserves far more support that it receives but I am glad we have a Minister at the helm who will fight the cause again in the near future.

When I was first elected there was a review of the white fish fleet. At that time 28 boats of over 15 metres were operating full time out of Greencastle. There are now nine and some of them are reported to be either getting involved in the decommissioning scheme or selling their boats. That is the other side of the decommissioning scheme. If we are trying to ensure the boats are safer, we must have unsafe boats removed from the fleet. For that reason I welcome the decommissioning scheme. Many of the boats being built by McDonald's in Greencastle are destined for the in-shore crab fisheries, so there is life in the in-shore sector. As the crab stock increases we could see fishing becoming a seasonal activity, as occurs with the wild oysters. In that eventuality it would be necessary to talk to the Minister for Community, Rural and Gaeltacht Affairs, Deputy Ó Cuív, about whether the rural social scheme could be extended to deal with that.

After a reasonable decommissioning scheme there must be a future for small modern fleets. Last night I spoke in the House about a reasonable quota. Quotas must always be fought for but 13% of the catch or 1.332 million tonnes of fish is discarded. The dead fish discard is a dead investment for everybody. It is important that we deal with this. It appears that if something is seen to be of less value, it does not matter if it is dumped. I do not agree with that. There is a place for everything. In Spain, spider crab is a delicacy and valuable commodity. Yet, a couple of years ago my sister-in-law and I walked to Greencastle and we saw spider crabs littered around the harbour. They were seen as inferior in this country. One person's gold, therefore, is somebody else's

piece of dirt. We must sell the image of what we have and how important it is. Furthermore, we must get what is considered valuable in other countries to those countries and make a profit from it.

If we intend to have a small modern fleet, it is important that it does not become a closed shop. There must be a method for new entrants to get into the industry and onto the first rung of the ladder. It has been suggested that BIM could be given the task of buying a small amount of tonnage which could be held in the Government's name and leased to properly trained young people who are setting up their boats. When that period expires, they should be encouraged or even forced to buy replacement capacity on the open market. New entrants need some degree of support when getting into the industry. Alternatively, a retirement scheme should be introduced which would allow fishermen to take early retirement in return for handing over their boat or capacity to a properly trained young person. It would be a farm retirement scheme for fishermen.

I welcome the announcement today by the Minister for Communications, Energy and Natural Resources, Deputy Ryan, that a new monitoring vessel will be provided for the Foyle area and Carlingford. It will be used for scientific monitoring and data collection and I trust it will be a positive development for the Foyle. Policing is one matter and collecting scientific data is something different. If this development is geared to working with the fishermen and to support their work, it is good.

I also welcome the 2008 to 2013 marine tourism strategy for the Foyle and Carlingford Lough. It will help in terms of access infrastructure, marine tourism, recreational fisheries and skills training through local partnerships. It will involve significant investment and regeneration for the Foyle. Merville community college has worked in tandem with the boat building industry in Greencastle to ensure that transition year students can learn the trade of fishing. It is important to think about the future in the context of modern technology and skills and a reduced fleet to match the reduced quotas. We should support the young people in keeping the tradition of fishing alive.

The Minister of State, Deputy Browne, was in Greencastle recently and saw the National Fisheries College. If we are to develop our rivers and oceans for marine recreation, we must open the facilities we have, such as the National Fisheries College, to people so they can learn about safety. We must also continue to support the rescue services. There have been many losses and tragedies but there have also been individual cases of suicide and the rescue services have been there. We must continue to support them in their broad range of activities.

Minister of State at the Department of Agriculture, Fisheries and Food (Deputy John Browne): I thank Members for facilitating this debate on the future of our indigenous fishing industry. I also thank Senators for their contributions and their positive response to the Cawley report. This report is the bible of the seafood industry for the future and it has received a general welcome in the House. I am also pleased Senator Keaveney has received good news about the Foyle. She has been fighting that for many years and I am sure she is pleased with the news today.

Senator Twomey raised the issue of research and development. Dr. Cawley produced a wide-ranging report on research, the development of new products, the creation of value added products, the improvement of quality, presentation and market research. He raised these issues in the report with the objective of maximising return from a sustainable fishery. We will proceed in implementing the thoughts and views of the report.

Senator O'Donovan welcomed the fact that the report was drawn up in consultation with the fishing industry. This was a key success of the report. We asked Dr. Cawley to draw up a seafood strategy for the future and to do so in conjunction with the sea fishing industry. He toured the country and, I am sure, had many debates, discussions and battles with the industry. However, I believe the industry had confidence in Dr. Cawley and, as a result, we have a strategy that has been drawn up with the involvement of the fishing industry. That is as it should be. Senator O'Donovan encouraged the fishing industry to work with Dr. Cawley and it is important that the strategy we have now is focused on what the industry wanted.

Senator O'Donovan also raised the issue of the increasing cost of fuel. I understand its impact in terms of profitability on fishing operations. Supports in the form of grants and schemes for more effective fishing gear are already in place. The high fuel costs will continue for some time and the Government's strategy is to address the fundamental issues in the sector through the removal of vessels from the fleet, thus making the remaining vessels more profitable as they will be permitted to land greater catches. It will also work with the industry to increase the value of the fish landed through a range of measures such as improved quality of landed fish, increased value added and focusing on the marketing of fish. The industry made a submission on the implications of the cost of fuel but, as Senators are aware, state aid is subject to what the EU decides. The matter of subsidies for French fishermen was raised, but doing things differently is the way forward. Senator McCarthy raised the issue of which Department should have responsibility for the

fishing industry. Based on the Cawley report and the issues raised therein, I advocated, as a Minister of State in the outgoing Government, that it should be the responsibility of the then Department of Agriculture and Food. Fish is a food-based industry and it is only right that it should be based there. In addition, most EU countries have a Minister who deals with agriculture, food and fisheries, and now we have a similar set-up. It will result in better operations which will be advantageous to the industry. In addition, representatives of the fishing industry itself had requested that responsibility for the industry be given a permanent home, suggesting the Department of Agriculture and Food as being the most suitable place. The Taoiseach took that on board when he was making his decision.

Senator Bacik raised the issue of cockle fisheries. This is one of many traditional inshore fisheries and has been very important to coastal communities in my area and other parts of the country. The Government is committed to sustainable development of the cockle industry. Up to a year ago there was no management plan for this industry. I initiated a plan, but the current Minister for Communications, Energy and Natural Resources, Deputy Ryan, who took over during the changeover, had to sign it off, and then we got into difficulties. The management plan is the way forward. Cockle fishing is a traditional industry which has been in existence since before the time of Molly Malone. We are speaking of a plan for managing an industry on which families depend. People earn an income from cockle fishing. We must strike a balance between the livelihoods of families and protection of the environment. I hope the cockle fishing industry will continue well into the future. We do not need Coastwatch or NGOs to tell us how to run the industry. They are entitled to give their opinion, but we must make decisions based on sustainability and we will continue to do so.

Senator O'Donovan wants to know whether I pushed Molly Malone's barrow. No, although I did in the past. Senator de Búrca made a valuable contribution in which she spoke about dividing the regulatory functions of Government with regard to seafood. We have already done that by setting up the Sea Fisheries Protection Authority, which was recommended in the Cawley report. The Government accepted that recommendation and the authority is now in place. We will be dealing effectively with the industry in the future.

I thank all Senators, including Senators O'Sullivan and Keaveney, for their contributions. We will certainly consider the issues raised and we will work closely with Dr. Cawley. We have set up an implementation group which we wanted to keep independent and we asked him to stay on as chairman of the group. He is working with the industry and has had about four meetings with its

representatives to date. We hope to see the fruits of this work early in the new year with the commencement of decommissioning and other strategies which he is anxious to implement as soon as possible.

I also thank my officials, Cecil and Josephine, for their contributions and for staying here with us all afternoon.

Postal Services: Motion.

Senator Joe O'Reilly: I move:

That Seanad Éireann:

- notes that an efficient and speedy postal service is an integral part of a competitive economy;
- is deeply concerned by the 247 post offices that were closed down from 2002 to 2006 and the further 15 closed up to July 2007 and the knock-on effect in rural communities of such closures;
- notes that it is rural parts of Ireland that are suffering most in terms of delivery time;
- acknowledges that many of Ireland's EU neighbours, such as Belgium, Holland, the Czech Republic, Estonia, Austria, Britain and Poland, have a 90% plus rate for next day delivery services;
- takes note of the target set by the Commission for Communications Regulation, ComReg, of 94% of letters to arrive by the next day and An Post's 2007 target of 80% for next day delivery services;
- is deeply concerned by a recent survey, carried out in September and October 2007, that found only 72.8% of letters arrived the next day, and another survey carried out by ComReg in April, May and June 2007 that found that 78% of mail arrived the next day;

and calls on the Government

(i) to seek an improved timetable from the management of An Post for delivery services and to prioritise plans for better organisation of collections, sorting and delivery services; and

(ii) to seek assurances from An Post management that essential services provided by post offices nationwide are maintained.

I welcome the Minister to the House. We need an efficient and speedy postal service as an integral part of a competitive economy if we are to compete with our mainland European neighbour and our nearest neighbour, the United Kingdom.

Time is of the essence. There cannot be a time lag. We must compete on a level pitch for the sake of all our businesses. People now need quick and immediate responses.

A survey on the postal service was published in the *Irish Examiner* last week. During September and October batches of ten and 11 letters were posted by representatives of the newspaper at ten locations throughout the country and the times taken to reach their destinations were recorded. The following key results were found. More than one in four, or 27.2%, of the letters arrived late. Only 78.8% of letters arrived the next day, which is short of the ComReg target of 94% next-day delivery. One-fifth of letters posted in cities arrived late, compared to 22.8% in rural areas. Almost two in five letters addressed in Irish were late compared to one in five addressed in English. If we seek an international comparison for these disappointing figures, we find that the British Royal Mail delivers 94% of letters the next day, even if posted in this country. Belgium, the Netherlands, the Czech Republic, Estonia and Austria all have 90% next-day delivery. Ireland, by contrast, is on a par with Greece, France and Lithuania, with 70 to 79% next-day delivery. It is surprising to see France in that batch, but that is not a reason to be happy with it.

We should also pay attention to the results of an MRBI study carried out at the request of ComReg which operated during the period January to June 2007. From one place to another in this country, despite the target of 94%, only 78% next-day delivery was achieved. From Dublin county to anywhere in the country, compared with a target of 94%, the rate of next-day delivery was 79%. From outside Dublin to anywhere, the rate was 78%. It should be noted that the rate of next-day delivery improved by 4% in the first quarter of 2007, which can be attributed to a better industrial relations environment at An Post than had previously been the case. That is to be welcomed. However, there is still major concern as the figures are just not good enough.

Also of note is the poor performance of mail posted outside of Dublin for delivery to addresses in Dublin county, only 72% of which is delivered next day. Some 76% of mail posted outside of Dublin, and 79% of mail posted in Dublin, is delivered next day. We all have anecdotal evidence of unsatisfactory delivery. For example, I was able to get a helpful public official in Cavan town to send out a cheque to somebody 15 miles out the road who was in particular need on a Friday of last week but that person did not get it until Tuesday, which is a hardly acceptable.

As our motion notes, it is rural parts of Ireland that are suffering most in terms of delivery time, but it is a nationwide difficulty. It also notes how we compare unfavourably internationally. Our motion calls on the Government to seek from

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management in An Post an improvement timetable for delivery, collections and sorting.

The second objective of this motion is to express our concern at the fact that 247 post offices have closed between 2002 and 2006. A total of 399 post offices closed between 1997 and 2007. I list the number of post office closures in each county because of their importance: Cork, 50; Clare, eight; Kerry, eight; Limerick, 21; Tipperary, 29; Waterford, five; Cavan — which is my county and that of my colleague, Senator Wilson — 21; Donegal, 23; Monaghan, 14; Carlow, five; Dublin, 20; Kildare, six; Kilkenny, seven; Louth, 12; Laois, seven; Longford, six; Meath, 11; Offaly, eight; Westmeath, 19; Wicklow, ten; Wexford, 16; Galway, 20; Leitrim, 18; Mayo, 31; Roscommon, 12; and Sligo, 12. In total, 15 post offices were closed this year between January and July.

The closure of a post office is damaging to a community. The post office is a focal point in any community. It should be noted, and An Post can take heart from the fact, that there is a favourable perception of the post office in every community and it is an important focal point.

One of the questions I want the Minister of State, Deputy Batt O'Keeffe, to answer is the number of post offices that are limited to what they can provide owing to lack of computer systems. Are there many post offices which do not have computer systems and consequently are so limited that they cannot process the volume and are closing owing to this chicken and egg dilemma?

I recommend the following steps to keep post offices open. There needs to be more publicity for them and more positive advertising. The Government must become proactive in assisting in this necessary process of raising the profile of post offices. The people need to be educated on the value, importance and use of the post office. We must encourage people to use the facility more, thus keeping them open by their actions.

We should welcome, as I do, the launch of Postbank. There will be a new banking system in the post office, undertaken in partnership with Fortis Bank which is a genuine leader in the European financial services industry. This Fortis Bank banking system provided through post offices must be supported by people. I recommend to An Post that it deploy high profile advertising and that this be used as an opportunity to rejuvenate post offices and bring back business. It can be used as an opportunity to renew the profile of post offices in communities.

The social welfare payments system must remain with post offices. I understand there will be some level of review of that. The position must remain unchanged.

Government must be proactive in support of post offices gaining any business that can be passed to them. Any State facilities and services that can be administered through the post offices should be so done.

There is potential for putting Internet facilities into post offices so that young people may use them, and this should be explored. They could possibly have a cup of coffee in such small local Internet cafes which would bring a throughput of people to post offices.

I am happy to state that An Post reached a profitable position last year. However, the remuneration for postmasters, at approximately €6,000 with the rest conditional on earnings, is too low in a modern context and should be increased with a view to providing an incentive to hold on to post offices.

There are a number of challenges facing An Post. Obviously, a major challenge in 2011 is deregulation. The maintenance of the universal service obligation will become a particular challenge in the context of deregulation in 2011. An Post rightly has an obligation to deliver post uneconomically in certain isolated areas where people have a right to their post and to every facility available. In those areas delivering the post is not economically viable and yet there is an obligation on An Post to do it. An Post must subsidise such delivery and that will become especially difficult in the context of deregulation. Therefore, I recommend to the Minister that the Government act strategically and consider ways to assist An Post in the context of deregulation. I realise there are prohibitions in European law on direct aid to An Post in a deregulated context but the Minister must be imaginative in every way to assist An Post.

The objective of the Fine Gael motion is to decry the Government complacency and inaction over the years as the lights in post offices were switched off. Our further objective is to condemn Government inaction and complacency in the face of serious difficulties with delivery time. It is for this reason we cannot accept the amendment which further indicates a Government out of touch, tired and arrogant in its response to our fine motion. Any suggestion that it should be amended in that way, taking away its essential meaning, could not be accepted. I appeal to the Government side to reconsider its position and accept our reasonable motion.

Senator Maurice Cummins: I second the motion so ably proposed by my colleague, Senator O'Reilly. EU postal markets will be open to full competition in 2011. This involves a two-year extension from the original date of 2009 and I hope the extra two years will prepare Europe's postal monopolies, including An Post, for the

competition in the marketplace which will undoubtedly come.

Most segments of the market, such as parcel and letter deliveries above 50g, have already been opened to competition but the standard letters segment, which is the most lucrative segment of the EU postal market, has not been, except in Sweden, Finland and the UK which at this stage have fully liberalised their postal service markets. An Post has stated that it is ready to take advantage of the opportunities offered by postal liberalisation, and I hope the company is correct. It will certainly face tough opposition in the future from pan-European operators such as Deutsche Post in Germany.

The fact that, on average, 78% of mail posted in the period from 1 January to 30 June last was delivered next day suggests that An Post has some way to go to reach the 90% plus target for next day delivery services, as is the case in Belgium, Holland, the Czech Republic, Estonia, Austria, Britain and Poland. One of my concerns about the recent ComReg report is the major variation in the results between different mail flows. It suggests there is a problem in ensuring that the people in rural areas get the same level of postal service as that provided in Dublin. Has any decision been made yet on how the cost of the universal service obligation will be met? An Post accepts it will have to compete with companies coming here to cherry-pick profitable areas but in reality can An Post be expected to cross-subsidise loss-making areas where it will be required to serve out its universal service obligations? That question must be addressed.

In 2005, the Government, through the Department of Communications, Marine and Natural Resources, committed itself to introducing postal codes by January 2008. What is the current position regarding that commitment? It will not be introduced by January 2008 as promised but I urge the Minister not to delay any further and introduce that system at the earliest possible opportunity. A well-functioning and cost effective service is good for business and the rollout of a postal code system would speed up the sorting process and allow for a more reliable postal service. I am aware the chambers of commerce of Ireland are keen to see this system in place and I would welcome the views of the current Minister on that subject. Is it another promise gone by the wayside or what is the position regarding that commitment given two or three years ago?

My other colleagues will spell out the cost to communities of the closure of so many post offices nationwide. Are we likely to see more closures in the not too distant future? It is my information that another batch of closures is imminent and were merely put off until after the general election.

I welcome the fact that An Post will continue the arrangement with the Department of Social and Family Affairs for social welfare payments, which is of paramount importance. It is a major part of the business of post offices and it is essential that they expand their services into other areas such as banking and other aspects of postal services to keep post offices open and viable.

I ask the Government to withdraw its amendment to the motion as I believe both sides would wish that An Post would stand up to the mark, provide the best possible postal service for its customers and maintain the essential services our post offices provide nationwide. We all want An Post to succeed. We all want the best possible postal service and the protection of the workers in An Post by having a strong, viable service and an expansion of services for post offices in the coming year.

Senator Martin Brady: I move amendment No. 1:

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

“acknowledges—

- the Government’s commitment to a nationwide postal service which ensures all customers, both business and residential, have access to a high quality, competitively priced postal service;
- the progress made to date by An Post in respect of its recovery strategy and change programmes as the key factor underpinning improvements in quality of service;
- the commitments in the Programme for Government on improved quality of service and the maintenance of a strong and viable post office network;

notes—

- the role of ComReg in setting and monitoring An Post quality of service standards;
- that the universal service obligation and An Post’s role as universal service provider are enshrined in legislation,

and commends

- the improvements in next day delivery levels achieved in postal deliveries;
- An Post for securing new business for the post office network, such as the payment of Garda fines, utility payments, AIB banking facilities and the E-parcels card;
- the approval by Government to the launch of Postbank;

[Senator Martin Brady.]

- the progress made by An Post management and unions in the implementation of change programmes in order to prepare for the challenges posed by liberalisation and electronic substitution; and
- the commitment of the Government to the post office network in terms of the arrangement with the Department of Social and Family Affairs for social welfare payments and with the NTMA for retail savings products.”

At the outset I want to acknowledge the presence of two members of An Post management in the Visitors Gallery. I welcome them to the House.

Senator O'Reilly referred to deliveries. In the past five to six years, major industrial relations arose in An Post but there has been a vast improvement in that respect. An Post is a shining example to other companies in the way the union works with management in a partnership arrangement and puts the customer first. The union is aware that if the customer is not put first, everybody in the company, management and workers, suffers.

As a national service provider with a long and proud tradition of public service, An Post has a strong interest in what happens in rural as well as urban areas. I am a former employee and trade union official of An Post and I have some affinity with the company.

An Post is currently dealing with the issue of the provision of services under its universal service obligation, the equally significant issue of the European Union led liberalisation of the postal services and the ever present matter of meeting important commercial imperatives. Each of those issues is as relevant to its activity in the urban area as they are in the rural environment. For many years there has been an inexorable move away from rural areas to urban areas, even allowing for a strong underlying growth in the population.

The statistics outlined by Senator O'Reilly are correct but considerable improvements have taken place since. I did my own survey here and asked Deputy Kelly about the postal service in Longford. He said it was tremendous and that his postman was a great ambassador. He said he meets him every morning and he has a smile on his face. He said it was a terrific service. Incidentally, Deputy Kelly, at a past meeting with An Post management and the unions, told the union leader that he should be managing the company and that came about. The union leader at the time is now a manager in Eircom, and An Post had a manager who is now a very good union leader. That is to be applauded.

Last year for the third year in a row An Post reported profits at operational level of €14.7 mil-

lion. During 2006 it processed up to 3.5 million items of mail each day, a figure which rose to 8 million per day over the Christmas period. That was made possible by increased automation which enabled mail to be sorted automatically down to route level. That was a major improvement in efficiency and productivity.

A postman, particularly in a rural area, is often the only person in touch with people who live on their own. We should never forget that. He is a vital part of the community. The rural transport initiative managed by An Post has developed a model tailored to meet the needs of communities that collects people at their doors and brings them to shops, banks, etc. The progress made by An Post management and unions in the implementation of the change programmes to provide for the challenges posed by liberalisation and electronic substitution is to be commended.

The European Commission took a case against Ireland on the basis that the awarding of the contract of the social welfare distribution to An Post was not in accordance with EU laws. The service is vital to post offices. An Post has provided a good service and I welcome that the ruling provides security for An Post, its workers and its customers. I am pleased that the European Court of Justice ruled that Ireland did not fail in its obligations under community law. How much time have I remaining?

Acting Chairman (Senator Maurice Cummins):

Two minutes.

Senator Martin Brady: Industrial relations within An Post are a shining example to other countries. The general secretary, Mr. Steven Fitzpatrick, takes a keen personal interest in the welfare of his union's members and the progress and development of the company and its service to its customers. Since his appointment, he has put forward plans and ideas for progress and development instead of making management prod the union into activity. He is capable of weighing the pros and cons of any project or idea. To kill the company's initiative would reduce its competitiveness and lose customers. Mr. Fitzpatrick keeps in touch, is a skilled negotiator, heads off trouble and ensures that none of his union's members suffers a reduction of income as a result of changes in structures or work practices.

We should give An Post a chance because it has had a difficult time in recent years. Considering prevailing industrial relations, I do not doubt that with co-operation between unions and management, the situation has never been as good. I checked this fact with the union. While I worked there, we struck for 19 weeks and no one spoke to us. Thank God that type of situation does not prevail and that unions have come a long way in the past 20 years. Union members are aware that

if they do not provide a service to the company, there will be no company, management or staff. If customers are lost, the knock-on effect is the loss of staff and union members.

I commend An Post on its progress. That progress will continue and the public will get a more satisfactory service, but a number of problems remain. For example, a man contacted me last night concerning the whereabouts of his regular postman because someone else had started delivering the mail. One cannot go into a bar and ask for the regular bar staff. They must be off work some time.

Senator Feargal Quinn: I wish to share time with Senator Norris. He is only willing to take two minutes.

Senator Jerry Buttimer: The clock is ticking.

Acting Chairman: Is that agreed? Agreed.

Senator Feargal Quinn: I welcome the Minister of State and this debate, as a discussion on An Post is good. It was interesting to listen to Senator Brady speak from experience, as I have experience also. I was chairman of An Post and its predecessor, the interim board, for ten years from 1979 to 1989. I have tended to avoid speaking about the postal service in the House because when one leaves a job, one should keep one's mouth shut in case one appears to be second-guessing the people who follow.

I want to speak on this motion because it is seriously confused in two ways, including its presentation of the postal service as an integral part of a competitive economy. The truth is different. With each year that passes, the postal service is falling further away from the mainstream of our economy. It is and always will remain an essential part of our infrastructural backbone, but it is no longer a key success factor. In today's world, the importance of next day deliveries is not as great as it once was. Nothing that is time-sensitive is sent by post. Yesterday, we learned that important information in Britain was sent on an assumption, but such a situation will not recur.

While I regret that An Post has not met Com-Reg's targets, this failure is not crucial to the economy, as the real problem in communications is our continued failure to deliver broadband across the country. This issue has a real economic impact because our failure will hobble our economic future in a meaningful way. To bleat about next day deliveries in a situation where the scandal of broadband continues shows a curious sense of priority.

The confusion in the Fine Gael motion relates to the issue of post offices and arises through regarding it as a business issue when it is a social issue. We will only solve the problem when we face up to the reality that the post office retail

network cannot be justified in purely business terms. We must recognise that rural post offices are a crucial part of a social framework and are vital to our society in a way that they can never be as part of An Post's business.

During my time as chairman, the question of post offices was every bit as hot an issue as it is today, but people would not face up to the realities anymore than they do today. An Post was given an uncompromising business mandate to run a postal service efficiently and to make it pay. This mandate was the death knell of post offices. In serving the mandate, I presided over the closing of a number of post offices. Every closure broke my heart and the heart of the villages in which they had been located, but I had no option. If one insists that a postal service pays its way, with which I have no quarrel, while supporting elements that are not viable in business terms, one is asking for the impossible and will not get it. That was true in the 1980s and it is true now.

In the past generation, some of the key anchors of our rural life have disappeared. The village school tends to be a thing of the past, which is regrettable, but one can understand if people want to be educated in larger schools. The local rural Garda station is becoming a thing of the past. I have my doubts about the wisdom of this, but I can understand the economic pressures that force such closures on the Garda.

However, the local post office is different. Its continued presence becomes even more important as the schools and the Garda stations close. In many cases, it is practically the only glue holding a small rural community together. To lose the network of remaining rural post offices forever would be nothing short of a national tragedy.

Senator David Norris: Hear, hear.

Senator Feargal Quinn: It is inevitable that such will happen as long as we insist on regarding the question in purely business terms. If one expects An Post to pay its way, the death of the post offices is inevitable. If one regards the post offices as performing an important social service that one wishes to preserve, the way to do it is clear, namely, one must support the post offices by a national subvention quite apart from the business revenue that An Post can raise from the network. As a nation, we can only preserve our post offices if we are prepared to pay for them. Are we prepared? We should focus our attention on answering this question.

Senator Brady touched on an issue. When I joined An Post, I was told that I could never change the aspects that were wrong because of people with bad habits, etc. That advice was incorrect. As soon as the shackles of Civil Service control were removed, those people became

[Senator Feargal Quinn.]

entrepreneurs. They became customer-minded and the very people who could make a financial and customer service success of An Post. We must find a way to ensure the rural post office network survives without necessarily expecting it to compete on business terms.

Senator David Norris: When watching the start of the debate in my office, I found it to be unbelievably dreary with no passion to it. There was a little spark from Senator Martin Brady because he spoke of his experiences as a postman.

Senator Quinn, to whom I am grateful for sharing his time, speaks with some authority on the matter as a former chairman of An Post. He spoke from the heart and said virtually what I wish to say in defence of post offices, particularly rural ones. My grandfather, who was a distinguished scion of an old Gaelic princely family and was swindled out of most his land by relatives, had many jobs including auctioneering and being the local postmaster.

Deputy Batt O’Keeffe: That is from where the Senator’s decency comes.

Senator David Norris: His post office was the hub of his local community in County Laois which it remains to this day. When debating hospitals and the need for centres of excellence, politically every Member will stick up for his or her little backyard. However, in the case of the rural post office such a demand is justified.

While we worry about the flight from the land, if we leave no social organisation in rural areas what should we expect? I was delighted to hear a successful businessman like Senator Quinn state that as chairman of An Post he was given a brief to make it money and to make it pay. He has argued that cannot be done while retaining it as a social service.

It must be a social service. Elderly people in rural communities receive their visits from the postman. Often, they will go to the local post office to collect their pensions even though it can be done electronically and letters can be sent by e-mail. Visiting the rural post office entails meeting neighbours and hearing the local gossip. Sometimes the local post office can be a little huckster shop where people can get milk and tea-bags. It is a vibrant part of society, part of what we are as Irish people.

All of us, including myself, I am proud to say, have one foot in the bog. We should not forget this and not abandon the life so characteristic of this country. We cannot abandon the elderly who need this facility. I strongly support Senator Quinn’s arguments on the social element to the post office network.

I urge the Government to ignore the political toing and froing across the floor of the House

with Members trying to score party political points. Members must think of the post office workers and the value they give us. We must also think of the social infrastructure it provides.

Last Sunday Gay Byrne on Lyric FM had a request from Attymass in County Mayo, a town which he used to visit. Its post office will be soon closing down, an event of which we often hear. The elderly couple who ran it are retiring but there is no replacement.

I congratulate An Post on the wonderful philatelic items all Members receive.

Senator Dan Boyle: I am mildly surprised at the tabling of this Private Members’ motion, not that anything in politics should surprise me. The tabling of the motion is badly timed, considering the potential to improve An Post’s services and the post office network.

Senator Jerry Buttimer: That is what we said on this side of the House.

Senator Dan Boyle: This comes a week after the European Court’s decision that social welfare allowances should be paid through the post office network. That decision was hard fought for and many thought it could not be won, especially with the impending onset of the EU directive on postal services. That it was won shows the potential for how the one-stop-shop concept, particularly for rural post offices, can be developed.

Senator Jerry Buttimer: Are the Greens selling post offices now?

Senator Dan Boyle: The wording of the motion should have provided an opportunity to have a more open and consensual debate on the future of the postal services.

Senator Jerry Buttimer: The Senator should read the motion.

Senator Dan Boyle: I read the motion. It concentrates on post office closures, the diminution of services and the failure of delivery within set times. It is negative throughout.

Senator Jerry Buttimer: It is anything but negative.

Senator Dan Boyle: It does not highlight the potential of the post office network.

Senator Jerry Buttimer: The network is very good.

Senator Dan Boyle: If Fine Gael wishes to be taken seriously as a potential party for government, it should have put forward a broader vision for the postal service, how it would use it to its maximum potential and how the service, which

has served us well since the foundation of the State, can adjust to change and the new EU directive. Sadly, I have not heard this in the opening contributions or through the motion.

The Government's amendment is correct in calling for the debate to be placed in a wider and more positive context. The positive moves such as the arrangement with Fortis Bank and computerisation must be acknowledged. I accept there has been almost a bidding war about which locations should receive a computerised service. However, there should be a general political commitment on the overall computerisation of the post office network. All possible services should be offered locally in as many places as possible on the island of Ireland.

The motion refers specifically to the closure of 247 post offices in recent times, 50 of which were in County Cork.

Senator Jerry Buttimer: The figure is 399.

Senator Dan Boyle: Many of these closures were decided on commercial grounds and population levels. That is not necessarily how these decisions should be made. Ideally, I would like the Government to examine the possibility of a rural services Bill. It should not be the case that a service in a rural area must be justified by population level and viability. No citizen should have to live more than a certain number of kilometres from services such as public transport, a post office or a fire station. If there were a legal or a constitutional requirement in that regard we would justify our role as legislators and public representatives.

This is particularly true of the post office network which offers the largest amount of person-to-person service which is needed, particularly in isolated areas. We cannot concentrate on the rationalisation that has already occurred. Instead we must identify the future of the network and how existing post office services can be enhanced and upgraded. Most of the rationalisation decisions made by An Post related to sub-post offices. If we heed critical mass and economies of scale in rural communities, post offices must provide certain services to a certain number of people at any given time.

These are the quality decisions of which we, as legislators, must inform An Post. It is a stand-alone body and we cannot be responsible for its day-to-day operations or its general policy. However, I hope my Green Party colleague, the Minister for Communications, Energy and Natural Resources, who is responsible for the general operations of An Post and accounting for it to the Oireachtas, will take on board much of what was said in this debate. I also hope he takes a broader view than the spirit and wording of tonight's motion.

Senator Dominic Hannigan: An Post has achieved much in recent years. Not so long ago its management and staff were at loggerheads. I am glad to see that day has gone, that management and unions are working together for the good of the company and that any changes to its practices are implemented after discussion between both groups. More, however, needs to be done. The company has reached 78% of its projected 94% of next day delivery and hopes to bring that to 80% by the end of the month, which would be welcome.

I am more concerned about the impact of post office closures throughout the country. In the past seven years the number of post offices has decreased from 1,800 to just 1,300, corresponding to a closure every five days which has had an impact on rural services. An Post is one of the largest retail chains in the country, larger than AIB and the Spar network. There is one post office for every 3,000 people.

An Post adds so much to our society that it would be the death of some communities if their post office closed. One third of all post office business is based on social welfare. Post offices are an essential part of daily life in rural Ireland. As Senator Norris said, people go to them for a chat, to pick up local gossip and hear about local events or the local football team. In many parts of the country the post office is the last community service because the pub and local shops have gone. People from all walks of life regularly use the post office, from children starting their first accounts to parents collecting child benefit and elderly people collecting their pensions. Some things are worth paying for and if it requires additional subsidy to ensure this essential community service is retained throughout the country, then the Government should provide it.

Sceptics say that with the advent of e-mail there is less need for postal services, but international comparisons show that is not strictly true. Use of the postal service here has increased by 8% over the past two years while the volume in Denmark has decreased by 1% and in the UK by 2%. We have the second highest growth rate in Europe, which shows that people continue to use the service. The amount of post despatched from the Houses of the Oireachtas shows that it is an essential form of communication.

The EU deadline to ensure an open postal market is only a few years away and we need to know how the Government will respond to this. Attempts at privatising other sectors has caused problems because in some cases it has not been adequately thought out. We have time to ensure any liberalisation of the postal market can be properly implemented. We can also learn from other countries. In the UK the privatisation of the Royal Mail led to significant problems. New entrants to the market did their own sorting

[Senator Dominic Hannigan.]

which increased the complexity of delivery mechanisms throughout the country. As a result, the charging rates in the UK may in future be based on distance rather than volume. We need to know what will happen to the post box at the end of the street and who will be responsible for next day service. We need to ensure any changes to the universal service obligation are well thought out.

I saw a report in the newspaper a few weeks ago that An Post is reviewing the cost-effectiveness of the universal service obligation. We need assurances this obligation will remain. I would be interested in the Minister of State's views on that review. The Labour Party suggested introducing a postal industry regulator or adding this function to ComReg. We need to consider regulation to ensure the interests of the consumer are protected.

Post codes are a mid-20th century mechanism for sorting and delivering post. Other methods are available, for example, the Garda, ambulance services and pizza delivery services use new technology such as geodata.

Acting Chairman (Senator Feargal Quinn): The Senator has one minute.

Senator Dominic Hannigan: I thank the Acting Chairman but I hope he will be as lenient with me as he was with Senator Norris whose two minutes were more like five. I will be brief.

We must take advantage of all technological developments to improve sorting and delivery services. The opening of the market could pose some threats to the future of the postal service. I urge caution because we can learn lessons from privatisation in this country and liberalisation in other countries.

Senator Brian Ó Domhnaill: My local postman is one of the only ones in the country who delivers all of his letters by bicycle every day. A recent TG4 programme followed him for a few days to show that he goes up and down every road on good and bad days delivering the post by bicycle. He is one of the fittest and happiest postmen in Ireland. He told me that he is happier delivering on the bicycle than in a car and if given the choice he would continue to deliver on the bicycle. His name is Seamus Mulligan.

Every year more than 3,600 An Post staff deliver more than 75 million items of mail to 1.3 million homes and businesses from more than 4,500 post boxes and 1,395 post offices nationwide using 2,900 vehicles, including the bike to which I referred. More than 1,000 staff process mail for onward delivery while 1,000 post office clerks at post office counters provide customers with an ever-increasing range of products and services. In addition, more than 1,307 post office

contractors employing a further 1,000 staff provide post office services in dedicated outlets and within large retail outlets throughout the State. A further 162 individuals operate postal agencies for An Post while PostPoint agencies exceed 3,000 nationally.

An Post is in the process of a major country-wide quality initiative geared to delivering and improving on its service. A target of 80% for 2007 was set and agreed with ComReg and 72% was achieved in 2006. At present, a level of 78% has been reached and new figures are due at the end of November. A major three year programme has been agreed between An Post and ComReg with the objective of increasing this level to 94%. Inbound international targets were set at 84.4% in 2006 and 93.3% for 2007.

Mail in Ireland has seen an 8% growth in volume between 2006 and 2007, which reverses the international trend. The TNT system is down 4.4%, Deutsche Post is down 3% and Royal Mail is down 2%. Up to 1 million items are sorted per night by postal staff around the country and we should recognise the great work the postal service does for us in delivering messages daily. Members of An Post's management are here this evening and they are very welcome.

Of the 1,450 post offices in Ireland only 90 are directly staffed by An Post and the rest are operated by self-employed contractors. People are quick to criticise An Post and other companies when they want to distance themselves from blame. Post offices may be closing around the country but when a post office in my constituency of Port na Blath closed some years ago, not due to cutbacks but because the postmaster was retiring, I contacted the chairperson of An Post, Margaret McGinley. The company began local negotiations in an effort to obtain an alternative service provider but was unsuccessful because nobody was willing to take up the service. An Post provided a post box that was subsequently criminally damaged. The company replaced that post box but it was damaged again so it is now unwilling to replace it unless a safe place is found for it. I agree with An Post in all of its decisions in this case because they were made due to the retirement of the postmaster and postmistress who may now enjoy the fruits of their working lives. It is easy to point to closures in general and use general figures but we must remember that there are also specific cases.

The post office network is critical in rural Ireland and the local post office, where people can drop by for a chat, offers a focal point for many communities. I welcome the ruling of the European Court of Justice last week that social welfare payments by the Department of Social and Family Affairs, delivered through the postal service, will not be interrupted and will be allowed to continue. This will be of major benefit

to the many recipients of social welfare payments across the country and it will be of advantage to An Post in the delivery of other services. The Postbank system referred to by Senator Boyle is also of major benefit and means all post offices nationwide will, effectively, operate their postal services while dispensing social welfare receipts and providing a top of the range, international standard banking system. We should welcome this initiative and the ongoing commitment to An Post of Fortis Bank, which is an international financial services provider engaged in banking and insurance.

I support the Government's amendment to the motion because we must support An Post in its work and in the targets it has set with ComReg. There is scope to extend the role of the ordinary postman and we should consider allowing the him act as a conduit in collecting data for the electoral register.

Senator Jerry Buttimer: Hear, hear.

Senator Brian Ó Domhnaill: We could give a statutory basis to the pivotal role the postman plays in providing social fabric for the elderly population of rural Ireland through assistance and daily calls. If the postman was given extra resources to make a call to every house on a daily basis, rather than just those he must visit with the mail, it would provide a sense of security to the elderly and the Department of Social and Family affairs could examine this.

I support Senator Boyle's proposal to have a rural services Bill enacted in the Houses of the Oireachtas because it would be hugely beneficial to rural Ireland, including my county of Donegal, to set its needs on a statutory footing. I wish An Post well because I know what it is trying to achieve and I feel we must support the company. Last week's ruling in the European Court of Justice will assist the Government and An Post in reaching out to the pensioners of Ireland and those in receipt of social welfare.

E-mails and texts are providing new types of competition to postal services that we have not considered and people are no longer sending letters as they would have in the 1930s, 1940s and 1950s. Competition is greater yet letter delivery has increased 8% in the past year and this is to be welcomed because it shows the confidence people have in the system. Reference has been made to snail mail but people are still using it instead of the Internet and other methods of communication.

I support the Government's amendment to the motion, though the Opposition's motion is to be welcomed because it allows us to have a wide-ranging discussion on the postal service and on proposals for its future. It also gives us the opportunity to welcome the work An Post is doing and

make reference to its efforts, in conjunction with Departments, to provide much needed services in rural Ireland.

Senator Jerry Buttimer: Cuirim fáilte roimh an Aire Stáit. The motion set out by my party highlights the importance of the postal system to our nation and, lest there be any misconception, this side of the House supports and endorses the work done by employees of An Post in the distribution of mail and all of that company's ancillary activities. As Senator Hannigan said, post offices are closing at the rate of one every five days. The total number of closures is 399. We cannot hide from this fact and the vision of this motion is a post office system in Ireland that provides an excellent service and a social network for many around the country. Like Senator Ó Domhnaill, I would like to see An Post used in the reform of the electoral register as it is in a complete mess.

I will not take lectures on the spirit of this motion from the Deputy Leader of the House, Senator Boyle. I regret that he is not here to listen to me because the comments of Senator Boyle highlight the Government's abdication of responsibility for post office closures as shown in the different surveys that have taken place. I will debate with any person in this House on the post office system and its services. Does Senator Boyle seriously expect me to believe he supports the closure of post offices in Cork city, specifically my area of Bishopstown? I do not believe he does.

We are all agreed that an efficient postal service is necessary for our society. Senator Ó Domhnaill observed that our affinity with our local postman remains as strong today as it ever was. In my own area, we have probably the best postman in Ireland in Vincent O'Brien. Like Senator Ó Domhnaill's postman in Donegal, he is courteous, good humoured and has a word for everybody. He delivers the mail with a smile. For many elderly people, their exchanges with him may be one of the few social interactions they enjoy on a daily basis. He is a wonderful ambassador for An Post and it is a pity there are not more of his kind. Perhaps the Taoiseach could use him and others like him as models in his active citizenship programme.

The closure of post offices, whether in urban or rural areas, is a challenge that must be confronted. In Cork city, we have seen the closure of the post offices at Dennehy's Cross and in Bishopstown, which were amalgamated into one large office in Wilton shopping centre. One can travel large tracts of both rural and urban areas without encountering a post office. Deputy Lucinda Creighton told me today that post offices have been closed in Rathgar and Terenure. Senators Norris and Quinn referred to competition and viability. However, the social value of postal workers and post offices must be high-

[Senator Jerry Buttimer.]

lighted. Senator Quinn referred to the hardship caused in communities when post offices are closed.

This debate is focussed on the integral nature of the post office system to all communities. Like Senator Brady, I pay tribute to Mr. Steven Fitzpatrick, who has an excellent letter published in today's edition of *The Irish Times*. We on this side of the House acknowledge that there have been improvements in the postal service. Investment has been made and the workers have agreed mechanisms, often at their own costs, to improve the service. An Post workers cannot be faulted by any stretch of the imagination. However, we are living in a changing Ireland. Do Government Members contend it is fine for 399 post offices, 50 of them in County Cork, to be closed? It is easy to envisage our main streets becoming like high streets in other countries, without a post office. Is that what we want?

I welcome the European Court of Justice's important decision on the usage of post offices. As Senator O'Reilly observed, the issuing of social welfare payments brings people into post offices. The European Parliament, meanwhile, has postponed a decision on competition and liberalisation. My colleagues and I would welcome a rural services Bill and I challenge Members opposite to bring forward that. We should have a debate on the challenges facing rural life, which might focus on the role of the post office as a vehicle to galvanise communities. Those of us who traversed highways and byways throughout the State before the Seanad election will testify that post offices in rural areas were a place to stop and ask for directions or to seek some other type of assistance. I recall a postmistress in County Clare — the Minister of State's constituency — who had a loaf of bread, a pint of milk and a copy of the *Irish Independent* on the counter. She was thrilled to meet us and to provide directions. The workers of An Post have helped to build and sustain communities.

We must modernise the provision of postal services. Other speakers referred to banking and Internet facilities. There is no reason that post offices cannot provide Internet café services that would attract locals and immigrants alike. Competition is inevitable in the coming years. How is An Post management preparing for the inevitable liberalisation of the market? Will there be job losses? It is important that we protect workers' rights.

In commending this motion, I emphasise the importance of improving the delivery of services and supporting workers. We must confront the challenges posed in the face of competition from new communications technologies and other sources of distribution of mail. I am disappointed by the comments made by Senator Boyle on the

tone of the motion. It calls for a positive enhancement of the postal service.

Senator John Hanafin: I have no doubt if the management of the transport of 12 million names and addresses were left to An Post, the article would arrive on time and to the correct recipient. While we are sorry our neighbour is experiencing difficulties with its postal service, we take pride in our own.

The Government is committed to a nationwide postal system that ensures all customers, both business and residential, have access to a high-quality and competitively priced service. The progress made to date by An Post in respect of its recovery strategy and change programmes is a key factor underpinning improvements in quality of service. This reflects the commitment in the programme for Government to improved quality of service and the maintenance of a strong and viable post office network. It is clear that the Government is strongly in support of the national postal service.

An Post has a long and proud tradition of public service and a strong interest in what happens in rural as well as urban areas. The company currently deals with the provision of service under the universal service obligation, the equally significant issue of EU liberalisation of postal services and the ever present matter of meeting important commercial imperatives. Each of these is as relevant to An Post's activity in urban areas as it is in the rural environment.

There are several reasons to commend An Post. Its workers do a wonderful job. As many speakers said, each of us has established a rapport with our postmen. In many cases, they remain the centre of communities that have changed in many ways through the years. The postal service is a perennial feature and its reliability is something we have come to expect and appreciate.

I commend the improvements in the next day delivery levels achieved by An Post. I commend the company on securing new business for the post office network, such as the payment of Garda fines and utility payments, the provision of AIB banking facilities and the introduction of e-parcel cards. In addition, the Government has approved the launch of Postbank. I commend An Post on the progress made by management and unions in the implementation of change programmes to prepare for the challenges posed by liberalisation and electronic substitution. In any instance of liberalisation, there must be a level playing field. This means that any potential supplier must provide services in both rural and urban areas in order that An Post is not at an unfair disadvantage.

The commitment of the Government to the post office network is clear in terms of the arrangements with the Department of Social and

Family Affairs for social welfare payments and with the National Treasury Management Agency for retail savings products. An Post has become significantly more than a provider of postal delivery services. It has expanded its capabilities. I am thinking about Komplett, a leading European e-commerce business with Internet shops in ten countries. Last year the company received an order every 36 seconds through these shops. For the Irish market, all orders are shipped from a warehouse based in Holland and the company's goal is to serve the customers, naturally, in the best possible manner. An Post is a strategic partner here and the company has noted this arrangement has improved the quality of distribution. Customer satisfaction has also improved.

Another concept which might not come to mind so quickly is DVD by mail. Screenlick is Ireland's leading DVD mail order company, bringing customers' favourite films directly to their homes. The business is entirely dependent on an efficient delivery partner for rental and returns. An Post has delivered large quantities of these DVDs with no slowdown in service and a quality on-time delivery.

Another e-business is Shopdirect, with more than 100,000 customers across Ireland. The company supplies everything from clothes to cameras. An Post provides the direct mail solution for most of the products, with unrivalled delivery.

We can see consistent improvement in the financial statements and profitability of the company, as well as diversification. I am sure I speak for many people in the Oireachtas in that I am delighted when I receive from An Post, on a regular basis, beautiful stamps. A member of my family has become an avid collector. We receive these *gratis* and they are of a very high standard, encompassing many aspects of Irish life.

I thank An Post for this, particularly the staff, who have played a strong leading role in the many years of economic development we have seen. I am delighted An Post has diversified so significantly into banking and e-payments to ensure its business continues to grow and move with the times. We should protect this through legislation and look to grow the company by ensuring it has a level playing field.

Senator Alex White: Before I make a few brief remarks on the motion, I will briefly respond to Senator Boyle's comments from earlier in the debate, when he criticised the Fine Gael motion. He indicated it was mainly negative and no concession was made to positive achievements that have undoubtedly occurred in recent years.

There is a funny dilemma here for us as Senators because nobody could think it is the Opposition's job to sit down and work out ways of congratulating the Government on every aspect of its work. That is hardly Senator

O'Reilly's job in the context of promoting a debate in this House. It is the Opposition's entitlement — some would argue its bounded duty — to identify aspects of Government policy or activity which require debate or criticism.

It is a bit rich for Senator Boyle to come in here and turn on the Opposition — as he has done on previous occasions when he was right to seek a consensual approach to issues — if one considers the Government amendment. If the Fine Gael motion is all negative, which I do not accept, what can be said about the Government amendment? To read that amendment or to listen to some Government speakers, one would think nothing is wrong with the postal service. The executives of An Post listening to this debate, particularly the Government Members, must be embarrassed by some of the laudatory remarks and contributions.

It is of course accepted on this side that improvements have been made and excellent people work within An Post, including its management, but it is our duty to point out what could be improved and where difficulties lie. It is odd that Senator Boyle should indicate, for example, that due account has not been taken of a recent European decision which has brought changes, and that this should have been included in the motion. Why was the motion not amended to take account of that?

The Leas-Chathaoirleach will appreciate I am new to this process and I have some difficulties in getting my head around how business is sometimes done. If Senator Boyle or other Government Members felt the European decision was missing from the motion, why did they not amend it in that regard? Instead, every week on Wednesdays at 5 p.m., if we have an Opposition motion in Private Members' time, there is a Government amendment which is almost laughable.

I realise that is the procedure of this House, which I do not denigrate, but the amendment always proposes the deletion of the words "after Seanad Éireann" and replaces all the bullet points with text detailing how incredible everything is in the service we are discussing.

Senator Diarmuid Wilson: They are facts.

Senator Alex White: Today it is An Post.

We should get real on the issue. If the Opposition is to be called to account for, in the Government's view, going too far in its criticism, the Government speakers must be called to account for some of their hyperbole. It is nearly impossible to take seriously some of the comments heard in these speeches.

A very important point was made relatively early on in the debate by Senator Quinn. As other Members have pointed out, it was partic-

[Senator Alex White.]

ularly compelling coming from him as he has been successfully involved in business and understands the market and mechanisms of the marketplace. I respectfully agree with and reinforce his point that the market, as we know, does not and cannot solve everything.

Our post offices are more than businesses and must be seen as more than simply businesses. We must keep an eye on the financial viability of services, and people in this House should understand services must pay their way. Ireland and the places around it are changing. As this happens, the heartbeat of the community, the post office, is one of the last focal points existing in many communities throughout the country.

There has been a heavy emphasis in this debate on rural Ireland and I do not have any difficulty with people noting the changes affect rural Ireland more than anywhere else. We should not forget that the local post office is sometimes equally as important in urban, and particularly suburban, Ireland. In such cases the focal point of the community is the post office. One may argue there are other services available but we understand the post office is a place to go and a focal point for people to meet. There is almost a sense of an informal surveillance, although not in a sinister way. Those who run the post offices can understand very often what the issues are in the community, what is happening, who is up, who is down, who is around and who is not. It performs a community and social service, the value of which is incalculable to our society and well-being.

It is important that we, as Senator Quinn rightly indicated, see this as more than simply a business but also as a vital focal point in the community. I emphasise that significant changes have taken place in rural Ireland and the loss of a post office has a serious effect, but we should not forget suburban Ireland.

I worked in broadcasting and it interested me when people used to write into radio programmes about isolation in rural Ireland. I recall a person from one of the older inner suburbs of Dublin writing into a programme on which I worked, pointing out that loneliness and isolation is not confined to rural Ireland and can be just as debilitating and serious for a person in a city. The remaining focal points we have, with the post office at their heart, must be supported.

We should think of ways and encourage An Post to formulate innovations to expand the use of post offices, as other Members have said. We could integrate more functions into the post office, be they places like coffee shops or IT-based services. We should see both rural and urban post offices as part of the village square of the 21st century and we should support the service in future.

Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Tony Killeen): Gabhaim buíochas leis na Seanadóirí a labhair ar an rún tábhachtach seo. Is oth leis an Aire Ryan nach féidir leis bheith i láthair ach tá sé páirteach i gcrúinniú na Comhairle Aireachta Thuaidh/Theas inniu.

The Government recognises the critical importance of having a nationwide, reliable, efficient and competitively priced postal service. It has set out in its programme the clear objectives of much improved next-day delivery rates and the maintenance of a strong, viable post office network which reaches into every community in Ireland and which properly remunerates all those involved in it. Senator Reilly asked about the postcode project. It is set out in the programme for Government and work is ongoing to quantify the full benefits and costs involved.

The economy and society at large also need a strong and vibrant postal service in light of the many internationally traded sectors operating in the country. There is also, however, a need for An Post to be competitive. In this regard, there is universal agreement that change is required if the postal services offered by An Post are to adapt to the modern business environment and to continue to offer a top class nationwide delivery service to the customer into the future.

Like all businesses, if An Post is to prosper and to grow, it must adapt to the demands of its customers and place delivery of quality services as its primary focus and objective. The Commission for Communications Regulation, ComReg, in its role as regulator of the postal sector, is responsible for the monitoring and measurement of levels of service to be achieved by An Post. It also is responsible for setting target levels and, in this regard, has set a quality of service target of 94% next day delivery for An Post.

We accept that An Post's quality of service has failed to meet the required standards. An Post management has accepted this reality and knows there is a long way to go before it achieves acceptable levels of service. However, its programme of action to improve its standards of service, conducted over the past two years, has begun to bear fruit. A 78% next-day delivery rate was recorded for the first six months of this year, up 5% over the same period last year. Levels are set to improve for 2007, with 80% target levels achievable by year end.

To maintain this rate of momentum, the company recently put in place a special initiative that is set to achieve ComReg's target of 94% incrementally over the next three years. There is no doubt this is a significant challenge for An Post but, if the company is to prosper, it will need to meet and be seen to meet the required service standards. Furthermore, to incentivise An Post to reach this standard, ComReg has said that no

future price increases will be granted until such time as An Post reaches a satisfactory level of service.

The timeframe for meeting these standards will coincide with the period leading up to 1 January 2011, the date now set for full market opening of the postal sector in Ireland. It is therefore of the utmost importance that An Post improves its levels of service to place itself in a prime position to compete successfully with existing operators and new entrants into the market and to remain the operator of choice.

The protection of the universal service will remain important in the context of a fully liberalised market. As enshrined in EU and Irish law, An Post is currently designated as the universal service provider with a remit to deliver mail no less than five times per week to every address in Ireland at a standard tariff. The draft directive proposes that there is no change in the existing levels of universal service, a position the Government supports. A key objective of Government will be to safeguard the universal service in a liberalised market, to ensure that Irish citizens continue to receive a broad suite of postal services at competitive prices.

Another important issue that may arise is the cost of meeting the universal service obligation. The draft directive sets out a number of options for meeting this cost from which member states may choose. A number of international studies, however, suggest that there may not be a net cost associated with the USO. In addition, a number of countries, including Sweden and Britain, have already fully liberalised their postal markets and none has provided for a specific compensation mechanism for funding the USO. The Department of Communications, Energy and Natural Resources intends to conduct a public consultation when the directive has been ratified and this is one of the issues that will be explored in more detail. This will likely take place early next year.

Another Government objective is the continued viability of An Post in the face of open competition. In this regard, the Government is firmly of the belief that there will continue to be a key national role for An Post, both in the delivery of mails and as a quality service provider of Government and financial services through its nationwide network of post office outlets.

An Post, however, like all national postal operators, must change very rapidly to stay competitive and commercial in the European postal market. The increased level of competition that liberalisation will inevitably present is not the only challenge facing An Post. New technologies, that have developed outside the postal sector, such as electronic fund transfer and electronic communications, are currently posing a competitive threat to An Post's business. There is wide-

spread agreement that change is required if the postal services of An Post are to adapt to the modern business environment and the likely increase in competition in order that it can continue to offer a top class nationwide delivery service to the customer into the future. It is worth noting, however, that new technologies have provided new opportunities such as a growth in the parcels market and e-fulfilment.

Senator Hannigan mentioned ebay. An Post has concluded a deal with ebay on an e-parcel card, which allow An Post to benefit from the Internet economy. The idea of e-fulfilment involves the delivery and completion of service for items ordered on the Internet.

It was with this in mind that the board and management of An Post prepared a recovery plan, incorporating details of new collection and delivery arrangements which are now in the process of being implemented. Work practice changes will increase operational flexibility within the company and assist in managing the company's cost base. Such changes will enable the company to provide a cost effective mails service and quality of service standards which meet customer expectations.

With regard to the post office network, this Government and the board of An Post are fully committed to the objective of securing a viable and sustainable nationwide post office network through a strategy of maximising the volume of both public and private sector business handled by the network. This objective is clearly set out in the programme for Government and has been central to policies for the postal sector.

The An Post network has many competitive advantages and comprises the single largest number of retail outlets in the country. In total it comprises 1,312 post offices and 170 postal agencies. In addition, An Post has also established almost 3,000 Post Point outlets in retail premises throughout the country, of which nearly 550 can be used for bill payment. Of the 1,312 post offices, 328 are not automated and the remainder are.

In the European context, Ireland still has one of the highest number of post offices per head of population, with approximately 4.2 outlets per 10,000 inhabitants, compared with a European Union average of 2.7. While some network restructuring has been necessary in recent years leading to the closure of some smaller post offices, it is worth noting that this activity is in line with similar trends across Europe.

The Government will support the network in any way it can and the Minister has made it clear to the board and management of An Post that he will be supportive of them in their efforts to ensure the post office network continues to develop and thrive. The development and continued viability of An Post and its network is, in

[Deputy Tony Killeen.]

the first instance, a matter for the board and management of the company. Consequently, the way forward is for An Post to enhance existing services and, building on existing strengths, to develop new product offerings and diversify its and postmasters' income streams.

To be clear, the post office network has a number of significant advantages of which Members are well aware, such as its nationwide reach, its high customer footfall, its strong brand visibility and a solid relationship between postmasters and their customers. The automation of most of the network has been a key factor in An Post securing business growth in its contractual arrangements with AIB, Western Union, Gift Vouchers and Billpay.

Also essential to the continued viability of the network are the Government contracts in place, which include the Department of Social and Family Affairs contract to pay social welfare payments through the post office network, Garda fines, TV licences and NTMA savings products. These contracts account for approximately 65% of the post office network's current revenue.

Automation and technology alone will not bring in the business required to support the network. The challenge for the company is to develop a strategy that satisfies the needs of existing customers while attracting new customers into the post office to maintain as large a network as is viable.

One such strategy was the Government-approved joint venture between An Post and the Belgian bank, Fortis. Postbank is a retail banking business that was launched in May of this year. It entails the provision of a range of financial services operated through the post office branch network, using the An Post brand and other An Post assets. This new venture will result in real investment in the post office network in both rural and urban areas at a time when many of the private sector financial institutions are withdrawing their facilities from rural locations.

In addition, the venture should place An Post on a platform to continue to win more business and to be able to compete with other financial services institutions. Postbank, when it is fully operational, will allow people who would not traditionally have been bank customers to avail of a full suite of financial services and products designed to be clear and simple to use at the local post office.

Furthermore, the venture will enable the company to deliver the quality customer services that are now demanded by the public and that also means social welfare recipients will have more options for their preferred method of payment.

We in Government want a strong and vibrant An Post delivering the highest quality postal and counter services to the Irish public on a financi-

ally sound basis. The Government also believes that Irish consumers deserve a quality of service comparable to that received by consumers anywhere else in Europe.

A quality postal service is important in the context of a modern competitive economy such as Ireland's.

The way forward for our postal services is to ensure we have adequate competition without diminution of the universal service. The development of further competition, allied with a modernised and customer-focused An Post, will provide the basis for further development of the postal sector here.

Senator Eugene Regan: I thank the Minister of State for his informative outline. However, where is the conflict in this regard? When examining the motion tabled by Fine Gael, I cannot discern the point at which his statement is in conflict with its objectives or the reason it is necessary to be confrontational on this issue by tabling an amendment that rejects in its entirety the original motion.

Ireland has an extremely low volume of mail per head of population when compared to other countries of similar affluence, which is a reflection on the nature of the service. The Government's amendment acknowledges the need for "a nationwide postal service which ensures all customers ... have access to a high quality, competitively priced postal service". The issue of next-day delivery and its associated criteria has been debated and is a key measure of such a competitive and quality service. An Post has been assisted by the framework that is provided for in European law, which recognises the concept of the universal service of general economic interest. Moreover, the recent European Court of Justice judgment on the contract for the distribution of welfare payments through post offices is a welcome development. Consequently, the framework is in place and the issue is really one of competence and management domestically. No prohibitions or restrictions constrain the Government or An Post from providing an efficient service.

I refer to the criteria regarding next-day delivery. While the Commission for Communications Regulation standard is set at 94%, it appears that An Post is working to a different standard. Why have an independent regulator unless one works to its standard? The will does not appear to exist to complete the drive to achieve a rate of 94%. While these are not criticisms as such of An Post, its management or workers, it is incumbent on Members of the Oireachtas to point out continually the need for greater efficiencies, better management and competence at the different levels, as well as better direction and regulation on the Government's part.

Some post office closures are inevitable. However, the nature of the service of general economic interest provided by An Post is a factor that must be taken into account. I agree fully with the comments made by Senator Alex White in this regard. It is clear that the European Union does not perceive competition to be the be all and end all in such areas. It gives recognition to the concept of a service of general economic interest and An Post falls within such a category.

While the Minister of State's contribution was informative, it does not sustain the amendment to the Fine Gael motion that has been tabled. I have heard nothing in the debate thus far or from the Minister of State that cuts across Fine Gael's call on the Government for the two items listed in the motion. The first is "to seek an improved timescale from management in An Post for delivery services and to prioritise plans for better organisation of collections, sorting and delivery services". I cannot see how there could be a difficulty in acquiescing to this motion. The second item calls on the Government "to seek assurances from An Post management that essential services provided by post offices nationwide are maintained". There are no grounds for rejecting this Fine Gael motion.

Senator Paddy Burke: I welcome the Minister of State to the House and the opportunity to say a few words on the motion tabled by my colleague, Senator O'Reilly. I am also mystified as to the reason an amendment to this motion was tabled because it has facilitated a useful debate on the services that have been and continue to be provided by An Post. I also welcome the staff from An Post to the Public Gallery.

Some great ideas have been put forward during this debate. The Leader of the House, Senator Cassidy, has frequently put forward his suggestion regarding the electoral register. I agree fully with Senator Cassidy and other speakers who proposed it in the House this evening. Undoubtedly, An Post is the organisation that can perform the best job in respect of the electoral register. Its representatives visit every house and know the people in every locality and its employees are the best people for the job.

Much has been said in respect of social inclusion and much money has been spent in this regard by local authorities, health boards and other bodies nationwide. Senator Ó Domhnaill is correct to state that postmen could be a useful resource in the context of visiting houses. Perhaps this should be considered on a weekly basis in rural Ireland in particular. Some houses probably do not receive mail from year to year and having the postman call on a weekly basis, undoubtedly would provide a great social service in the most rural localities. This proposal should be considered by the Minister.

I also believe that An Post should have entered some public private partnerships, particularly in respect of the Internet café business. Perhaps it is not yet too late for An Post to enter such a business and it should explore this avenue. While I welcome the improvements that have been made in respect of next-day delivery, it is a shame to see the staggering number of post offices that are closing down nationwide. Were the Minister and An Post to consider some of the proposals made in the House this evening, it could have the effect of re-opening some of those offices. The Government amendment alludes to securing new business and I am sure all Members, as well as all public representatives nationwide, would welcome any initiatives put forward by either the Government or An Post.

I wish to draw the Minister's attention to an issue in respect of dormant accounts. This matter has been brought to my attention by Councillor Michelle Mulherin from Ballina, who is a solicitor. While acting in her professional capacity, she wrote on behalf of an estate to An Post regarding some savings bonds or certificates. An Post replied stating it had no record of anyone holding savings bonds with the names she had forwarded. It took An Post two months to reply. She wrote to An Post again and after a considerable time, she received the same reply, that is, nothing. While not everyone has the physical bonds or savings certificates to hand, in this case she had them in her possession and could furnish them to An Post. An Post then found the names of the people who corresponded to the bonds and the certificates she had. It would not be long before those accounts would become dormant and the money would be disbursed to the dormant accounts fund. The person in this case had moved to rented accommodation and even if An Post made every effort to find him or her, it might not have succeeded. I cannot understand how An Post had no record in this case. Is it due to poor technology? Was the delay in answering the solicitor due to lack of personnel? In how many other cases has this happened? We are in favour of new business being created and the Government motion mentions retail savings products, but were it not for the diligence of this solicitor this estate would have lost out. She had to write to An Post twice and received two refusals. I ask that the Minister of State bring this to the attention of An Post, the senior Minister or whoever is involved. It begs the question as to how diligently the searches are done and whether we have suitable technology. I welcome the Minister of State's acknowledgement when he nods to say he will investigate this matter. Perhaps we should have a debate on the dormant accounts aspect of this. I look forward to the Minister of State responding to me on this issue.

Senator Joe O'Reilly: I join with Senator Brady and others in welcoming An Post's representatives. I was unaware of their presence when I spoke earlier. I particularly welcome Mr. Angus Laverty, a senior manager in communications, who is particularly helpful in his contact. I acknowledge and applaud Senator Brady's previous professional involvement with An Post, his role in the trade union movement there and the expertise he brings to this debate as a consequence. I join with colleagues in applauding individual post women and men across the country who do a tremendous job every day in a friendly, positive way. We can do nothing but applaud them. They are great people whom we acknowledge. Senator Burke suggested post men or women calling on people who have no visitors could be a Government scheme that could augment An Post's income as part of the social services. I support that call and it has great merit. I often speak in other fora on the isolation of individuals in those situations. It is a logical reform to involve An Post in the electoral register. Post people are in an ideal position to assist with it.

Senator Boyle, in an almost student debating fashion, identified the debate he thought we should have but offered no practical solutions or constructive points. There is no practical or worthwhile suggestion in what he said and the record will support this. Senator Boyle is the poacher turned gamekeeper, and is taking his role as gamekeeper to an extraordinary level beyond requirement.

Senator Alex White: He is having a crisis.

Senator Joe O'Reilly: Absolutely. He talked about negativity in our presentation of the motion but that was groundless and the record will substantiate this. I acknowledged An Post's 4% improvement in next-day deliveries this year. I acknowledged the advance in industrial relations, for which management must accept some plaudits. Senator Brady was aware of this because of his former trade union activities. I said the rural post office was a focal point in our communities and highly valued by the people. What I meant was subsequently elaborated by others here, that it is a drop-in centre, a place of friendship, a social centre, a one-stop-shop for many people and a friendly focal point in a community,

and is of great importance. I acknowledge what Senator Quinn said, that it should be viewed in social terms, and so it should, however I identified ways we could augment its business, and Senator Quinn would be the first to acknowledge that this is necessary.

I appreciate Senator Alex White's comments, which are relevant. In a healthy democracy such as ours it is the job of the Opposition to raise probing issues, explore what is happening in a critical way and attempt to achieve change by that method. On Senator Quinn's point about broadband, we have addressed that issue and will do so again in the next month in a comprehensive fashion with many new ideas.

The motion makes two substantive points. It states we do not have next-day delivery for approximately a quarter of our post and in a competitive, modern environment that is not in order and we should strive to improve on it. We acknowledge what has been achieved to date but there is a wide gap between the level of delivery recommended and required by the regulator, which is 98%, and the national average of 78%. There is a problem and it needs to be addressed. It is relevant to our industrial performance and many other issues, and it must happen. Why should we be behind Britain and other European countries on this?

The motion's other point is the closure of post offices. The Government has been too acquiescent in the closure of 399 post offices in the past ten years. There should not be 7 o'clock complacency on this. It is a crying shame and it is the job of Opposition to record that fact. The two problems are next-day delivery levels and the closure of post offices. In light of the Minister's speech, in which he accepted many of our contentions, and in light of all the arguments, we again ask the Government to withdraw its amendment and accept our motion. I commend the motion to the House as a sensible exhortation to the Government and An Post to improve its service to the Irish people.

Amendment put.

An Cathaoirleach: The electronic voting system will be in use next week. I ask each Senator to check with their group's whip as to what seat has been assigned to him or her. Should any confusion arise, Senators should contact the Seanad office.

The Seanad divided: Tá, 29; Níl, 20.

Tá

Boyle, Dan.
Brady, Martin.
Callely, Ivor.
Cannon, Ciaran.
Carty, John.
Cassidy, Donie.
Corrigan, Maria.

Daly, Mark.
de Búrca, Déirdre.
Ellis, John.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.
Keaveney, Cecilia.

Tá—*continued*

Kett, Tony.
Leyden, Terry.
MacSharry, Marc.
McDonald, Lisa.
Norris, David.
Ó Domhnaill, Brian.
Ó Murchú, Labhrás.
O'Brien, Francis.

O'Donovan, Denis.
O'Malley, Fiona.
O'Sullivan, Ned.
Ormonde, Ann.
Phelan, Kieran.
White, Mary M.
Wilson, Diarmuid.

Níl

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Coffey, Paudie.
Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Fitzgerald, Frances.
Hannigan, Dominic.

Healy Eames, Fidelma.
Kelly, Alan.
McFadden, Nicky.
O'Reilly, Joe.
Phelan, John Paul.
Prendergast, Phil.
Regan, Eugene.
Ryan, Brendan.
Twomey, Liam.
White, Alex.

Tellers: Tá, Senators Déirdre de Búrca and Diarmuid Wilson; Níl, Senators Maurice Cummins and Joe O'Reilly.

Amendment declared carried.

Motion, as amended, put and declared carried.

An Cathaoirleach: When is it proposed to sit again?

Senator Donie Cassidy: Tomorrow at 10.30 a.m.

Sitting suspended at 7.20 p.m. and resumed at 7.25 p.m.

Adjournment Matters.

Farm Waste Management.

Senator John Paul Phelan: I welcome to the House the Minister of State, Deputy Batt O'Keeffe. My matter on the Adjournment refers to farmyard waste, and particularly waste other than plastic. A scheme for the disposal of plastic waste was introduced a number of years ago which is operating with varying degrees of success across the country, but there is a considerable amount of other waste created on farms, just like other businesses right across the length and breadth of the country.

This issue of the difficulty of disposing of these wastes other than plastic was brought to my attention by a number of people who are involved in agriculture in my constituency of Carlow-Kilkenny. A number of years ago it was mooted that there would be either an extension of the existing plastic waste scheme or another initiative would be introduced to provide a new scheme to cater for farmyard waste other than plastics. I

hope the Minister of State has some good news in that regard.

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Batt O'Keeffe): Senator Phelan will be aware of the significant progress in Ireland in improving our recycling performance and this has also been evident in the farming sector with the successful operation of the farm film plastics recovery scheme. The current scheme, operated by the specially established producer compliance scheme known as the Irish Farm Films Producers Group, the IFFPG, has achieved significant success in the recovery of waste bale wrap and silage wrap since it was established in 1997.

In recent years the scheme has been streamlined and improved, including through the development of better labelling to improve tracking of the movement of this material throughout the supply chain to combat the problem of unlevied farm film plastic being placed on the market. The revised arrangements agreed by my Department with the industry stakeholders also involved the clearing of a substantial backlog of uncollected farm plastic that had accumulated over the period since the scheme commenced. Special subsidised open-day collections were arranged on a phased basis. Under the scheme, facilities were temporarily designated on a once-off basis in each county council area where farmers could deposit stockpiled farm plastic free of charge. These events, which will be completed shortly, proved extremely popular with the farming community and it is now estimated that the total amount of plastic collected will be in the region of 37,000 tonnes. The scheme was funded from the Environment Fund.

[Deputy Batt O'Keeffe.]

The IFFPG is focusing on a similar approach, involving the use of temporary bring facilities, for future collections as they do not involve the high transport costs associated with individual farm collections and are likely to enjoy the continued support of farmers. My Department has also been in discussion with the IFFPG and the producers of agricultural and veterinary packaging, animal remedies and other hazardous substances used in farming. My priority now is to try to build on the model that has worked successfully for bale wrap. However, this will give rise to different challenges as these wastes cover not just packaging waste, some potentially hazardous such as bags used for feed or fertilisers, and chemical containers, but also substances such as unused or out-of-date animal remedies, the latter requiring collection under separate European Union and Department of Agriculture, Fisheries and Food legislation. My Department will seek to ensure that a service is developed that will be available at a reasonable cost to farmers and that costs will be covered in whole or in part by producer responsibility obligations in accordance with the polluter pays principle.

The development of environmentally sound management of hazardous waste, including the materials arising on farms is being addressed by the Environmental Protection Agency in the context of the draft second National Hazardous Waste Management Plan. The plan has been published on the agency's website in draft form for public consultation, which affords all stakeholders an opportunity to make observations on its contents. The deadlines for submissions to the EPA in this regard is 31 January 2008.

In the coming months, my Department will continue to pursue with the relevant producers and farming interests the further development of the producer responsibility concept.

Estate Management Companies.

Senator Dominic Hannigan: I welcome the Minister to the House. His presence is an indication of the importance of the subject of unregulated management companies. I understand a high level interdepartmental group is expected to deliver recommendations on this issue in the new year. While I recognise and welcome the fact that some form of resolution is in sight, residents affected by this legislative black hole deserve and expect some form of clarification in terms of the measures that will be put in place.

In my own area estates like Glasheen and Kilbreck in Stamullen, Northlands, Woodside and Grangerath in the east Meath area, and Dunboyne Castle estate are all being run by management companies. While all the companies in the estates I mentioned are well run, competent and efficient, an unregulated system and manage-

ment model is in nobody's interest. Many residents who have ended up as members or directors of those companies did not envisage they would have to take on that commitment and the hard work when they bought a house in their estate. It is vital that a well-thought out, comprehensive regulatory framework is put in place in the interests of all parties.

In July 2006, the then Minister for the Environment, Heritage and Local Government, Deputy Dick Roche, issued a directive to local authorities that no more management companies be put in place for traditional housing estates. He recognised that some sort of management company might be necessary for multi-unit apartment blocks but only for the corridors that are shared and private car park areas. He indicated also that all essential public services should be taken in charge as soon as possible by the local authority upon completion of the estate. That directive was of no practical benefit to those people tied in to management estates throughout the country. Why should residents in Meath, Louth and beyond have to pay for essential services when an estate across the road from them gets those same essential services for free?

The establishment of management companies was included in the planning conditions of many of these developments. In a number of cases the necessity to sign up for that management company was hidden in the small print of the contract and many people were unaware they were signing up for it, and many of their solicitors did not tell them, until they got the bills a year later. I will not make an issue of that but it is essential something is done about it.

The problem for these residents does not end there. If a developer refuses to hand over control of the company, residents are often powerless to make decisions that affect their own estates. It is essential, therefore, that any new legislation clarifies and defines the handover process from the original management company to the residents.

Cases have arisen in Dublin where management companies have not held annual general meetings and are failing to make the relevant declarations and returns on behalf of the companies. That can give rise to significant financial and legal difficulties for residents. I emphasise that many of those management companies are extremely well run. People give up their leisure time to ensure their estates are run well. That is not the issue. The issue is that residents should not have been put in this position in the first instance. It is important we take the opportunity now to put in place proper legislative regulations to put those companies on a sound basis. I appreciate the Minister coming into the House to respond.

Minister for Justice, Equality and Law Reform (Deputy Brian Lenihan): I thank Senator

Hannigan. The issue of the regulation of management companies is a topical one and I welcome the opportunity to inform Seanad Éireann of ongoing developments in this area.

One of the most striking features of the property market in Ireland in recent years has been the growth in the number of multi-unit developments. These may comprise blocks of apartments, some of which may contain commercial elements, or mixed developments of multi-unit blocks and stand-alone housing. The majority of these developments involve the establishment of a property management company to take ownership of the common areas and to hold the freehold interest in the individual units. As Senator Hannigan fairly pointed out, many of these management companies have been required by conditions imposed by the planning authority.

Essentially, a property management company comprises owners of units within the development. The main role of the property management company is to retain ownership of the common areas in the development, both internal and external, and the task of the directors, who comprise those from among the owners who are prepared to undertake the responsibility, is to manage the complex for the benefit of all the residents and owners. I agree with Senator Hannigan. The question of when the apartment or house owner gets the transition to exercising effectively his or her rights in this management company is an important issue which requires to be addressed.

As part of its second programme of law reform, the Law Reform Commission undertook to examine the issues pertaining to the multi-unit development sector. In including this area in its programme, the Law Reform Commission was conscious that the growth of the sector had been unprecedented and that the law surrounding multi-unit developments was unclear and required examination.

I am sure Senator Hannigan is aware that in December 2006, the commission published its consultation paper which drew attention to a broad range of issues arising in regard to the governance and operation of such developments. The issues included, first, the manner in which company law applies to property management companies; second, the role of developers and planning authorities in the proper functioning of the law surrounding multi-unit developments; third, the unclear distinction between managing agents and management companies; and, fourth, consumer protection issues, including the calculation of service charges, sinking funds and dispute resolution. The paper also dealt with the possible introduction of a regulator for this sector.

It is important to stress that, as with all such papers published by the commission, the consul-

tation paper is the basis for discussion and that any recommendations, conclusions and suggestions contained in it are provisional. As usual on the publication of a consultation paper, the commission has invited submissions on the subject matter and on the provisional recommendations contained in the paper. Following the period of consultation and further reflection the Law Reform Commission will publish, in due course, its final report and recommendations on the subject of multi-unit developments. I share Senator Hannigan's anxiety that we hear from the Law Reform Commission on this subject as quickly as possible because a final report from the commission is essential to allow me prepare legislation in this area.

It is clear to anyone reading the consultation paper that the subject matter of multi-unit developments is very complex. The Government is acutely aware that measures to address difficulties in the multi-unit development section may require initiatives over several policy fields such as planning and development law, company law, consumer protection law and the development of regulatory structures.

For that reason, following the publication of the consultation paper, the Government established the high level, interdepartmental committee referred to by the Senator in his contribution. That committee must assist in the development of a coherent and comprehensive response to the broad range of issues arising in regard to multi-unit developments and the operation of property management companies.

The committee has met on seven occasions to date and is examining the issues raised by the commission in the consultation paper. A key task of the committee is to identify the legislative and administrative actions to be taken in response to recommendations for legislative reforms which will be set out in the forthcoming report.

It is important also to distinguish between the property management company and the property management agent. The company is made up of the owners in the multi-unit development whereas the agent undertakes property related services under contract for the property management company.

Legislation to establish the Property Services Regulatory Authority, which will regulate both auctioneers and property management agents, is being drafted and I intend to publish it as early as possible in the new year. An implementation group has been established to assist and advise on practical matters relating to the establishment of the new authority and to prepare for the new licensing system. The authority will be located in Navan in County Meath. I had the honour of opening its offices last Friday. The reason the authority has been established on a provisional basis pending the enactment of the legislation is

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to ensure that once the legislation is enacted, we can proceed to implementation as quickly as possible.

The group has published a code of practice for auctioneers and estate agents. This is voluntary in character until the legislation is adopted. The group is preparing a similar code for property management agents which it will introduce early in the new year. Again, that will be voluntary in character until the legislation comes into operation.

The implementation group has also compiled and published a public register of licensed auctioneers and estate agents which it intends to extend to property management agents in due course. It is all too easy to say the new authority is only operating on a voluntary basis. It is better that the authority operates on that basis pending the establishment of the authority than we wait for the enactment of the legislation to have an authority up and running in this area. The issues raised by the Senator are urgent and must be addressed in a brief timeframe.

During the consultation period, a number of initiatives were taken by Departments and State bodies to address some of the difficulties faced by residents in multi-unit developments. Further action in this area will include the issue of new planning guidelines on residential development which will update and expand on the residential density guidelines.

Regarding the taking in charge of residential estates, the Minister for the Environment, Heritage and Local Government informed planning authorities in a circular letter of July 2006 that they should not attach conditions requiring management companies to planning permissions for traditional housing estates, that is, estates of houses with individual private gardens except in specific circumstances. The circular acknowledged, however, that further consideration needed to be given to the issue of responsibility for the maintenance of certain shared facilities in newer estates comprising a mix of houses, duplexes and apartments.

Accordingly, the Department established a working group in August 2006 representative of local authorities, architects, planners and consumer interests to consider this issue. The group has completed its work and produced suggested draft policy guidance. The Minister has asked his

officials to re-examine a number of issues, especially in the context of the new programme for Government.

Earlier this year, the National Consumer Agency established a forum that was attended by many of the interested parties in the sector. Negotiations are ongoing with the house building sector on the establishment of a voluntary code of conduct in respect of multi-unit developments. Similar discussions are being held with the property management agency sector, which is under my remit. That code will be ready early next year. The NCA has also developed a training module that will seek to address an acknowledged gap in the understanding of owners of units in apartment blocks of their rights and roles as members of management companies.

In a similar vein but concentrating on the company law side of the equation, the Office of the Director of Corporate Enforcement is developing a document for members of property management companies that will outline from that perspective the role of the company and its responsibilities as regards compliance with requirements under the Companies Acts.

I await with great eagerness the report of the Law Reform Commission. While property management companies are regulated by traditional company law, it is clear from recent years' experience that their distinctive features require distinctive regulation. The Departments involved have asked my Department and me to co-ordinate a response.

Senator Dominic Hannigan: I thank the Minister for his comprehensive reply. Like him, I welcomed the opening of the new office in Navan and the website last week.

The Minister referred to the Department of the Environment, Heritage and Local Government's draft policy guidance and the fact that its Minister may tweak some of the recommendations. The Office of the Director of Corporate Enforcement is considering producing a document for residents. Is there a timeframe for the production of either document?

Deputy Brian Lenihan: I do not have the timeframes to hand as neither body is under my direct remit.

The Seanad adjourned at 7.45 p.m. until 10.30 a.m. on Thursday, 22 November 2007.