

SEANAD ÉIREANN

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Déardaoin, 20 Nollaig 2007.
Thursday, 20 December 2007.
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Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

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Paidir.
Prayer.
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Business of Seanad.

An Cathaoirleach: I have received notice from Senator Maria Corrigan that she proposes to raise the following matter on the Adjournment of the House today:

The need for the Minister for Health and Children to provide a report specifying the nature of the expenditure of moneys allocated specifically to mental health and physical and sensory disabilities in Budget 2007 and to provide a progress report on the implementation of a Vision for Change.

I regard the matter raised by the Senator as being suitable for discussion on the Adjournment and it will be taken at the conclusion of business.

Order of Business.

Senator Donie Cassidy: The Order of Business is No. 1, the Appropriation Bill 2007 — all Stages, to be taken at the conclusion of No. 11 and to conclude not later than 12 noon, if not previously concluded, with the contributions of spokespersons only, which are not to exceed seven minutes; No. 2, early signature motion on the Appropriation Bill 2007 — to be taken without debate on the conclusion of No. 1; No. 3, Health (Miscellaneous Provisions) Bill 2007 — Committee and Remaining Stages to be taken at the conclusion of No. 2.; No. 4, early signature motion on the Health (Miscellaneous Provisions) Bill 2007 — to be taken without debate on the conclusion of No. 3; No. 11, motion re hostages held by illegal armed groups in Colombia — to be taken without debate on the conclusion of the Order of Business.

Senator Frances Fitzgerald: I wish to congratulate the Leader, Senator Donie Cassidy for responding to my request for an all-party motion which is also the expressed wish of Members on all sides of the House. Senator Ivana Bacik was the first to raise this matter in the House. I congratulate him because often in politics, no matter

how worthy an issue is or how much all-party support exists, it can be quite difficult to get the agreement of a Department such as the Department of Foreign Affairs. I am delighted that the Seanad has tabled this all-party motion on Ingrid Betancourt. Just this week a number of hostages were released. I hope that this motion can be conveyed to the European Parliament and to the relevant presidencies. President Sarkozy of France is working on this issue. I hope we can follow this over the next few weeks and I hope there will be a successful outcome in the not too distant future.

I wish to bring to the attention of the House the urgent need for consistent sentencing for those convicted of rape and sexual assault. Yesterday's appeal in the Court of Criminal Appeal finally saw Mary Shannon receive justice for the horrific ordeal which she endured and I commend her courage in her quest for justice. This issue of consistency of sentencing has been on the agenda for many years. I appeal to the Minister, Deputy Brian Lenihan, to institute debate on this issue.

I also refer to a topic discussed in the House a few weeks ago, the deployment of Irish troops in Chad. I am sure many Members heard former President Mary Robinson speaking on the radio this morning about the lack of security in the camps in Chad, and in particular the lack of safety experienced by many in the camps. I hope the European Ministers will be able to respond with the necessary helicopters and everything else that is needed in order for the Irish mission to be carried out in safety.

Senator Joe O'Toole: I wish to bring to the attention of the House a matter arising from the issue we discussed recently, the schools water charges. The bills are being sent out by well-known companies. I have been a Member of this House for 20 years and I cannot remember the House ever deciding to privatise our water or to give our water away to companies. My colleague, Senator Ross, has referred time and again to the mistakes made more than 20 years ago when control over the toll bridges was handed over to NTR. I have some news for the House; NTR is a 50% owner of the company Celtic Anghian Water, which is supplying water to the Connemara Gaeltacht. Now that NTR has been paid off by an eventual €0.75 billion to allow the traffic to run free in Dublin, it is locking onto the water in Connemara and in other places. In a similar way, companies such as Veolia which run——

An Cathaoirleach: Is the Senator seeking a debate?

Senator Joe O'Toole: I am seeking a debate. I am concerned about who controls our water.

Senator David Norris: Hear, hear.

Senator Joe O'Toole: When did we give it away? These companies are working for large

[Senator Joe O'Toole.]

profits and that is really the reason for the large bills. If large profits are being supported by large bills from companies such as the ones which run the Luas, the toll roads or which are now taking control of our water, there is a serious question for every politician of all sides and views to discuss. I do not want us in 20 or 30 years' time having to buy back control from these contracts that are being given out currently unseen. This is privatisation by stealth and people do not like that aspect of it.

Senator David Norris: Exactly.

Senator Joe O'Toole: Let us leave the "isms" out of it for a second and ask whether this is a good idea or a bad idea.

Senator David Norris: It is where privatisation leads.

Senator Dominic Hannigan: I was concerned to read this morning that the Economic and Social Research Institute has forecast that growth will slow to its lowest rate in 16 years next year and that unemployment will rise. We live in a global economy where multinational companies can move to other countries to avail of lower wage or tax rates so it is important we try to grow indigenous businesses. I set up my own business years ago and I know how difficult it is. I compliment and congratulate in that respect our fellow Member, Senator Mary White, who took the plunge, started her own business many years ago and this week sold it for the sum of €7 million. She employs 100 people in Navan. She has done tremendously well for the people. Now that she has sold the company I hope she will spend more time in this Chamber and contribute to debates on how we can grow——

Senator Terry Leyden: She could not do it any more than she does.

Senator Dominic Hannigan: She is not here at the moment. She can tell us how we can start up and grow new businesses. I was concerned to hear this morning what Forfás had to say about the cost of doing business in Ireland. One of the ways of encouraging start-ups is to ensure our costs are kept down. Electricity costs in Ireland are 20% higher than the European average and the cost of electricity is the second highest in Europe. It is important we try to tackle such issues. Will the Leader ask the relevant Minister to make a statement in the House on what he expects to do in the electricity market and how he intends to reduce the costs so our businesses can compete?

On behalf of my party I thank the Cathaoirleach, his staff and the staff of Leinster House for their support throughout the year. I wish him a very happy and prosperous new year.

An Cathaoirleach: I thank the Senator.

Senator Nicky McFadden: I wish to ask the Leader once again about the Clonbrusk primary care unit in Athlone. I have a press release dated 3 December which states that having reconsidered the project, the committee recommended that it be approved to progress through planning and construction in accordance with the capital projects, etc. When I previously asked the Leader about this issue I stated we did not need the Minister to come to the House for a debate, we just needed a start date. I beg the Leader's indulgence because this project has been ongoing since 1999 and we have no health facilities in Athlone which has a population of more than 23,000. I urge the Leader in this season of goodwill to expedite this matter and secure a start date and a completion date for this project.

Senator Shane Ross: I offer seasonal greetings to everybody, which I gather is traditional at this time. I thank all those Senators who sent me Christmas cards——

Senator David Norris: And pens.

Senator Shane Ross: ——whom I have not yet met.

An Cathaoirleach: Senator Ross should confine himself to the Order of Business.

Senator Shane Ross: I thank Senator O'Brien for the usual and Senator Mary White for the chocolates.

Senator Liam Twomey: Chocolates?

Senator Phil Prendergast: We did not get any.

Senator Shane Ross: It is a fairly meagre offering considering how much she made in recent weeks.

Senator Terry Leyden: It is easy to know he is a journalist.

Senator Jerry Buttimer: She is no Willie Wonka.

An Cathaoirleach: Senators should confine themselves to the Order of Business.

Senator Shane Ross: She will not be getting the Order of Business. I do not wish to challenge the Leader of the House because the numbers look rather embarrassing for him as they stand at the moment. We do not want to challenge him to a contest.

Senator Paul Coghlan: A temporary little arrangement.

Senator Dan Boyle: A rescue.

Senator Shane Ross: I wish to ask him a question on a serious point, however. Senator Hannigan touched on this matter. The ESRI report which came out this morning and from which many people can take some political comfort, especially on the Opposition side of the House, is alarming in one way. I do not wish to go into detail now but I seek a debate on the matter. The overall figures that were produced are in marked contrast to the forecast produced by the Government only two weeks ago. In every single case they are more pessimistic than the figures produced by the Government. I do not refer to the growth rate alone but also to employment, housing and many other figures which are benchmarked figures for the economy.

Given that the ESRI has produced figures today which are pessimistic compared with what we received from the political sources, one wonders, not necessarily whether the books have been cooked, but whether they have been pushed in a certain direction for the sake of the budget just two weeks ago and which will have to be revised quickly. That is quite dangerous.

An Cathaoirleach: Is the Senator seeking a debate?

Senator Shane Ross: I am finishing now. I do not intend to debate the matter. It is dangerous for us because if the Department of Finance is not producing accurate figures, one wonders whether the budget will need to be revised shortly in the Finance Bill. Perhaps the Leader of the House can ask the Minister for Finance to revise his figures early in the new year and inform the House whether he stands by his budget figures which are cast in considerable doubt by the ESRI this morning.

Senator Eugene Regan: Last week I called for a debate on the national finances and the national debt. This new report from the ESRI highlights the direction in which the Government is bringing us in terms of the economy and the national finances. I reiterate that call for a debate in the new year and that the Tánaiste and Minister for Finance, Deputy Cowen, would be invited to attend.

I wish to raise one other issue which relates to a reference to barristers by Senator O'Toole yesterday in the context of the Health (Miscellaneous Provisions) Bill 2007. It is one thing to criticise barristers about the fees they charge but it is another matter to cast aspersions on their competence, dexterity and intellectual agility.

An Cathaoirleach: Senator Regan should speak on the Order of Business.

Senator Eugene Regan: I am calling for a debate.

An Cathaoirleach: We are on the Order of Business.

Senator Rónán Mullen: Dexterity and agility alone would not be called into question.

Senator Eugene Regan: A debate on this matter may very well be appropriate.

Senator Joe O'Toole: Hear, hear.

Senator Eugene Regan: As a barrister, I must declare my interest.

Senator Maurice Cummins: And a very good one.

Senator Eugene Regan: Let us look at the Bar in Ireland and its contribution to society. From Daniel O'Connell and Wolfe Tone to Mary Robinson and Peter Sutherland today, the contribution of the Bar to Irish society, nationally and internationally, should not be underestimated. There is a serious point. We have an independent Bar. We have 200 barristers a year entering—

Senator David Norris: It is not exactly a free bar, is it?

Senator Jerry Buttimer: After the tribunals they should support us.

An Cathaoirleach: Senator Regan should be allowed to speak without interruption. We are on the Order of Business.

Senator Eugene Regan: Two hundred barristers enter the profession every year and there is increased competition, as anyone practising or entering the profession knows. It is a close as one gets to the model of perfect competition with many buyers and many sellers. Another aspect of the independent Bar is that it gives access to the smallest rural solicitors' firm and to the top solicitors' firms in the cities. That is very important. In regard to the individual—

An Cathaoirleach: If the Leader agrees to have a debate, we can discuss all these matters.

Senator Eugene Regan: I am just explaining why a debate is needed.

Senator Ann Ormonde: What point is the Senator making?

An Cathaoirleach: At this stage we fully understand why it is required.

Senator Liam Twomey: Senator Regan is upsetting Senator Ormonde.

Senator Eugene Regan: Many issues that barristers have raised in the courts are sensitive ones on which the Houses of the Oireachtas have been

[Senator Eugene Regan.]

afraid to legislate and debate for years, such as contraception, civil partnership, the right to life.

Senator Joe O'Toole: That is despite all the barristers in Leinster House.

Senator Eugene Regan: It is barristers who have done this on a *pro bono* basis.

Senator Ann Ormonde: Why is he leaving it?

Senator Eugene Regan: I seek a debate on these issues because there have been various remarks made about the profession. We should not underestimate the value of an independent Bar to Irish society.

Senator Ivor Callely: As in most walks of life.

Senator Labhrás Ó Murchú: I endorse Senator Fitzgerald's comments on the sentencing yesterday of the rapist of Ms Mary Shannon from County Clare. That she had to go public in such a manner to get justice is an indictment, not only of the inconsistency of sentencing of the courts, but in many ways of us as a society as well. One can only imagine the trauma that she and her family have gone through in recent months. She demonstrated exceptionally strong character in the dignified response she gave to the sentence.

It is important that we have a debate on sentencing in this House. There is confusion among the public in regard to the sentences being handed down. Sometimes — I do not mean in this particular case — we wonder exactly what is the basis of a sentence. We have repeated debates, both in this House and in the Dáil and we, as legislators, must engage in this type of debate. On one occasion I had reason to make reference in the House to a sentence which I thought was not correct and I understand queries were made outside of the House subsequently as to what right I had to criticise a judge. That is worrying in a democracy. I have been proved right because the appeal was successful in that case.

We should not feel intimidated. Even though we respect the Judiciary and no doubt the legal profession, and I certainly would agree with many of the comments made by Senator Regan regarding the legal profession, at the same time it is vital that we feel free to come into this House and make known our views. Yesterday's case should be a watershed in that regard.

Senator Alan Kelly: I wish all my fellow Senators the best of goodwill for the season.

I repeat my call for a debate on the public service. I do so for a number of reasons. There are two matters to which I draw the House's attention, one of which is the review of the labour market which was brought forward by FÁS. The statements made by FÁS should concern all Members, particularly having regard to the comments being made by the ESRI, namely, that the

minimum wage of €8.65 should be examined. It is a matter of concern that an agency which is meant to promote jobs and innovation is so bereft of ideas that it should say something like this. It is ridiculous, concerning and preposterous.

While I know it is the season of goodwill, I note that the Taoiseach has had his annual dinner in the premises of the National Tourism Development Authority. I wonder is this appropriate. If so, is it appropriate for the rest of us to ask the chief executive and chairperson of that authority, Fáilte Ireland, if we could have our dinners there? Who is paying for these dinners and how appropriate is it that this goes on every year?

An Cathaoirleach: There are no free lunches.

Senator Ivor Callely: Will the Leader earmark for the new year a debate on the issue of supports in place for older people. I raise this in light of a number of cases that have been brought to my attention where pressure is being brought to bear on families to take their loved ones out of hospital beds because of bed closures in the season that is in it. One can understand that it is probably an opportunity to carry out certain works in hospitals and so on, but I understand there is an extraordinary number of bed closures this Christmas and new year—

Senator Jerry Buttimer: It is the cutbacks.

An Cathaoirleach: Senator Callely without interruption.

Senator Ivor Callely: —which is putting pressure on families to take older relatives, in particular, who need long-stay accommodation and care, into their family homes.

I would also ask that if we were to have a debate on this issue, we would look at the entire support services that are in place, particularly what are often referred to as home care packages or personal care packages. I detest the term with which families are often confronted, namely, that their father, mother, aunt or uncle is bed-blocking. It should be removed from the vocabulary of those involved in the services. If people are being asked to take their elderly relatives home over Christmas it should be done only on the understanding that there is a full home care or personal care package in place for that individual.

Senator David Norris: I welcome the fact that the motion on Ingrid Betancourt would be passed unanimously and I congratulate those who have persisted in pushing this matter. I gather the motion is in the name of all of us. It is a matter I raised some years ago, but others have brought it to this successful conclusion and I congratulate and compliment them.

In the light of this agreement and the easy passage of this motion, I ask the Leader to consider, not of course today but at the opening of the next

session, the similar passage of No. 11, motion 8, which is a motion about the production, stockpiling and use of cluster munitions.

Senator Ivor Callely: Hear, hear.

Senator David Norris: This should have an easy passage because yesterday at the Joint Committee on Foreign Affairs this was tabled in the names of Deputy M. Higgins and myself and it was passed unanimously. It is an important matter on which Ireland should take a stance. We will be holding a conference on this subject in Ireland and in advance of this conference it would be useful if we passed this motion and assisted the Government in the production of legislation.

Senator Ivor Callely: Hear, hear.

Senator David Norris: The other matter I want to raise was also generated by the Joint Committee on Foreign Affairs. Yesterday we had a meeting with a former distinguished Member of this House, Dr. Maurice Manning, who is now the head of the Irish Human Rights Commission. He presented to us the views of the Human Rights commission on the question of rendition and, in particular, the involvement of Shannon Airport. There was a robust exchange of views between a small number of us who supported the commission and others who tended to waffle a bit.

It is an important matter. The 22nd Seanad examined the matter in considerable detail and was well on the way to establishing a special committee of Seanad Éireann to investigate it. Regrettably, that was aborted but we now have this useful report. We should examine this, particularly in light of the fact that I was able yesterday to put on record the registration numbers of two CIA aircraft still using Irish air space which landed and were refuelled at Shannon Airport in the past six weeks and which have been known to be involved in rendition. Despite the protestations of the Government and despite the fact that they routinely answer questions that are not asked, this practice is continuing.

Nobody I know has asserted that we know that people were dragged through Shannon Airport. It may have happened — we do not know.

11 o'clock However, I managed to get the Government to accept yesterday that we know that in the unbroken circuit of rendition, in which civilians were kidnapped and taken to places of torture, this country assisted by refuelling those planes. That is a blot on the name of Ireland.

Senator Ann Ormonde: To take up the point raised by Senator Norris, I, too, discussed the matter of extraordinary rendition at length yesterday at the Joint Committee on Foreign Affairs. The Government is so emphatic that it has assurances from the United States Administration—

Senator David Norris: Not worth a damn and not legally binding.

An Cathaoirleach: Senator Ormonde without interruption.

Senator Ann Ormonde: —that none of the aircraft has passed through Shannon with prisoners being subjected at the other side to ill-treatment and degradation and I see no purpose whatsoever in setting up another committee to prove alleged matters on which Senator Norris is making suggestions.

Senator David Norris: I never suggested that. I suggested we have a debate.

Senator Ann Ormonde: We can have a debate by all means.

Senator David Norris: I thank Senator Ormonde. That is great. Will she let the Chair know?

Senator Ann Ormonde: I would welcome a debate. Previously we were trying to form a sub-committee. I see no reason for it as we received assurances yesterday from the Government. We also had a fine debate with the Irish Human Rights Commission led by Dr. Maurice Manning. I am surprised that following that debate the Senator wants to take the issue further. I would love debate in the House on it but we would get the very same answers we received yesterday at the detailed discussion at the Oireachtas Joint Committee on Foreign Affairs.

Senator Jerry Buttimer: With respect to Senator Ormonde, the assurances of the Government or others with regard to rendition flights are not worth the paper on which they are written.

Senator Ann Ormonde: Why does the Senator say that?

An Cathaoirleach: We are on the Order of Business.

Senator Jerry Buttimer: Given the gargantuan U-turns of the Government — Senator Boyle's tie this morning makes me think he is going stag hunting — and the welcome U-turn by the Minister for the Environment, Heritage and Local Government yesterday, will the Leader —

Senator Dan Boyle: Look at the lights.

Senator Jerry Buttimer: The Senator is staring at the headlights.

An Cathaoirleach: Senator Buttimer on the Order of Business or I shall call the next speaker.

Senator Jerry Buttimer: Given the U-turn on child care and the fact the situation has changed

[Senator Jerry Buttimer.]

drastically since the Minister for Health and Children spoke on the issue in the House, will the Leader arrange for further debate on the issue? There is uncertainty on the issue and we need clarity on who will benefit from the funding arrangements. I have received four phone calls on the issue since the Minister's announcement. We need clarity on the situation with regard to parents on low incomes who are not on social welfare payments. We need further debate on this.

In support of the comments made by Senator Ross, we need debate on how Government budgetary forecasts are formulated, especially in light of this morning's ESRI report.

Senator John Hanafin: I support the calls for a debate on the use of Shannon. We have spoken on the issue before, but we have never been provided with firm proof. The difficulty I have with the issue concerns whether we are dealing with shadow or fact. I am concerned that some people accept the shadows as facts. Until we have real proof, there is little point in us setting up a committee—

Senator David Norris: We have proof from the Council of Europe, the European Parliament and several jurisdictions and courts in Europe.

An Cathaoirleach: Senator Hanafin, without interruption.

Senator John Hanafin: I have great concern with regard to setting up a committee because some Members champion the cause of those against the use of Shannon by America and would not be objective or fair. They have never been realistic and fair in the House with regard to how the American Administration has operated. As a result, we have not had objective debate in the House on the issue.

Senator Pearse Doherty: I, too, would welcome debate on rendition flights and the use of Irish air space to accommodate this atrocious practice. The issue is not as straightforward as Members on the Government side suggest. When this debate was running in Donegal during the general election, two former Ministers of State in the Department of Transport, one with responsibility in the area of aviation, supported rendition flights in Ireland and called for regional airports to accommodate such flights. We need debate on the issue and we need to clear up whether their expressed opinions were just slips of the tongue, they did not understand what was happening or they knew more than they were letting on.

An Cathaoirleach: Does the Senator support the call for a debate on the issue?

Senator Pearse Doherty: Yes. I also call on the Leader to arrange for a debate in the new year

on the decline and depopulation of rural Ireland. Within the next week, in the parish of Gweedore in Donegal the second post office in the space of three years will close down. This may seem insignificant, but when coupled with loss of jobs, the withdrawal of transport services etc., we are seeing the death of rural Ireland by a thousand cuts. We need serious debate on the issue to get the Government to consider seriously how to address the depopulation and decline of rural Ireland.

We should also have a debate on the issue of Irish language immersion in primary education. I note that *Údarás na Gaeltachta*, right across the political divide, supported unanimously a call for the Minister to withdraw her circular. I call for the Seanad to have that debate and echo the call of all the Gaeltacht members on the board of *Údarás na Gaeltachta*. It is a shame the Minister made the decision she did. She should take a leaf from her Northern counterpart and echo her decision. The Irish language is not protected constitutionally in Northern Ireland but the Minister there intends to continue to afford Irish language immersion to primary education.

Senator Déirdre de Búrca: I support the call for a debate on the use of Shannon and share the concerns about the use of Irish air space by aeroplanes that have been involved in extraordinary rendition. There are serious concerns with regard to the use of Shannon Airport by aeroplanes involved in extraordinary rendition and while we have the assurance of the American Government that this is not the case, there is no system of regular inspection or monitoring at the airport. Some people in the area monitor the airport and they have identified aeroplanes they claim have been used in extraordinary renditions.

Senator Dominic Hannigan: Does the Senator believe the assurances?

Senator Déirdre de Búrca: There are sufficient public concerns to justify our seeking a strong response from the Minister for Foreign Affairs. I call for him to come to the House in the new year and for further debate. We must ensure systems are put in place that will reassure people the practice does not continue and that Shannon Airport is not used for this purpose.

There are concerns among non-governmental organisations and other groups working in the health area that insufficient funding is available for the coming year to ensure the proper implementation of the recommendations of *A Vision For Change*. Mental health services have been the poor cousin of the health services for many years, but there is a growing awareness of the prevalence of mental health problems and the need for proper community-based responses. Will the Leader invite the Minister for Health and Children to the House in the New Year to discuss in detail the issue of the funding of the strategy document, *A Vision For Change*?

Senator Joe O'Reilly: I support the remarks made by Senator Callely that we do not adequately use home help and home care facilities. There is potential in those services to do more good and it is madness not to use them more to make our services more cost effective and bring savings rather than further expenditure.

This is the season when we remember people living alone and call on people to visit them. During the recent general election I came across many people who live in isolation and who need people to visit them. I urge people, especially at this time, to visit people who are lonely and isolated. I call on the Leader to arrange for a debate on this issue and ask him to bring my suggestions to the Minister. We should put a visiting service in place to visit lonely people. The service could be funded at home help rates at local level. Such a service could do immense good and perhaps keep people out of institutional care. The traditional public health nurse role in this area has been diminished. We should also put in place a special grant scheme for voluntary organisations that provide evidence of visiting older people. I commend this practice to the Leader and ask him to bring it to the attention of the relevant Minister.

Despite the fact that Senator O'Toole upset Senator Regan today, I must agree with him with regard to water services.

An Cathaoirleach: That was discussed earlier.

Senator Joe O'Reilly: I agree with him that it is criminal to hand over such a vital resource to private companies. I agree with his remarks on Veolia, but will leave debate on that for another day.

An Cathaoirleach: The Senator's time has concluded.

Senator Joe O'Reilly: I will conclude by wishing colleagues a good Christmas. We can be collectively and individually proud that we have had an exceptionally good Seanad term and that the quality of debate has been excellent.

An Cathaoirleach: There are still a number of Members offering.

Senator Donie Cassidy: There was a clear understanding among the leaders that the Minister of State would be here to take the first Bill at 11.15 a.m.

Senator Jerry Buttimer: The Minister of State is paid well to be here.

An Cathaoirleach: There is a time limit in place and I will work to ensure adherence to it. While Members are still offering, however, I cannot refuse to allow them to contribute.

Senator Donie Cassidy: On a point of information, does the 40-minute time limit apply from the time the Leader concludes introducing the Order of Business?

An Cathaoirleach: Yes.

Senator Paul Coghlan: I will try to adhere to the time limit in a peaceful manner.

The issue of imposing water charges on schools was mentioned yesterday and again today. However, reference was not made to how the shortfall incurred by local authorities will be made up. Will these authorities be left in the lurch? Will they be obliged to decide on whom they should impose additional charges in order to make up the shortfall? Does the Government plan to increase the level of funding provided to local authorities from the central Exchequer. I strongly agree with Senator O'Toole's remarks on Celtic Anlian Water in Connemara. The point he raised represents another angle to this extremely serious matter. I look forward to the Leader's reply.

Senator Rónán Mullen: I am conscious of the time constraints but I wish, particularly in light of the season that is in it, to make a few brief comments. As a fresher Senator, I wish to thank my colleagues for their great courtesy during the year. I am sure I speak for the other new Senators when I say we have all been made to feel very welcome. There is a great spirit of camaraderie around the House which we greatly appreciate.

This is the time of year when at least some of us reflect on the plight of a family travelling to the taking of a census and the implications thereof for the world. In that context, I wish to engage in a few reflections. I am glad the Garda has withdrawn a threat to deport an American student who was recently informed that she would be sent home unless she removed her son from a Galway national school. Over the Christmas period, some of us might ponder how we welcome immigrants to our society and reflect on the way in which we treat people.

Senator David Norris: Hear, hear.

Senator Rónán Mullen: While it is important to have rules and regulations in respect of the entry of people to our country, we should never forget the human dignity of those with whom we are dealing. A failure to recognise the latter sometimes marks our immigration procedures.

Figures provided by the Central Statistics Office indicate that the number of female lone parents with children under 20 years of age almost doubled, from 65,000 to approximately 122,000, over a ten-year period. At the same time, the number of lone male parents increased from 8,100 to 9,700.

An Cathaoirleach: Is the Senator seeking a debate on that matter? I intend to call on the Leader to reply when the official time limit has been reached.

Senator Rónán Mullen: I am seeking a debate on this matter because we must find a way to discuss how we cherish all the children of the nation equally while simultaneously promoting the culture — that based on marriage — which best favours their happy upbringing. We must be able to consider this issue in a consistent and generous way.

Concerns have arisen regarding an increase in the number of people dying from heart disease. Dr. Brian Maurer has recommended that people should not engage in overeating this Christmas. This is a matter we should take seriously.

An Cathaoirleach: Is the Senator seeking a debate?

Senator Rónán Mullen: We should not overdose on political correctness either.

An Cathaoirleach: The Senator should ask a question relevant to the Order of Business.

Senator Rónán Mullen: I will conclude by thanking people for the many Christmas cards I have received this year.

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

Senator Rónán Mullen: I hope people will not take it badly when I say——

An Cathaoirleach: Christmas cards are not relevant to the Order of Business.

Senator Rónán Mullen: ——that I would have appreciated it if the stable at Bethlehem, and not that at Leinster House, had been depicted on a few more of them.

Senator Paul Bradford: I wish to flag an issue I hope we will be able to debate at some length in the early part of the new year. In one sense, this matter stems from Senator Doherty's concern about rural areas. The production of food is the main work carried out in rural areas in Ireland and throughout Europe. Some extremely scary statistics relating to world food supplies are doing the rounds at present. For each of the past six years, the world has consistently consumed significantly more food than has been produced. One does not need to be a rocket scientist to realise this cannot continue.

We are facing a situation where food supplies in Europe and across the world are in deficit. This development is going to change our view of agriculture and it will alter the nature of the debate on the future of agriculture and farming, both here and in Europe. I would like the Leader to

place this matter on the agenda for a debate with the Minister for Agriculture, Fisheries and Food at the earliest possible date. Problems in this area are going to be of enormous significance in the short term and we must start to address them. We will ensure a future for farming on this island if we can assist in responding to the growing crisis to which I refer.

An Cathaoirleach: Before calling on the Leader, I wish Members a safe, happy and holy Christmas and a prosperous new year. I also wish to express my sincere thanks to the staff and the ushers, who look after us so well.

Senator Donie Cassidy: Senators Fitzgerald and Norris expressed their gratitude on my responding to their request for an all-party motion regarding Ingrid Betancourt, a former member of the National Senate of Colombia and a candidate for that country's Presidency. I thank the other leaders and the Minister for Foreign Affairs and his Department for their co-operation in respect of this matter.

Senators Fitzgerald and Ó Murchú referred to consistency on sentencing and the inconsistencies that arise in some cases. I agree with the sentiments expressed and we will examine this matter in the context of a debate on justice in the early part of the new year.

Senator Fitzgerald also expressed concerns regarding the sending of Irish troops to Chad, particularly in the context of their safety. The situation in that country is changing on a daily basis. I will pass on the Senator's concerns to the Minister.

Senators O'Toole, Coghlan and O'Reilly referred to water charges, the control of water supplies and the costs relating thereto and requested a debate on these various issues. I have no difficulty in arranging time for such a debate.

Senators Hannigan, Ross, Regan, Kelly and Buttimer expressed their views on the report published by the ESRI. Senator Hannigan congratulated Senator Mary White on the success she has had in business and the fact that she employs 100 people in Navan in the constituency of Meath West. I fully agree with the Senator's sentiments in that regard. Several Members also referred to observations from FÁS on competitiveness, people remaining in business, the retention of jobs and the plight of low income earners. An individual interviewed on RTE radio this morning in respect of the ESRI's report expressed concern that jobs might be lost on foot of increases in the rate of low incomes. We all support the concept of a decent wage for a decent job. We will have a long and lengthy debate on this matter early in the new year and I hope the Minister for Finance will be present for it.

Senator McFadden inquired about the primary care unit for Athlone. I will try to obtain an update on that matter from the Minister. I am sure the Senator will join me in congratulating

Trevor O'Callaghan and the staff at Mullingar Regional Hospital on the announcement yesterday that their facility is the most cost-efficient hospital in Ireland. That is a wonderful achievement and I congratulate everyone involved.

Senator Nicky McFadden: It would be a great place for a centre of excellence.

An Cathaoirleach: There was a great deal of correspondence from Senator McFadden in our local media this week, particularly in the context of all the questions she put to the Leader of the Seanad. However, she did not mention the generous responses she received to queries she tabled this session.

Senator Nicky McFadden: And responses I received in respect of questions I did not even pose.

An Cathaoirleach: The Leader, without interruption.

Senator Donie Cassidy: I will have to bear that in mind in the future. I await forthcoming local dispatches with baited breath.

Senator Nicky McFadden: I will do better on the next occasion.

Senator Donie Cassidy: Senators Kelly, O'Reilly and Callely referred to supports for older people, particularly in the context of the festive season. Senator Callely has a great deal of experience in this area and I compliment him on raising the matter.

Senator Norris referred to No. 8 on the Order Paper. I will examine the matter and bring it to the attention of the other leaders at our next meeting.

Senators Ormonde, Hanafin, Doherty and Bacik expressed their concerns about rendition, which was debated by the Joint Committee on Foreign Affairs yesterday. As Senators are aware, the fastest way of getting answers to difficult questions is often to use the committee system. A witness can be called to a joint committee at a week's notice, with the permission of the Chairman of the committee. I will try to facilitate a discussion of the matter. If I cannot arrange such a debate, perhaps one of the Opposition parties will consider devoting their Private Members' time to the matter. It can be discussed at the next meeting of the leaders of the groups.

Senators Doherty and Bradford called for a debate on life on rural Ireland to be arranged as a matter of urgency, in the context of the closure of post offices. Some village post offices are closing because nobody in the area is willing to take over the business. An Post has a duty to put post boxes in place, at least, when post offices close.

Senator Nicky McFadden: Hear, hear.

Senator Donie Cassidy: I have some experience of problems in this regard next door to my home. Yesterday, a court in the midlands gave a lengthy and heavy sentence to a person who committed an offence. It is a difficult situation. We will do whatever we can. We will set time aside for a debate.

Senator Doherty called for a discussion on the Irish language. In fairness, I have already agreed to a request made by his colleague and close friend, Senator Ó Domhnaill, for such a debate. I have no difficulty with setting time aside for the debate in the next session.

Senator de Búrca called for a debate on mental health. I agreed over recent days to give time to Senator Corrigan to raise the matter.

I wish the Cathaoirleach and the Leas-Chathaoirleach a happy and holy Christmas. I thank the clerks of the House and their staff for their kindness, courtesy and efficiency during this session. I wish Senator Fitzgerald a happy Christmas and ask her to pass on the compliments of the season to her colleagues in the Fine Gael group in the Seanad. I wish the Labour Party group in the House a happy and holy Christmas. I am sure Senator Hannigan, who is deputising today for the leader of that group, Senator Alex White, will pass that message on. Similarly, I wish Senator O'Toole, who is the leader of the Independent group—

Senator David Norris: No, he is not.

Senator Donie Cassidy: He is leading the Independent group very efficiently, as always. I also wish his great colleagues and friends—

Senator Shane Ross: We are colleagues anyway.

Senator Donie Cassidy: —the compliments of the season.

Senator David Norris: We are his equals.

Senator Donie Cassidy: I wish the Deputy Leader of the House, Senator Boyle, and the rest of our new partners in government—

Senator Paul Coghlan: They have pride of place.

Senator Donie Cassidy: Our colleagues in the Green Party—

Senator Liam Twomey: The honour is all theirs.

Senator Jerry Buttimer: Giddyup.

Senator Liam Twomey: They have been extraordinarily rendered into government.

Senator Donie Cassidy: I also wish Senator O'Malley and our longstanding colleagues in

[Senator Donie Cassidy.]

Government, the Progressive Democrats, a happy and holy Christmas. I thank my colleagues in Fianna Fáil, which is the majority party in the House, for their co-operation, understanding and assistance. I would like to mention the Government Whip, Senator Wilson, and his assistant, Senator Glynn, in particular. It is great that we are here, in this position, in the week before Christmas. I thank the superintendent of the Houses, the Captain of the Guard, John Flaherty, and the rest of the staff of the Oireachtas for the kindness, courtesy and hospitality they have shown us at all times. I am sure the new Members of the House, in particular, appreciate the great co-operation they have received and the open-door facility that has been made available to them.

I thank Michael Conway and the rest of the staff of “Oireachtas Report”, who ensure that the people of Ireland know about the great work that is taking place here. I thank Jimmy Walsh, whose great coverage of this House features in *The Irish Times* after each sitting day.

Senator Paul Coghlan: Hear, hear.

Senator Donie Cassidy: I look forward to being back early in the new year, when we will be even more productive. We look forward to serving the people of Ireland, which we have had the privilege of being elected to do.

Senator Frances Fitzgerald: I join the Leader of House in wishing everyone a happy Christmas. I thank the Cathaoirleach and all the staff of the Houses for their help during the year. I think I can speak for all my colleagues who are serving in this House for the first time when I say we are delighted to be here. On behalf of the Senators on this side of the House, I pay tribute to the Fine Gael team throughout the country. I thank those who have worked hard and supported us. As there is such a focus on consumer spending at this time of the year, we should bear in mind the importance of setting time aside for friendship. Perhaps we need to focus a little more on that. I thank Senators and the staff of the Oireachtas for their courtesy and help. I wish everyone involved with the work of the Houses a happy Christmas.

Order of Business agreed to.

Colombian Conflict: Motion.

Senator Donie Cassidy: I move:

That Seanad Éireann:

- expressing its outrage at the kidnapping and detention for political ends of hostages, held by illegal armed groups in Colombia, including in 2002 that of Ms Ingrid Betancourt, a former member of the National Senate of Colombia and a

candidate for the Presidency of Colombia;

- appalled by the written and photographic evidence recently recovered by the Government of Colombia that portray the inhuman conditions in which Ms Betancourt is being held;
- recalling further that Ms Betancourt has dual French-Colombian citizenship and is therefore also a citizen of Europe;
- regretting that in the last two years, proposals made to facilitate a humanitarian exchange resulting in a release of all hostages held by illegal armed groups, including efforts by the governments of France, Spain and Switzerland have not been successful to date;
- noting the renewed efforts made by the President of France with the full support and encouragement of all the Member States of the European Union;
- noting also efforts at intermediation made by the President of Venezuela, which were acknowledged in the Council Conclusions on Colombia of 19 November 2007, and further recent offers of intermediation made by the Presidents of Argentina and Brazil;
- welcomes the recent offer of the Colombian Government to create a ‘zone of encounter’ for a humanitarian agreement and the offer of the Episcopal Conference of Colombia to act as mediators in securing the release of the hostages;
- calls upon the illegal armed groups in Colombia to release all hostages without delay and on all involved parties to demonstrate the necessary political will to bring an end to this brutal affront to human rights and dignity; and
- continues to support the Government of Colombia in its search for a negotiated solution to the internal armed conflict, including through direct engagement with those illegal armed groups which may be prepared to negotiate, and to bring lasting peace to Colombia.

Question put and agreed to.

Appropriation Bill 2007: Second and Subsequent Stages.

Question proposed: “That the Bill be now read a Second Time.”

An Cathaoirleach: I wish to bring to the attention of Members an error in Schedule 1 to the

Appropriation Bill 2007. The total figure mentioned in column 3 of line 8 of page 9 of the Bill should be €45,148,322,000 — that is, the same figure specified in section 1(1) of the Bill.

Minister of State at the Department of Finance (Deputy Noel Ahern): I welcome the opportunity to address the Seanad on the Appropriation Bill 2007. I propose to outline briefly the purpose of the Bill, to mention its provisions, to highlight the significant reforms introduced to the budgetary and expenditure process this year and to run through some of the outputs from the amounts appropriated in 2007.

The main purpose of the Appropriation Bill 2007 is to give statutory effect to the departmental Estimates for supply services, both current and capital, including all the Supplementary Estimates which have been approved by the Dáil since the last Appropriation Act. This year's Appropriation Bill takes account of the transfer of marine functions from the former Department of Communications, Marine and Natural Resources to the new Department of Agriculture, Fisheries and Food. The Bill makes provision for net voted public expenditure in 2007 of over €45.1 billion, consisting of current expenditure of €37.3 billion and capital expenditure of €7.8 billion. Some €29.3 billion, or 66% of the total provision for current spending, has been allocated to the priority areas of health, social welfare and education. In addition to providing for the 2007 Estimates, the Bill provides in section 2 for the carryover into 2008 of unspent voted capital amounting to over €126 million under the multi-annual capital envelopes. A technical provision is included in section 3 of this legislation, in line with established practice, to allow for the deferment of the end of year deadline for the Financial Resolutions which were passed on budget night. The Seanad is also being asked, in line with established practice, to approve an early signature motion to facilitate a request to the President to sign the Bill earlier than she normally would. This request is being made to allow the Comptroller and Auditor General to clear the end of year issues from the Exchequer.

Section 1 appropriates for 2007 the net sum of almost €45.1 billion to the various services listed in Schedule 1. The 2007 sum includes Supplementary Estimates of almost €323 million, which have been approved by the Dáil in respect of 13 Votes. The latest indications are that overall spending for 2007 will be within budget. The projected outturn on net current spending for this year is €37.1 billion, and that of capital spending is €7.7 billion. These are broadly on target. The actual end-of-year Exchequer outturn will be published in the end-of-year Exchequer statement on 3 January. As is normal, this section of the Bill also seeks approval for the use of Departmental receipts of more than €4.2 billion as appropriations-in-aid for the services listed in Schedule 1.

Turning to section 2, under the multi-annual capital envelopes up to 10% of voted Exchequer capital may be carried over to the following year. There will be a capital carry-over of some €126 million from 2007 into 2008, or 1.7% of net voted capital for 2007. This is the lowest capital carry-over since the introduction of the facility in 2004, which provides evidence that Departments have increased their capacity to deliver significant capital projects within the targeted timeframe. The corresponding capital carry-over from 2006 to 2007 was €159 million, or 2.4% of net voted capital.

In accordance with the provisions of section 91 of the Finance Act 2004, which provides a legal basis for capital carry-over, section 2 of this Bill provides for the carry-over by Vote. The relevant Votes are listed in Schedule 2. The €126 million of capital carry-over cannot be spent in 2008 until the Dáil approves an order early in the new year specifying the capital subheads in each of the Votes concerned against which the money will be spent as a first charge. The availability of the carry-over facility means that this money does not have to be surrendered at the end of the year and that it is available for spending on priority capital programmes within the Votes concerned in 2008.

Article 17 of the Constitution requires that the financial resolutions of each year must be enacted into law by the end of that year. However, the end-of-year deadline can be deferred if an Act to that effect is passed before the end of that year. As is normal, section 3 of the Bill makes provision for this deferment to be invoked. The inclusion of this provision in the Appropriation Bill will maintain the usual statutory deadlines for passing budget measures into law. Identical provisions have been included since the 1997 Appropriation Act. The Seanad is also being asked to approve an early signature motion. This is sought each year in order to ensure that the necessary legislative authority is in place for the final end-of-year issues from the Exchequer.

I will give a brief review of economic and expenditure developments in 2007. In regard to the general economic situation, the Minister for Finance noted in his Budget Statement speech an easing of the pattern of strong growth, although it continues at a rate that is the envy of many other countries. For 2007 as a whole, GDP growth of around 4.75% is expected. We estimate that an additional 72,000 jobs will have been created this year and that unemployment will still be among the lowest in the EU. In terms of public expenditure, 2007 has seen the roll-out of significant reforms in financial processes. Some of these were announced by the Minister for Finance in his 2006 budget, including the publication of the pre-budget outlook in October of each year and of annual output statements by Departments in conjunction with their annual Estimates.

The pre-budget outlook, which was published for the first time in 2006, has made an important contribution to informing the public and the

[Deputy Noel Ahern.]

Oireachtas of the background that underlies the annual budgetary and expenditure process. The annual output statements specify the public service outputs that the public should expect to see delivered from the moneys that are voted to Departments by the Dáil each year. These output statements were prepared for the first time earlier this year, and I look forward to the 2008 round of statements, which will include a report on the actual performances of the Departments compared to the output targets set for 2007.

The latest step in the ongoing budgetary and expenditure reform process was announced by the Minister on 13 September last. This involved the introduction of pre-budget Estimates on an existing-level-of-service basis in the pre-budget outlook and the presentation of a unified budget. The pre-budget Estimates make clear to the Oireachtas and to the public at large the estimated cost of providing in 2008 the level of public services that were provided in 2007. In the unified budget delivered earlier this month, full details were provided on the areas in which additional spending is proposed. This transparent approach is in accordance with the proposal from the Committee of Public Accounts in its October 2005 report on Estimates reform that a clear distinction be instituted between pre-budget and post-budget allocations.

The unified budget has assisted the Government in managing public finances in a more transparent and effective manner. All of the key decisions on both the spending and revenue sides of the budget were made together and announced on the same day. This is altogether a more coherent approach to budgetary policy-making. I am pleased to state that these major reforms have been achieved and are delivering a more constructive and relevant examination of the way in which the nation's finances are run.

I will give a brief outline of some of the outputs and outcomes achieved for the expenditure we are appropriating today. The Minister's introduction of annual output statements, as I set out earlier, should lead to a greater linkage between the outputs and the net expenditure of €45.1 billion included in this Bill. There have been many achievements in priority areas such as social welfare, health, and education. Last year the Minister for Finance announced the largest ever welfare budget package, with an increase of over €1.4 billion. This historically high package delivered on the Government commitment to bring State pensions to €200 per week, with the contributory pension increasing to over €209, and with substantial across-the-board increases providing very tangible benefits to more than 1.5 million men, women and children, including pensioners, low-income and welfare families, carers, those with disabilities, and dependant relatives. In the budget the Tánaiste announced further improvements on these fronts.

In the area of health, waiting times for most common procedures have been reduced to between two and five months, aided by the work of the National Treatment Purchase Fund, which has arranged treatment for more than 90,000 patients. Another improved outcome is that the number of persons holding a medical card increased by almost 60,000 in 2007. At the end of November the total number of medical card holders was 1.28 million.

Education is key to promoting our future competitiveness and building a modern knowledge economy. The staffing schedule at primary and post-primary level has been reduced by a further one point during 2007. There are greater numbers of places available in third level education than at any time previously. The number of full-time places available in 2007 was brought up to almost 139,000.

This year saw the initial roll-out of the ambitious programme for social and economic investment set out in the national development plan. As I mentioned earlier, the relatively low level of capital carry-over being sought is testament to the fact that our capital programme is proceeding apace. Indeed, 2008 will see a further increase of €836 million in gross capital investment, bringing the total to over €8.6 billion, or greater than 5% of GNP. This sustained commitment to investment in our economic capacity is essential to lay the foundation for continued economic growth, competitiveness and prosperity into the medium term.

The Bill before the House is necessary to appropriate the public moneys that have been granted by the Dáil for spending on public services in 2007, of which I have given a number of examples. Under the Central Fund (Permanent Provisions) Act 1965 the enactment of the Bill also provides for essential continuity by allowing for interim expenditure to be incurred on existing services in 2008 until such time as the 2008 Estimates are voted on by the Dáil. I commend the Bill to the House.

Senator Liam Twomey: I do not want to kill the Christmas cheer but whoever is working in the department of spin is doing a good job in getting out the message that everything is perfect. The Minister of State referred to unified budgets and the announcement of spending and revenue, which is no harm. He stated also that the latest indication was that overall spending for 2007 will be within budget. That is an interesting point because in the past three years the Minister got the figures wrong with regard to revenue. At the time of the first budget of the Minister for Finance, Deputy Cowen, the Exchequer surplus was €1 billion, it was €2 billion at the time of his second budget and last year it was €3 billion. The Minister of State stated he will break even in terms of the figures but the days of budget surpluses are well and truly over. In fact, we are heading backwards to the days of massive

Exchequer deficits. It is estimated that next year the Exchequer deficit could be up to €4 billion but if the ESRI is correct today, the Minister's figures are even more off target in terms of the €4 billion deficit. It appears the revenue will catch him next year, therefore, it is just as well he is getting the spending right.

The position is not as clear as set out by the Minister of State in his contribution. He stated there will be a capital carryover of €126 million from 2007 to 2008 but the Health Service Executive has an overrun on its budget of up to €450 million. Money continues to move around, in terms of day to day and capital spending, to balance the books at the end of the year. Budget control is still not happening in the public sector and the Minister must address that. The Minister of State painted a rosy picture but in reality that is not the position, especially in regard to the health services where the HSE is experiencing serious problems trying to maintain its budgets. The Minister will have serious problems maintaining his budgets also. His poor management of the public finances in recent years will be exposed when the Exchequer returns decrease dramatically in future years because the building boom that was such a cash pot for the Minister has dried up. The poor management will be exposed in regard to benchmarking payments and the pay awards.

Regarding the pay awards, Ministers intended to pay themselves substantial amounts of money. In that regard, the members of the Review Body on Higher Remuneration in the Public Sector were invited to come before the Joint Committee on Finance and the Public Service but they replied that it was not appropriate for them to do so. I ask the Minister to ask the Taoiseach and the Minister for Finance to contact the members of the review body and instruct them to present themselves to the committee and not decline the invitation offered to them for what at best can be described as spurious reasons. They do not want to explain to the committee the reason they recommended such outlandish awards, not just to Ministers but to the Judiciary and other senior public servants.

Deputy Noel Ahern: Was that request made after the report was published?

Senator Liam Twomey: It was made after the report was written. They decided it was beneath them to present themselves to committee. I ask the Minister of State to get back to them and get them to change their mind in that regard.

I do not know from where the Minister got this information but he stated that as regards health, waiting times for common procedures have been reduced to between two and five months.

Deputy Noel Ahern: In many cases.

Senator Liam Twomey: In no cases, or perhaps in emergencies. If one needs an appendix operation it will be done within two to five months but normal procedures will not be done within two to five months. One cannot even get an outpatient appointment to see a consultant within two to five months. For an ear, nose and throat or orthopaedic appointment, the waiting time remains two to five years. What the Minister said is misleading; it is a lie.

The Minister for Health and Children, Deputy Harney, came into the House yesterday and spoke about co-location. The problem with co-location, and this arises from a failure to reform, is that half the patients are paying twice for health care. They pay their taxes for the public sector and they pay premiums for private health insurance. The other half of the population who do not have private health insurance are paying for poor access to the health services. They will get good health care but poor access. Misleading comments to the effect that the waiting times are two to five months only increases the ire of people. That is why the Government is getting such abuse from the public because they know the truth is that the waiting time is anything from 12 to 24 months for common procedures. I ask the Minister of State to correct the record in that regard when responding. I wish the Minister of State and everybody here in the House a happy Christmas.

Senator John Hanafin: I welcome the Minister of State to the House. The debate on the Appropriation Bill gives us an opportunity to consider what we sought in the budget and in many cases it has delivered on target. Our economy is still in an expansionary trend but the difference is that it is expanding at a lower rate. The economy is fairly strong. We have had economic growth of 4.75% in 2007. It is expected to be at 3% in 2008, that is, a cumulative 3%. We are still advancing as an economy and those of us who sought increases in the budget for those less well off are more than pleased with it. In that regard I commend the Appropriation Bill. There was a €900 million increase in the spend on social welfare. The total package is now just short of €17 billion and there have been real increases all round. There was a €14 increase in contributory pensions. Payment to qualified adults will increase by up to €27. There has been a €190 million improvement in child income support. The respite care grant has increased and personal rates increased by €12 per week. The fuel season is to be extended by one week and the widowed parents grant increases from €2,000 to €6,000. Those increases are being made in a time of decreasing growth.

The budget was a positive one. Even in terms of the small amount of borrowing, the wish list included a request that the borrowing would be for productive purposes and in that regard it was fully met by the Minister who, at a time of changes in the economy, when the construction

[Senator John Hanafin.]

industry is slowing down, rightly included a significant spend on the capital side, including the national development plan, which is essential for our infrastructure.

Regarding the part of the Bill that affects so many people, social welfare, retired and older people have benefited significantly. Carers, children, people of working age and people with disabilities have benefited also. We have also seen grants towards the improvement of services, all of which will come on stream in January and April. From a social welfare perspective the budget met exactly what was necessary and appropriate.

The rate of increase in public expenditure had to moderate to take account of the resources available yet the Minister still provided €53 billion, which is a net increase of over €1.7 billion. More than €8.6 billion has been provided for investment on the capital side and investment in a sustainable future is the Government's priority.

The importance of the national development plan, and the amount of expenditure in that plan, is particularly appropriate at a time when there has been a change in the economy and the construction industry, for which the Minister made very good provision in terms of the decrease in the rate of tax on the purchase of a house. He also increased the allowances. He had the capacity to do that and it has been used effectively in the past. In other words, if the construction industry continues to decelerate the Minister could give relief at the top marginal rate on all the moneys borrowed, which would be a significant help. I am glad to note the Minister has taken appropriate action in that regard. Governments in the past have reacted to economic slowdowns by stalling capital investments. This budget has scored by spending €8.6 billion on capital projects. The prospects in 2008 are more modest than what we have become accustomed to, reflecting both international trends and domestic developments. Gross domestic product will increase by 3% in real terms, 24,000 new jobs will be created, inflation will ease and the harmonised index of consumer prices will average 2.4%. This latter figure must be considered in light of the significant increases in social welfare. Social welfare recipients will have a real increase again next year.

The economic outlook, while reasonably impressive, means it is more important than ever we retain our flexibility, act responsibly and continue to raise productivity. By doing so, it will protect and enhance our competitiveness and employment levels. Responsible management of the public finances has been the prime driver of our economic success. The national debt stands at 25% of GDP, one of the smallest in the developed world. With the national debt so low, it is appropriate for the Minister for Finance to borrow 0.9% of GDP to fund capital projects. This productive expenditure will more than repay the amount borrowed.

Growth in total spending is at 8.6% which will maintain the provision of services and invest in the future. Other figures indicative of this are gross capital spending growth of 8.2% and capital spending growth of 12%. A general deficit of 9.9% of GDP is fully consistent with EU obligations.

The World Bank ranks Ireland eight out of 178 economies worldwide for ease of doing business, the top 5% of world economies. In its recently published report on global competitiveness ranking, the World Economic Forum positioned Ireland 22 out of 131 countries, the top 20% of competitive economies.

These figures underline our solid reputation as a flexible, competitive and technologically orientated economy in which it is worthwhile to invest. What holds for foreign investors is equally true for the environment in which indigenous firms will grow. This is an unambiguously competitive advantage for our economy.

Nevertheless, the broad enterprise sector, exporters in particular, is facing some immediate challenges, for the most part driven by external events in currency, financial and commodities markets. The external value of the euro, flexibility and availability of credit and the unique and unprecedented cost of oil energy are important costs components over which companies in Ireland have no control.

We look forward to the future, having taken account of the current economic situation. It could easily change. That the world economic slowdown is having an effect on the price of oil will assist our economy. Ireland has positioned itself very well to withstand the turbulence in these markets. Our financial markets are in good health and have not involved themselves in the unrestricted and unregulated lending that has gone on in other countries, which was imprudent at the least. The budget was prudent and thoughtful. The figures and sums outlined in the Appropriation Bill are appropriate for the economy at this time.

Debate adjourned.

Business of Seanad.

Senator John Hanafin: I propose an amendment to the Order of Business, that No. 1 concludes at 12.20 p.m.

Acting Chairman (Senator Dan Boyle): Is that agreed? Agreed.

Appropriation Bill 2007: Second Stage and Subsequent Stages (Resumed).

Question again proposed: "That the Bill be now read a Second Time."

Senator Shane Ross: I am disappointed in the Bill and the Government's economic outlook. I say that as one who for many years supported

by and large the economic policies and budgets introduced by the former Minister for Finance, Charlie McCreevy, and the Tánaiste and Minister for Finance, Deputy Cowen. What the two Ministers did during the Celtic tiger years was instrumental and helpful to the prosperity of this economy.

It is much easier, however, to manage an economy when it is prospering with external influences assisting it. I am concerned the Government shows little capability of managing the economy in more difficult times. It shows a great reluctance to recognise that the years of boom are over. It is no great shame that has happened. They had to come to an end. It is not necessarily the Government's fault.

On this morning's Order of Business I drew attention to the recent ESRI report. Not to put too fine a point on it, the ESRI has rubbished the Government's economic forecasts. These are the people who were dubbed by the former Minister, Michael McDowell, as the Government's house-trained poodles, which they no longer are. It is bad enough to rubbish the forecasts, but to do it within two weeks of the budget raises concerns. While I accept economic conditions are changing fast, one could understand a revision in three months' time but not within two weeks.

In *The Irish Times* this morning, Paul Tansey summed up well the situation. Some of the figures in the forecasts are dramatic. The ESRI forecasts a 3.7% decline in the volume of gross fixed investments in 2008 while the Department of Finance anticipates a fall of just 1.6%. That is an enormous and inexplicable difference. He continued to highlight the differences. The Government forecasts 5.6% for exports, the ESRI, 5%. On imports it is similar. The Government forecasts gross domestic product at 3%, the ESRI at 2.3%. The Government forecasts gross national product at 2.8%, the ESRI at 2.3%. The Government forecasts employment growth at 1.1%, the ESRI at 0.4%. The Government forecasts the unemployment rate at 5.6%, the ESRI at 5.8%. The Government forecasts the inflation rate at 2.4%, the ESRI at 2.8%

The pattern is clear. On every single figure, the Department of Finance makes a more optimistic prediction than the independent ESRI. I am reluctant to claim books are being cooked but one wonders why such an optimistic forecast in the Government's figures is not reflected in the ESRI's figures.

It was Mr. John Fitzgerald of the ESRI who was the first and only person to predict the fall in the property market in the past year. With a great deal of courage, he forecasted almost exactly what happened. His predictions at the time were pooh-poohed by Government spokesmen, apologists for the construction industry, auctioneers and banks. The ESRI has credibility in its forecasts, whereas the Government has different motives.

With the Appropriation Bill, I am concerned the figures and forecasts relevant to it are historic and irrelevant. I would like the Minister of State, Deputy Noel Ahern, to comment on this.

This morning, FÁS, another Government agency, made a dramatic statement on the minimum wage. It is not one of my favourite agencies.

I have always regarded it as being
12 o'clock benevolently cared for by the

Government and have found it difficult to understand how it uses its budget. In an amazing report, however, FÁS warns that the Government should examine the minimum wage. When I heard the headline this morning I assumed it would say the minimum wage should be increased because the State agencies always say that sort of thing. I was astonished to hear that FÁS is standing over a report recommending that the minimum wage should be reduced. That is staggering. I would not advocate that and it is politically impossible for the Government to do that. It is a stark reminder of how FÁS sees the state of the public finances and the labour market.

Child care is crucial because it reflects so much of what is happening in the Celtic tiger economy. The budget and the Appropriation Bill have neglected two areas: how we cope with the real difficulties facing mothers whether at home or not, and the plight of autistic children. They appear to have been neglected once again in this budget despite promises, heavy lobbying and great efforts by politicians. It would take very little to make a major difference to autistic children who are not getting the right treatment.

Senator Dan Boyle: It is significant that we are debating the Appropriation Bill today because the Dáil chooses not to debate it every year and because we have an early day motion — one of the functions of the Seanad — to facilitate this important legislation connected with the budget. It gives us an opportunity to examine details on which previous speakers have commented. The most pertinent theme, however, is the variation in estimates by the Department of Finance and agencies such as the ESRI.

The Appropriation Bill is the legal framework to ensure the figures allocated are spent and in recent years the Government has spent what it intended to spend, as it said it would. There have been drags in income from tax receipts but there has been a reduction in Supplementary Estimates which indicates a control of public expenditure not seen in the past. Economics is an inexact science. I would like to see any economic forecast by any group that was accurate. The variation exists because no one knows what the future holds.

While I have a great deal of respect for the ESRI, its report is excessively doom laden not only because of its economic figures but in the way it deals with the proposed 3% cut in carbon emissions. This is an ambitious target and may

[Senator Dan Boyle.]

not be achieved but the commentary in the report on the effect of working towards that figure showed no understanding of the economic benefits of reducing carbon's domination in the economy. The commentary colours the other figures for the general economic indicators.

The budget has been produced on the principle of prudence that should inform all budgets. The only quibble arises on the hope that inflation will be in the region of 3% in 2008, down from today's 5%. That assumption is based on the belief that we have come out of the cycle of 18 European Central Bank interest rises in a row and that there is no indication of further increases in the next year. Interest rates may even drop which it is hoped will have an impact on our inflation rate. Even if growth is between 2% and 3% next year, that is still significantly higher than that in any European country.

It remains growth at a time when the global economy is uncertain. We will produce a net increase in jobs and many thousands of houses will be built next year. No one predicts an economic collapse for 2008. The only debate today is whether the figures from the Department of Finance or those from the ESRI are more likely to come true. I am prepared to wait and see.

Compared with sets of figures produced in the past, both sets are based on reality but they remain educated guesswork. I am optimistic that the assumptions underlying the budget are intended to protect and enhance economic performance in 2008 and that we will reach and possibly exceed some of its targets. It was also framed in such a way that those on the margins of society receive the most protection which should be one of the underlying principles of any budget. The appropriations allocated in this Bill reflect that. A total of 70% of all public expenditure is in the areas of health, social welfare and education which shows how we see public services and how the business of Government should be organised. If there is disagreement about that we should have a debate, but I do not sense that from the other parties or the Independent Members of the House. We all recognise instead that the focus of public expenditure is right and that the targets generally are being met. The only question is whose statistics are correct, the Department's or the ESRI's. When we return to this debate next year we will know the answer but I am confident that the variance will not be great.

Senator Alan Kelly: I welcome the Minister of State to the House. My party will facilitate the passage of this Bill. This is a time also to reflect on the budget. I welcome the unified approach to the budget this year and spending in specific areas, including the national development plan.

I was intrigued to hear the previous speaker say that economics is not an exact science because some Ministers speak as if they knew the exact figures. The ESRI has been nearly always more

accurate in recent years. We will have to wait and see whether the spending and revenue will be in line as the Minister says, although I doubt they will. We are heading into stormier waters and it is accepted that growth rates in this country will be above comparable European rates. However, we should compare like with like on the basis of the growth Ireland has had and examining trends is the most useful method of measurement.

There is a large difference between the views of the Economic and Social Research Institute, ESRI, which predicts growth of 2.3% and the Government, which predicts growth of between 2.9% and 3%. There are also significant differences in predicted unemployment rates and this is worrying for a number of reasons. People have made a variety of comments on stormy waters ahead regarding pay awards and so on.

On the Order of Business, I mentioned comments made by FÁS and I share Senator Ross's sentiments regarding that organisation as I believe it has significant problems including a terrible industrial relations record. FÁS conducted a survey of the Irish labour market and its comments in this regard are startling. It suggests that we must examine the minimum wage but the way we approach this matter reflects our society and is very positive. Many argue that the minimum wage is not high enough and I do not think we should debate its reduction. FÁS's outlook may signal where the country is heading.

I welcome the increase in certain areas of national development plan, NDP, spending but I take issue with the air of self-congratulation evident in various Government speeches regarding parts of the budget. The Government has congratulated itself on a 1% reduction in the primary school pupil-teacher ratio but I do not believe this is warranted because, as someone married to a teacher, I do not believe it will come to pass.

I agree with Senator Twomey on the issue of health care and believe the statement was coded in fairly specific language. It states, "waiting times for most common procedures have been reduced to between two and five months". This could mean anything as a reference to "most common procedures" says nothing. Besides, the statement is neither realistic nor true.

We have spoken of provisions for mental health on many occasions in the House and a number of professionals in the area have said the budget provision in this regard is not adequate. There is a crisis in this area and I hope the Government examines this topic again early next year as it must be addressed.

I have spoken to the Minister of State previously regarding provisions for decentralisation as I genuinely do not know where this programme is going. I have read the reports but I am still confused about this matter, particularly regarding State agencies.

The area of tourism is often not examined when it comes to provisions for the year and I have a special interest in it as I am the Labour

Party spokesperson on this subject. I spent two hours with the chief executive of Tourism Ireland yesterday and was intrigued by his views on the future of tourism, the spending required of Government and the areas most in need of funding. I will contact the Minister regarding the areas that require increased spending to make us more competitive. There have been increases in spending but they were very modest. We must examine the US tourist market as this will see increased competition next year due to the fall in the value of the dollar. The issue of access is important and we have been promised on a number of occasions provisions for Shannon Airport to promote regionalisation and access to the west, whether through the open skies agreement or the assessment of the impact of Aer Lingus changing its service in the region. I would like to see direct provisions in this regard because, while resources have been set aside, we do not know the actual amount. We need information in this respect and generally should examine areas that will make us competitive in the field of tourism.

The Government has been self-congratulatory regarding social welfare and there were some good points in the budget in this regard but, as far as I am concerned, the tax code still discriminates against families. The child care threshold of €15,000 is still in place and I think this is unacceptable but I find the fact that Ministers are congratulating themselves on granting an extra week in the area of fuel allowance hilarious. On that note I wish everyone a happy Christmas.

Minister of State at the Department of Finance (Deputy Noel Ahern): I thank the Senators for their comments. In addition to overseeing €45.1 billion, a key responsibility and challenge is to control spending to ensure quality of service, value for money and the effective use of resources. Building on the value for money measures introduced in recent budgets, the Tánaiste and Minister for Finance, Deputy Brian Cowen, announced in his recent Budget Statement that the Government has agreed to an efficiency review of all administrative spending across the public service. This process is to begin immediately with a view to providing a comprehensive list of specific actionable proposals that will maximise efficiency. All Departments are to put forward measures to be considered by Government in the coming months.

Senator Twomey suggested the economy is going backwards and in the spirit of Christmas I will not be nasty in my response. There were bad days in the past but the worst were in the mid 1980s when my party was not in power.

Senator Liam Twomey: The Minister of State will not wash his hands of responsibility that easily.

Deputy Noel Ahern: I am sorry but I thought I should gently remind the Senator.

We accept that the country is entering a new cycle and that growth of 4.75% is low compared to growth experienced in recent years. Next year the rate will be around 3% and we are in a slight downward spiral but these figures are still impressive and most of our European partners will be impressed.

The Senator may be critical but I am glad he acknowledges that this year's budget, expenditure and revenue receipts have come in broadly on target. The past few years have been marvellous and few predicted how successful the country would be. Historically we were locked in a mindset that saw annual economic growth of 4% to 5% as huge and noting that the Government and Department of Finance did not estimate growth of 8% to 10% as a hollow observation.

The extra revenue that has been available in recent years has been put to good effect. The national debt was a major topic of conversation for the man on the street 20 years ago but much of the revenue received in recent years has been used to pay off part of it. This has given us a base to allow us handle future problems, challenges and opportunities.

Senator Liam Twomey: In reality, rather than clear the debt the Government has transferred it to the people of Ireland.

Deputy Noel Ahern: We have been very successful regarding the national debt.

Senator Ross referred to the ESRI and anyone can criticise and make projections but the Government must make projections also and we will see in 12 months who was right. Certain agencies are always inclined to be slightly pessimistic, negative and conservative but the Government, by its nature, must lay out its policies and face the challenges ahead. The national development plan is the big policy that the Minister for Finance has pledged to finance into the future.

I am amused by Senator Ross's comments, referring to the ESRI as though it were the greatest organisation in the world. I was previously a Minister of State with responsibility for housing and I was concerned about 100% mortgages and so on. There were concerns about how credit had an inflationary effect which could lead to everything ending in tears, etc. I was only a mere Minister of State so I accepted various agencies and some of my own people—

Senator Liam Twomey: They should have listened to the Minister of State.

Deputy Noel Ahern: The media and others, such as economists, were rubbishing—

Acting Chairman (Senator Paul Bradford): I advise the Minister of State that by order of the House, we are due to conclude all Stages within the next minute or two.

Deputy Noel Ahern: Economists amuse me in that although they are very learned men and women, when I spoke about 100% mortgages I was told to go back to them when quantified research data was available. If a person wants to know what the weather is like, it is sometimes better to look out the window rather than look up what gurus are saying on computers.

I thank Members for their comments this morning. Outside of our political chat, I wish everybody here a happy Christmas, and we can resume in the new year.

Senator Liam Twomey: We wish the same to the Minister of State.

Question put and agreed to.

Bill reported without amendment, received for final consideration and passed.

Appropriation Bill 2007: Motion for Earlier Signature.

Senator Diarmuid Wilson: I move:

That, pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Appropriation Bill 2007 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to her."

Question put and agreed to.

Health (Miscellaneous Provisions) Bill 2007: Committee and Remaining Stages.

Acting Chairman: I welcome the Minister of State, Deputy Brendan Smith, to the House.

SECTION 1.

Senator Phil Prendergast: I move amendment No. 1:

In page 3, between lines 16 and 17, to insert the following subsections:

"(2) This Act, other than the provisions referred to in *subsection* (3), shall come into operation on its passing.

(3) *Schedule 1*, insofar as it inserts Article 4A in the St. James's Hospital Board (Establishment) Order 1971 and in the Beaumont Hospital Board (Establishment) Order 1977, shall come into operation on such date as may be specified by Order made by the Minister, provided that a draft of such Order is approved by both Houses of the Oireachtas by resolution."

Senator Frances Fitzgerald: I support this amendment. The Minister dealt with this in the Dáil and stated she was not in a position to make

an order, which would require further legislation. Will the Minister of State clarify when it is intended to bring in such legislation so that the Minister can make an order on these issues? What is the impact of her not being able to make an order currently, arising from the position she finds herself in as a result of the Attorney General's advice?

My points on this section will highlight the request of the Opposition that the advice of the Attorney General be published. In the absence of its publication, the Government is asking the Opposition, as Senators have noted, to accept on trust what is required. For good legislation, we need the detail of why the Attorney General is at this point indicating this legislation is needed.

We have also been told that the boards of St. James's and Beaumont hospitals do not believe this is necessary, despite it being the advice of the Attorney General and the counsel he has received. The boards of the hospitals have indicated they do not need the legislation.

Arising from this, will the Minister of State clarify the wording of "sale" and "lease"? When I raised this yesterday, the Minister indicated this was the first question she herself had when she became aware of the issue. My colleague, Senator Bacik, shares my concern, and Senator Feeney addressed the matter also. On reading, to any lay eye it looks like sale could be implicit and it is passing over significant authority to those who would develop private hospitals on the land of St. James's and Beaumont hospitals.

It looks ambiguous to say the least. Although it may be legalese, I am nervous of the way it is written and the words used. It implies a potential to sell the land. When co-location was spoken of, it was always stated that there was no intention to sell the land.

Will the Minister of State give some more detail on why the wording is acceptable? When the Minister has the authority to introduce a statutory instrument, will she be able to address the matter at that point and go into more detail? We know she is not in a position at the moment to make an order regarding anything referred to in the Bill, which in a way freezes her authority on these issues until she introduces legislation. At what stage of preparation is the legislation she intends to introduce? When does she intend to introduce it? What will it cover?

Fine Gael believes that the Government should have introduced one Bill putting the agencies on a statutory footing, which we accept needs to be done. However, we would also have liked to have seen the advice. We do not believe this Bill should have addressed the issues regarding the Health Service Executive or the other aspects of co-location, which does not help in terms of getting Opposition support for the Tallaght strategy the Minister seeks on health. The Dáil had a major debate on the co-location aspects, which I will address later.

I appreciate the work that officials from the Department of Health and Children put into complex legislation such as this. This is not a reflection on that work but on the political decision to introduce the three sections into the Bill rather than just following strictly the advice of the Attorney General which we understand only dealt with putting the agencies on a statutory footing. We do not know that for sure as the Minister was not definitive on the matter. It would appear, however, that the advice of the Attorney General referred only to the necessity to put the agencies on a statutory footing. Those are the points I have to make in support of Senator Prendergast's amendment.

Minister of State at the Department of Health and Children (Deputy Brendan Smith): I thank Senators Prendergast and Fitzgerald for their contributions. The intention of the amendment is to delay the commencement of the provision inserted in respect of the establishment orders for St. James's Hospital and Beaumont Hospital which is designed to put beyond doubt their capacity to enter into co-location arrangements. As the Minister, Deputy Harney, pointed out on Second Stage last night, the co-location initiative has been Government policy since July 2005. It is not a new policy or one the Government is trying to introduce by stealth. It has been the subject of debate in this House and in the Dáil on a number of occasions. It was one of the central planks of Government health policy that was put before the electorate at the general election some months ago.

The principle underlying the co-location initiative is simply to free up capacity for public patients and ease the pressure on waiting lists in accident and emergency departments. The initiative is founded on the principle that all patients ordinarily resident in our State should continue to have access to public hospitals. However, access to public hospitals should be based exclusively on need. Possession of private health insurance should influence neither timeliness of access or treatment regime. Co-location will help to bring about more equitable access to public hospitals and will redress the current imbalance in favour of private patients. Co-location will free up approximately 1,000 beds for public patients through the transfer of private patients to the new co-located hospitals. Co-location is the quickest and least expensive means of providing this additional capacity for public patients. There will be no direct capital cost to the State and the revenue costs will be minimal as the beds in question are already fully staffed and funded.

The boards of St. James's Hospital and Beaumont Hospital and their medical staff were not forced into co-location. On the contrary, both hospitals were developing plans for private hospitals on their respective sites before the co-location initiative was developed. The two hospitals are anxious to pursue the co-location

initiative and I understand the advice they have received from their lawyers is that they already have the legal capacity to do so. However, the view of the Attorney General is that the case is arguable. These provisions have been included so that there would be no doubt as to the legal basis of the arrangements in the two hospitals. I do not see any benefit in delaying the introduction of the provisions.

The Minister, Deputy Harney, has consistently made the point that when the Bill is passed, no further orders can be made in respect of these bodies. The Attorney General has advised clearly, and his advice is privileged and cannot be released. Ministers and their Departments must abide by the advice of the Attorney General, the Government's legal adviser.

As has been stated on a number of previous occasions in this House, in the Dáil and in other public fora, the land and public hospital sites to be used in the development of co-located hospitals will be leased to the private partners. The public procurement process has proceeded on that basis and the private partners are well aware there is no question of the land being sold to them. The land for the co-located hospital at Beaumont is owned by the hospital board whereas the land at St. James's is owned by the Health Service Executive and is leased to the hospital board.

The phrase "disposal of land" in Article 4A(2)(b) was the subject of detailed discussions between officials of the Department of Health and Children and the Parliamentary Counsel. The advice of that office is that the language used in Article 4A is the appropriate formula regarding dealings in land. The land for co-located hospitals will be leased and Article 4A is designed to permit this and no more. Therefore, I do not propose to accept the amendment.

Senator Phil Prendergast: I welcome the Minister of State to the House. I am very disappointed because everybody keeps saying "no" to me on this issue, and it is Christmas. Regarding co-location, which represents a major policy shift to privatisation, what consideration has been given to the manpower implications for nursing, midwifery and other health professions arising from the building of co-located hospitals, primarily performing elective work, which therefore will be very attractive places to work? What measures will be introduced to ensure the remaining acute public hospitals can retain the necessary skilled nursing, midwifery and allied health professional workforce? In the absence of the necessary legislation, how will standards in these new hospitals be audited and maintained in a public and transparent fashion? These are genuine manpower questions which I would like the Minister of State to consider.

Senator Frances Fitzgerald: I welcome the Minister of State to the House. He has had a busy

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few weeks on the child care issue and this is other difficult legislation. I wish to make a number of points on co-location. It would appear to be an extraordinary Irish solution to an Irish problem in the health care system. I fundamentally disagree with what the Minister of State has said and the Minister's policy on co-location. The Minister is adamant that co-location deals with the issue of private beds in public hospitals. I strongly believe that the solution to that problem is not the building of co-located private hospitals. It is a fundamental error of approach by the Government, driven by Progressive Democrats ideology, which does not sit that comfortably with aspects of Fianna Fáil policy despite that party's support for it.

While we clearly need more public beds, despite what the Minister of State has said about it having been discussed a number of times in the House, there was never a detailed policy discussion on the move to co-location as the solution to the problem of private beds in public hospitals. The Irish health care crisis can be seen in the major unmet demand for health care. It manifests itself in different areas, including waiting lists for acute care, and a bed occupancy rate of 100% when the optimal is 85%. This has major implications for treating MRSA in terms of isolation beds and units for people with that illness, and the treatment of this disease is one of the greatest scandals of our time. Having recently met the lobby group that works to highlight the issues of MRSA and while it has not really hit the headlines, what is happening to individual patients in hospitals is a scandal. We have failed to tackle the issue at a national level and have not set sufficiently high targets for dealing with MRSA. It is an issue to which the House should return.

The crisis also manifests itself in accident and emergency units with people left on trolleys or hard chairs for long periods. Bed block is a term I do not like. The answer to all these issues does not lie in co-location and moving to the privatised model behind it. Some hospital groups support co-location. I am sure the Minister and her officials have considered this matter. Information is available about some of those groups which have broken regulatory practice in the United States and have had fines imposed on them totalling millions of dollars. Are there issues about those hospital groups being given such a key role?

I put this out as part of an agenda which should be examined. I am seeking reassurance that the Department of Health and Children and the Minister have examined this aspect of the issue. It may be that the regulatory system in the United States is so strong that it is inevitable health providers may get into trouble and it may not be as it seems. I want to name it and ask that the Department come back with a response on this issue of co-location at some time in the future.

An expert from Australia made the point that co-location was put in place in Australia over a period of ten years whereas we are planning to introduce it in Ireland over five years. The time-frame is an issue when so many other private hospitals are already in receipt of tax breaks to build private hospitals on greenfield sites. As the VHI has stated, it is doubtful whether as many private hospitals will be required in such a short period of time. In Australia many small, independent private hospitals were forced to close because there was not enough demand for private services. One co-located private hospital also shut down because it was not profitable.

I support what Senator Prendergast said about the questions which have not been examined by the Minister and the Department. There is a soundbite and a mantra about co-location. However Senator Prendergast has raised the issue of the impact of co-location on medical training of front line staff such as nurses, midwives, doctors, registrars and senior registrars and how training will be affected by the existence of a two-hospitals system. Many of those working in the front line have serious concerns about the impact of co-location, not just on training but also on the funding for public hospitals. The financing of public hospitals may be affected by the changes implied by co-location. We need to have more information from the Minister about the funding of public hospitals following co-location.

Where are those involved in serious accidents and those with long-term illnesses cared for? Is it in a private hospital or is it in the public health service? If an elderly parent has a long-term illness, such as Parkinson's or Alzheimer's, where do they end up being treated? If somebody is involved in a serious road traffic accident, he or she is brought to the accident and emergency department of a public hospital. The public hospital service caters for these long-term conditions and emergencies. There is a real danger that cherry-picking of work will happen when co-location is in place. Our public hospitals will require significant funding as a result but instead money will be directed into these private hospitals. I have no problem with private hospitals and private health care if that is what people choose to pay for through health insurance or if private companies choose to develop it. What I do not want to see is the blood drained out of our public health system in the interests of a model of co-location. This concern is shared by many experts in the field and by many commentators. If we are going to move to co-location, the very least I would expect in both this and the other House is a detailed debate providing answers to these questions and not a hasty announcement made in 2005 and pushed through as a policy before the general election.

This Bill raises these issues, although the Minister has stated this Bill is not being introduced as a result of the issues associated with St. James's and Beaumont hospitals.

These are just some of my concerns. Co-location will have very serious implications for the development and funding of our public health service and for the way in which it is perceived by the patients. Not all the proposed sites for co-location may proceed but these issues which I have raised are of concern to people worried about the future direction of our health service. This Bill provides us with an opportunity to comment on this issue in this House in some ways for the first time. It is not too late for further debate and time should be provided in both Houses for detailed discussion on some of the issues outlined and which arise as a result of the Minister proposing this legislation concerning St. James's and Beaumont hospitals.

Senator Geraldine Feeney: Unlike my two colleagues, the cap does fit very comfortably on my head regarding co-location and most of my Fianna Fáil colleagues would be quite happy about co-location. Most of those who have used the public health service refer to the excellence of the service. They will always say it was top-class and that they could not have asked for anything better. However, there is always a "but" and this is usually a reference to the difficulty in accessing the service. I believe the Minister, Deputy Harney and the Minister of State, Deputy Smith when they refer to 20% of the beds being taken up by consultants' private patients. A total of 33% of elective surgery is composed of private patients. As the Minister stated in the House yesterday, she is of the opinion that this is too much and it is too much for the public patient to have to put up with this.

I believe the Minister when she says she is including St. James's and Beaumont hospitals in this legislation which, as the Minister of State has outlined, is to put the issue beyond doubt and to ensure it is copper-fastened in order that there will not be problems down the road. This is a means of ruling out everything. The Government is obliged to be guided by the advice of the Attorney General.

I do not have a medical background but I would have thought the training of medical staff would still be uniform and they are still trained in the same way as before. The number of students studying medicine is increasing, from 340 up to nearly 700. Any student with a total of 480 points in the leaving certificate will be assessed for medicine. This will greatly improve the system because not all those with 600 points are ideal candidates for the study of medicine, nursing, pharmacy or physiotherapy. I agree with Senator Fitzgerald that a further debate is required to tease out these issues and I suggest it could be the subject of statements in the House when the climate is calmer.

Deputy Brendan Smith: I will group the relevant queries raised by Senators Prendergast, Fitzgerald and Feeney. This amendment is

intended to delay the initiative which was launched in 2005. There has been considerable debate, in particular leading up to the general election in May. St. James's and Beaumont hospitals are both anxious to move forward on co-location projects as quickly as possible.

Senator Prendergast specifically raised the issue of staffing. The project agreement between the Health Service Executive and the private provider requires that the private facility at each hospital should be capable of treating all the private patients currently in the relevant public hospitals. The specific minimum requirements which co-located hospitals must provide include the ability to admit private patients directly from public hospital accident and emergency departments, primary care centres and general practitioners, on a 24-seven basis; research and development programmes; joint clinical governance between the public hospital and the co-located facility; performance management requirements and documented service level agreements; shared information and records management.

The essential idea underlining the co-location initiative was that private patients could be "migrated" from public hospitals to private facilities. This would free up capacity for public patients and ease the pressure on waiting lists and on accident and emergency departments.

It is important to emphasise the initiative was founded on the principle that all patients ordinarily resident in the State, should continue to have access to public hospitals. Access should be based on need and the possession of private health insurance should neither influence timeliness of access nor treatment regime. I presume all in this House agree with that aspiration.

Co-location is seen as the quickest and least expensive means of providing significant additional capacity for public patients. No capital outlay is required as the beds are already in place, having been funded by the Exchequer. In addition, the beds are already staffed and all the back-up services and facilities required to support them are in place. A target of transferring 1,000 private beds to the private sector over a period of five years was and is seen as attainable. It was accepted that there would be loss of income from private insurers, estimated at €100 million, but this was seen as a small price to pay in order to free up 1,000 beds for public patients. Furthermore, it was anticipated that this loss of income would be mitigated in part through a new income stream from the private hospitals.

Senator Fitzgerald raised an issue in regard to the cost to the Exchequer. The Minister, Deputy Harney, responded in some detail to the Fine Gael leader, Deputy Kenny, recently. She stated:

There will be no direct capital cost to the State arising from the co-location initiative. There will be a loss of private health insurance income to the hospitals from private health

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insurers. This is estimated at €79 million in respect of the six sites where the co-location initiative is most advanced, as follows; Waterford Regional Hospital, €11 million, Cork University Hospital, €18 million, Sligo General Hospital, €8 million, Limerick Regional Hospital, €17 million, St. James's Hospital, €14 million, and Beaumont Hospital, €11 million. I consider that this is a small price to pay in order to free up 1,000 beds for public patients where the running cost of over €300 million is already being met by the State. The loss of income will be mitigated, in part, through income from the lease of the land and a potential share of profits from the co-located facility.

It is anticipated that the private developers will avail of the scheme of capital allowances under the Finance Acts. The level of tax relief depends on the financing arrangements for each hospital and it is not possible at this stage to provide a breakdown of potential capital allowances by hospital site. However, it should be noted that not all costs are eligible for tax relief under the scheme. The Government's consideration of the initiative assumed a capital cost of €1 million per bed. It is anticipated that for each €1 million in allowed capital expenditure, most relief will be claimed at the 41% income tax rate plus any allowable PRSI-related relief, spread over seven years, and not taking account of tax buoyancy effects. This is still less than the capital cost to the State of building and commissioning an additional 1,000 new beds for public patients.

That information was conveyed to Deputy Kenny by way of written reply to a parliamentary question. As far as ideology is concerned, my only ideological position, or that of my party or the party of the Minister, Deputy Harney, is to provide the best possible level of care to people who need hospital and medical and health services. This is about building additional capacity into the system in the best and least expensive way to the State to expedite the provision of new beds and facilities. I share strongly the view that people's access to treatment should not be determined by their health insurance. Co-location is an innovative approach to ensure that 1,000 beds are freed up for public patients in the fastest way possible.

Senator Frances Fitzgerald: I accept what the Minister of State said but if need were the determining factor the Government would have ensured more public beds were available. What we need is public beds, not beds in a co-located hospital. If the idea was to respond to the need for access for all in an equitable way, surely the way to have done it would have been to fulfil the promise regarding new hospital beds that was given in 2002.

The other method by which the Government has dealt with this matter is by means of the National Treatment Purchase Fund. This was originally launched as an emergency measure but more funding was added this year and in excess of 75,000 people have been treated to date. One cannot decry the reduction in waiting times for public patients but this comes at a huge cost to the taxpayer and may compound the two-tier system. The reason I say this is that it creates an incentive to treat patients on that list, as opposed to elsewhere. The HSE has already admitted that 35% of patients treated under the NTPF are treated by the same hospitals where they were awaiting treatment as public patients. This is a further demonstration of how the taxpayer is supporting private health care. The co-location proposal does not offer a solution to this problem but it can exacerbate it.

The health care system in the United States relies on the free market mechanism but it does not meet the principle of social solidarity, outlined by the Minister of State. People are not treated on the basis of need but on their ability to pay. Recent surveys in the official journals of the Canadian Medical Association and the American Medical Association have shown that treatment in private hospitals is more costly and that they have a higher morbidity rate.

The recent documentary from Michael Moore, "Sicko", highlighted the problems stemming from private hospital ownership, which included not offering patients necessary surgery because they were not financially viable. This reinforces the European view that we used to have in Ireland that public health is best served by hospitals remaining in public and not-for-profit ownership. Evidence has also emerged from an analysis of co-located hospitals that even within co-located hospitals, one can have a two-tier system.

I support Senator Feeney. We need far more discussion. I would like to see a paper from the Department of Health and Children on co-location which addresses all of these issues and which provides details of the impact co-location will have financially and in the longer term on the public health system in Ireland.

Deputy Brendan Smith: Senator Fitzgerald made the point for me in the sense that she agrees we need extra beds for public patients. This initiative is designed to make 1,000 extra beds available for public patients. Under the programme for Government we are committed to providing an additional 1,500 public acute hospital beds. The co-location initiative aims to deliver 1,000 of these beds for public patients through the development of private hospitals on public sites. The intention is to transfer private activity to those hospitals, thereby freeing up capacity for public patients. The balance of approximately 500 public acute hospital beds are at various stages of planning under the Health Service Executive's capital plan.

I am pleased Senator Fitzgerald referred to the National Treatment Purchase Fund. I met a gentleman last Saturday evening coming out of the chapel from mass who through ill health has had to derive his total income for many years from an invalidity pension. That man needed a hip or knee replacement operation and under the National Treatment Purchase Fund he was admitted to a private hospital facility in Galway. He told me that he was treated like the President in hospital. I replied to my good friend, Padraig, that it is the way he deserved to be treated and that is what we want to see in our hospital system, namely, everybody getting the best possible treatment when they need it with ease of access, not depending on their ability to pay private health insurance.

Senator Frances Fitzgerald: It is a shame he did not have access to that kind of care in our public hospital system. That is ideally what we would like to see.

Deputy Brendan Smith: That is what we are trying to achieve. Senator Fitzgerald makes my point. That is what we want to achieve.

Senator Frances Fitzgerald: I do not make the Minister of State's point. The Government is undermining the public hospital system by the approach it is taking.

Deputy Brendan Smith: No.

Amendment, by leave, withdrawn.

Section 1 agreed to.

Sections 2 to 7, inclusive, agreed to.

SECTION 8.

Question proposed: "That section 8 stand part of the Bill."

Senator Frances Fitzgerald: This section deals with the establishment order for the national paediatric hospital development board. In the case of this hospital, some of the best commentators in Irish health care have stated that the process used to make this decision, the way that it was handled and the way the decision was made, has been one of the least credible that they have seen in Irish public policy. Many parents, from the west of the city, from the south-west and from Kildare, who currently use Tallaght and Crumlin hospitals are extremely concerned at the access to the centre city site at the Mater and do not think it is a suitable location.

As the Minister of State will be aware, the position of Fine Gael has been to provide two hospitals to deal with the transport difficulties and the questions of access. I raised here previously the question of the golden hour and the access of parents and children where children are

at risk of death. The question of access to a centre city site is an enormous one. Professor Drumm, when I raised this with him at the Joint Committee on Health and Children, stated that the transport issues would be dealt with by the time the site was ready for general use. However, it is hard to see the transport issues being dealt with effectively because parents with sick children will not use the Luas or buses, but will use cars, taxis and ambulances. I have serious reservations.

I understand the principle behind centres of excellence as it applies to children. I note that the board of Crumlin children's hospital recently talked about taking legal advice on the siting of the hospital. I also note the ongoing funding and development of the Crumlin site, which I find hard to understand if the intention of the Government is to close it down.

I would also make the point that the suggestion is that the fairly new Tallaght children's hospital, which is only ten years old, will be closed down completely as an inpatient facility. Originally, we were told we would be left with an accident and emergency department in Tallaght Hospital that would open for eight hours a day. I asked the Minister, Deputy Harney, about this and she told me that it would be open for extra hours, but I would make a plea that if there is to be an urgent care facility in Tallaght, it should be a 24 hour facility because that is what parents have access to at present. I understand the intention of the Government is not to provide inpatient beds, but I would ask the Minister to address this issue of adequate urgent care facilities.

The decision-making on the Mater site has been based to a large degree — I have looked at all the reports — on patterns of health care in American cities. I totally understand the need for centres of excellence for children's care, but the question of secondary care has not been considered adequately in the decision-making on the Mater site. We are doing away with secondary care facilities for children around the city and they will not be fully and effectively replaced on the Mater site.

Senator Geraldine Feeney: Sometimes when we speak of the national children's hospital we forget that it is not a hospital for Dublin, Kildare and Wicklow, but a national children's hospital. People from as far away as where I live in the north west in Sligo, and those a further 150 miles north on the Inisowen Peninsula, will come down to it. Once we start coming into Dublin, we do not mind whether we are on the northside or southside. It is all the same to us.

Sometimes the debate gets bogged down because everything is centred in Dublin. We do not have a difficulty with that, but people in Dublin should remember that it is for wider use. It will be an all-island hospital, or a 26 county hospital at present, which people in the north west, the south east and the south west will

[Senator Geraldine Feeney.]

access. It is as easy to go to the Mater Hospital as it would be to go to Tallaght. I thought I heard the Minister state yesterday that it was her understanding that the people in Tallaght Hospital were on board now on the issue of the location of the new hospital.

As I have stated previously in the House, we are giving out an impression. There are people outside of Ireland waiting to come back to take up posts when they become available in the national children's hospital and we need to move on over the issue of location.

Deputy Brendan Smith: This section simply deals with the funding of the hospital's development board. As all of us will be aware, a decision on the siting of the new national paediatric hospital has been made on expert advice which has been dealt with in detail in both of these Houses. The new hospital will contain tertiary facilities.

I do not want to mislead the House or Senator Fitzgerald, but to my recollection the Minister, Deputy Harney, recently outlined the level and type of services that will be continued at Tallaght Hospital. Coming from the south of Ulster as I do, if the people in Cavan-Monaghan were to choose a site in Dublin for a national children's hospital we would choose the one at the Mater Hospital or one on the northside of the city because it provides the easiest access from our point of view. It must be borne in mind, as Senator Feeney stated, that the new national paediatric hospital is a national hospital to treat children from all over the country, and I am sure that will include those from the North and the South as well.

Question put and agreed to.

Section 9 agreed to.

SECTION 10.

Question proposed: "That section 10 stand part of the Bill."

Senator Frances Fitzgerald: I have indicated opposition to sections 10 to 21, inclusive. This section deals with the changes to the Medical Practitioners Act 2007. Clearly, these points have arisen as a result of hasty legislation last year in the form of that Act. Why else would we be revisiting the matter within a year? It was hasty legislation. There were problems that have now emerged in terms of its implementation.

It highlights what happens when we do what we are doing here today and what happened in the Dáil yesterday in the case of complex legislation. Senator Alex White made a point here yesterday with which I very much agree, that it is not necessarily about giving extra time in the House to debate it but about having time for the

Opposition to hear the views of the people, such as, for example, the Medical Council or other interested parties, whom it affects.

If we, as a Legislature and as a democracy, were functioning properly, that is what we would be doing. We would not be taking all Stages together, one day after the other. We would have time to reflect on this, to see the legal advice and to link with the people who are being affected. All that has been denied to us. There has been no committee discussions.

I also register my party's opposition to this section and the other sections that deal with the Medical Practitioners Act 2007 on the principle that this should not be umbrella legislation covering three separate strands.

Senator Geraldine Feeney: As somebody who sat on the Medical Council for five years representing the public interest the Bill, as I stated on Second Stage, is 30 years in gestation. When I joined the Medical Council in 1999, people were clamouring for a new Bill. The then Act was so antiquated it was severely restrictive. The amending Bill was not rushed through the House. There was plenty of discussion. I remember that the most worrying part for the Opposition parties was proposal regarding a lay majority and they spoke forcibly against it.

This section is a technical part of this Bill to allow for a safe transition of powers from the old council to a new council, which is a worthy matter. If this was taken out, it would delay the entire process of transition. One must bear in mind that the present council has agreed to remain in place for a couple of months but if this does not go through, the current members could stay in place indefinitely and that would not be good for the medical profession or for the public interest, which, we must bear in mind also, the Medical Practitioners Act 2007 was set up to protect.

Deputy Brendan Smith: These proposed changes to the Bill are not appropriate given that we are acting on advice given by the Attorney General's office. The advice is that some technical amendments are required to strengthen the transitional provisions of the Act which will allow for the nomination and election processes provided for in the Act regarding a new Medical Council to take place as early as possible in the New Year, following which the other provisions in the Act will take effect on a phased basis. I am anxious there should be an orderly hand-over from the outgoing Medical Council to the new one and that there should be an orderly phased implementation of the Act in general.

Having carefully considered the advice of the Office of the Attorney General, I propose that immediate corrective action is taken at this time by way of primary legislation because of the importance of the Act for both the medical profession and the protection of the public. It is very

much in the public interest that the necessary amendments are made as a matter of urgency. The proposed amendments are not appropriate given I am acting on advice given by the Attorney General of the need to strengthen the transitional provisions of the Act and to allow for the implementation of the Act on a phased basis. It is especially important that the nomination and election processes under the Act get under way as quickly as possible in 2008.

Senator Frances Fitzgerald: I understand legal advice is given to the Government in confidence, but that does not mean it cannot be available. The Government can still make its own decision. This seems relatively straightforward. The precedent that exists that advice given from the Attorney General should not be made available should be revisited. I call on the Government to consider that. In the interest of good legislation, in the interest of support for this sort of legislation and where it is appropriate to pass on the advice of the Attorney General, why does the Government not make the decision to make it available to the Opposition?

Deputy Brendan Smith: The Attorney General's advice to a Government is always privileged and that has been the position on advice from the Government's legal adviser to the Government.

Question put and agreed to.

Sections 11 to 21, inclusive, agreed to.

SCHEDULE 1.

An Cathaoirleach: Amendments Nos. 2 and 3 and 8 to 18, inclusive, are related and will be discussed together by agreement. Is that agreed? Agreed.

Senator Frances Fitzgerald: I move amendment No. 2:

In page 10, column (2), to delete lines 6 and 7.

One of the issues which has emerged as a key concern to all sides of the House is the relationship between the Health Service Executive and the Department of Health and Children. That relationship has undergone a fundamental change following legislation a couple of years ago. This was illustrated clearly when the information emerged at the Joint Oireachtas Committee on Health and Children that women were being called back for rechecks. The Minister and her officials were in the dark about it, as were some senior members of the HSE. We had representatives of the HSE on the one hand and representatives of the Minister and her Department on the other, but there had been no exchange of information between them at that critical time on a matter which was of particular concern to the

women concerned. Those women had not been told, the Minister did not know they were being recalled, her senior officials did not know and the senior officials in the HSE did not know. If that situation does not raise questions about accountability and responsibility, I do not know what does.

What happens in the Bill is that the HSE is substituted for the role of the Minister. I am sure the Minister of State will address the reason this is seen as necessary in the context of the legislation. I understand that, but it raises the issues of the role of the Minister, accountability, the question of who is in charge of health policy and who is accountable for its delivery. What impact has the change in legislation had on decision making in recent years? What is the impact when a budget is removed from within the Department? What do senior Department officials think of this and do they think it is effective? In their view, what impact has the fact the budget has been taken away from the Department had on the delivery of health care services? I look forward to the book being written on the shifts in authority, responsibility and decision making that have emerged in recent years and their impact on the front line of health services and on responsibility for how the service is failing patients.

This group of amendments has been put forward because of the deep unease in both the Dáil and Seanad about the structure of those relationships, the changes in them and the need to examine the impact they have had. That, allied with the lack of reorganisation in the HSE and the fact the Taoiseach intervened on the day before the legislation was due to take effect and guaranteed there would not be any redundancies or that no effort would be made to deal with the duplication of staff or to look at the management structures, led to the retention of many ineffective management structures within the HSE, as acknowledged by Professor Drumm and others.

These amendments address that issue. It may be a peripheral issue in this legislation, but there is a substitution of the Minister's role with the HSE, with all that implies. I look forward to hearing what the Minister of State has to say on the issue. I understand it is deemed necessary in the context of the changes being made.

Deputy Brendan Smith: Schedule 1 provides for the amendment of particular functions of certain corporate bodies. The establishment audit for the corporate bodies established under the 1961 Act provides that certain powers, functions and activities relevant to the bodies are to be carried out by the Minister, or in other instances are exercisable by the bodies themselves, subject to ministerial approval or with the consent of the Minister and the consent of the Minister for Finance. However, certain of the 19 bodies in operation, namely, St. James, Beaumont, St. Luke's, Leopardstown Park, the Dublin Dental Hospital, the National Haemophilia Council, the Drug

[Deputy Brendan Smith.]

Treatment Centre board and the National Paediatric Hospital development board are now funded, or will be, by the Health Service Executive.

Consistent with the health service reform programme and the provisions of the Health Act 2004, it is proposed to amend the establishment orders of these bodies to reflect that they are accountable to the HSE for the performance of their operational functions and responsibilities. The functions being transferred from the Minister to the HSE are those relating to the submission by these bodies of estimates of income and expenditure for the forthcoming year, provision of operation and management information and so forth. Other responsibilities will be retained by the Minister, for example, appointing members and receiving and laying accounts before the Houses of the Oireachtas. In other matters, such as recruitment and pay, it is proposed that the bodies determine these with the approval of the executive and the consent of the Minister and the Minister for Finance.

These provisions reflect the current practice where the HSE deals with operational matters of these bodies and areas such as pay and numbers are determined in accordance with national policy. If I were to accept these amendments, that would create by means of primary legislation a direct managerial relationship between the Minister and the Department and these bodies. These bodies have not been funded directly by the Department since 2000 when the Eastern Regional Health Authority was established to take over the direct management of health services in the old Eastern Health Board area. The Health Service Executive took over this role and funds these bodies in accordance with the Health Act 2004. To accept these amendments would undermine one of the central principles of the health service reform programme and the provisions of the 2004 Act. I therefore do not propose to accept the amendments.

If the amendments were accepted, it would enshrine in law a direct managerial relationship between the bodies and the Minister, thus bypassing the Health Service Executive. This would not provide for proper accountability of governance because the HSE funds these bodies.

I wish to comment on the general relationship between the HSE and the Department. The Department of Health and Children has responsibility for policy formation and for providing the Minister and Ministers of State with advice. The HSE has responsibility for the implementation of policy.

Amendment, by leave, withdrawn.

Amendment No. 3 not moved.

An Cathaoirleach: Amendment No. 4 is in the name of Senator Fitzgerald. Amendment No. 5 is

a technical alternative to the same part of the Bill as amendment No. 4, amendment No. 6 is related and amendment No. 7 is a technical alternative to the same part of the Bill as amendment No. 6. We will discuss amendments Nos. 4 to 7, inclusive, together. Is that agreed? Agreed.

Senator Frances Fitzgerald: I move amendment No. 4:

In page 11, column (1) and column (2), to delete lines 3 to 56, to delete page 12 and in page 13, column (1) and column (2), to delete lines 3 to 30.

Will the Minister of State address the issue I raise in amendment No. 4 in respect of Schedule 1? The Schedule states:

An agreement to which paragraph (1) applies may include provision for—

(a) the construction of buildings and facilities on land vested in the Board for the purpose of the provision of services referred to in that paragraph,

(b) the disposal of land or an interest in land by the Board or the Health Service Executive for the purposes of—

(i) the said construction, and

(ii) the provision of those services by the private undertaking,

and

(c) the management and running of the hospital to which the agreement applies by the private undertaking in accordance with such standards, and such requirements as respects the monitoring and enforcement of compliance with the agreement, as may be specified in the agreement.

Will the Minister of State explain the meaning of the term “disposal of land or an interest in land”? Does this refer to the sale of land?

Senator Phil Prendergast: I wish to comment on the absence of legislation relating to the Health Information and Quality Authority, HIQA, particularly that of a sort which would allow it to inspect unfettered and on an unannounced basis all private health care facilities — acute, non-acute and community-based. The absence of such a right of inspection is questionable, especially when moneys are being given to facilities by means of nursing home subventions through the National Treatment Purchase Fund or via tax breaks.

The Government appears to be planning to introduce the fair deal legislation which will make individuals liable to pay surcharges, possibly on their homes, up to a maximum of 15%. I am concerned that licensing regulation requirements relating or applicable to private facilities do not exist.

Deputy Brendan Smith: As already indicated, the purpose of these provisions is to put beyond any doubt the capacity of St. James's and Beaumont hospitals to enter into co-location arrangements. During the period 2003 to 2004, the Department of Health and Children came under considerable pressure from the former Mid-Western Health Board to sanction the development of a private hospital on the grounds of Limerick Regional Hospital. The Department also became aware that the boards of Beaumont and St. James's hospitals in Dublin were preparing proposals for the development of private hospitals on their sites. The Department arrived at the view that there was a need for a comprehensive and consistent approach to the assessment of any proposals for private developments on public hospital sites. Prospectus was engaged by the Department in the autumn of 2004 to advise on a framework which would encourage private investment in the acute sector and promote and protect the public interest.

Around the same time, the Department was becoming increasingly concerned at the extent to which the level of private practice in public hospitals was exceeding the ratio of 80:20 agreed with the medical organisations. Approximately 2,500 beds in public hospitals, representing 20% of the total, are designated for use by private patients. The level of private elective admissions, namely, those that are planned rather than emergency admissions, was, and still is, running at approximately 35% of the total, however. This has an impact on the ability of public patients to access public hospitals and it contributes to waiting lists for public patients and problems in accident and emergency departments.

A combination of factors had led to a position where private patients were receiving priority access to public hospitals at the expense of public patients. At the same time, the Exchequer and the State were spending considerable sums on sending public patients to private hospitals via the National Treatment Purchase Fund. This situation called for innovative thinking and out of it the co-location initiative emerged.

Co-location is seen by the Government as the quickest and least expensive means of providing significant additional capacity for public patients. No capital outlay is required because the beds, having been funded by the Exchequer, are in place. In addition, the beds are staffed and the back-up services and facilities required to support them are in place. A target of transferring 1,000 private beds to the private sector over a period of five years was seen as attainable. The Government accepted that there would be a loss of income from private insurers but this was seen as a small price to pay to free up 1,000 patients for public patients. The Government endorsed the co-location initiative in July 2005. A policy directive was issued to the HSE on 14 July 2005 mandating it to implement the initiative.

I may have omitted to deal with a particular point made by Senator Fitzgerald earlier. It was stated previously in the House that the land on public hospital sites to be used for the development of co-located hospitals will be leased to the private partners. The public procurement process has proceeded on that basis and the private partners are well aware that there is no question of the land being sold to them. The land for the co-located hospital at Beaumont is owned by the hospital board, whereas that at St. James's is owned by the HSE and is leased to the hospital board.

The phrase "disposal of land" in Article 4A(2)(b) was the subject of detailed discussions between officials of the Department of Health and Children and the Parliamentary Counsel. The advice of the Office of the Parliamentary Counsel is that the language used in Article 4A is the appropriate formula in respect of dealings in land. I reiterate that the land for co-located hospitals will be leased and Article 4A is designed to permit this and no more.

Senator Prendergast inquired about the functions of the Health Information and Quality Authority, HIQA. The authority's functions and remit are being extended and rolled out. As a former nurse, I am sure the Senator will appreciate that the establishment of the HIQA is an important element in the reconfiguration of the delivery of health services and in ensuring standards reach the requisite level.

I had the opportunity to meet Tracey Cooper, the new chief executive of HIQA, and some of her senior colleagues. In my opinion, they have the capacity and the determination to do an excellent job and deal with all matters coming under their remit. They will be provided with the resources. Anyone with a genuine interest in ensuring all patients, regardless of the sector of health system in which they find themselves, deserve to be given the highest standard of treatment at all times. The HIQA has the power to investigate services provided by the HSE or on its behalf, either by private sector or voluntary sector interests. The office of the chief inspector of social services, which is part of the HIQA, will inspect private and public nursing homes. At present, only private nursing homes are inspected by the HSE.

Senator Phil Prendergast: I welcome the Minister of State's reply. I worked in the health service for 23 years. If Senator Feeney was ever obliged to travel in the back of an ambulance with a child who was very ill, she would hope that arrival at the hospital would not be delayed by a traffic snarl-up because seconds can be vital. Reference is often made to the golden hour. On occasion, it can be a golden minute. Some needy little individuals might often require a high level of care and attention.

There may be a case to be made for having two accessible centres of excellence, one in the north

[Senator Phil Prendergast.]

and the other in the south, but that neither should be located in Dublin. I do not intend to take away from people in Dublin or their needs. In places of high population density where the expertise is available, it is preferable to centralise services. In the context of the outcomes achieved at the National Children's Hospital, I have nothing but the highest regard for my colleagues and for Ministers and Ministers of State, such as Deputy Brendan Smith, who have ensured an excellent service has been provided down through the years.

There are many positive aspects to this legislation. However, it was distasteful to include provisions relating to co-location in it. As a former health care professional, I appreciate the need to rush through the legislation but I do not see the need to deal with co-location at this point.

Senator Frances Fitzgerald: In reply to my query regarding the disposal of land, the Minister of State indicated that detailed discussions took place between the Parliamentary Counsel and the Department. This suggests some questions needed to be asked in respect of the language used. I wish to put down a marker that, regardless of the advice received by the Minister of State, to me the phrase "the disposal of land" refers to the sale of land. If I was presented with the detailed legal advice, I might be convinced that the position is otherwise.

I am concerned that private consortia will be able to buy what used to be public land on public hospital sites. That is what it looks like to me. While I bow to the legal information available to the Minister of State, I have not seen it.

I would like to respond to the Minister of State's comments about the value of co-location. The Department of Health and Children has emphasised in its guidelines that accident and emergency departments will not be a feature of co-located hospitals. Significant investment and re-organisation are needed in our hospitals' accident and emergency units. Waiting times are unacceptable, as we know, although there have been some improvements. The facilities available in such units often are sub-standard. The co-location plan will have a minimum impact on this aspect of the accident and emergency crisis in hospitals.

The crisis could be alleviated if we placed an increased emphasis on primary care services, especially services offered outside office hours. The Health Service Executive has made some progress on this issue in north Dublin, but it needs to be addressed throughout the country. Most primary care in Ireland is provided privately, which does not improve access to services in the hospital sector, mainly because the VHI does not cover primary care. Progress could be achieved in this area if we were to award tax breaks to clinics and physicians which offer a 24-hour service. This would encourage primary care

providers to make such a service available, thereby reducing the pressure on accident and emergency units. The problems in such units constitute one of the big crises in the hospital service. Co-location will not offer a response or a solution to this difficulty.

It should be pointed out also, in the context of the debate on the section of the Bill relating to co-location, that the profitability of the co-located private hospitals will depend on the attitude of the VHI which is the main provider of private health insurance in this country. Professor Drumm, who is the chief executive of the Health Service Executive, has said that private hospitals will be billed for all patients who are sent to public hospitals for part of their treatment. It seems clear that he is against co-location but refuses to comment on it beyond an operational perspective.

The VHI recently refused to cover services provided at a new private hospital in Galway, resulting in the hospital running at a loss. If it refuses to reimburse all new private hospitals, such as the co-located hospitals we are discussing, to the extent they require, they will obviously start to encounter significant funding problems. If the VHI agrees to reimburse private hospitals to the extent demanded by them, its costs will increase which will lead, in turn, to higher premiums. It is inevitable that the policy of co-location will lead to higher premiums. The 50% or more of the population who have private health insurance will not thank the Government when their premiums increase as a result of co-location. I do not doubt that premiums will get more expensive, which will mean people will have to spend more money on health insurance and less money in other areas of the economy. It will price some people out of the health insurance market, which will put an increased strain on public services and intensify pressure on a system that is already overloaded.

Private hospitals obviously are aware of the pitfalls ahead. The Bon Secours group recently pulled out of the consortium that won the contract to build a private co-located hospital in Waterford. The policy of co-location is ill thought-out. There has not been a proper examination of its potential effects on the public health system. I regret that it will undermine that system. Senators on the Government side have argued that it will increase bed numbers — I do not doubt they are genuine — but I maintain that it is ill thought-out and ideologically driven. It shows a lack of commitment to the public health service. The co-location policy is couched in terms of the provision of 1,000 extra beds, but it will privatise and Americanise our system. It demonstrates the willingness of the Government to move closer to Boston than to Berlin. I do not believe it reflects the wishes of the people of Ireland. The impact of co-location will be felt for generations to come. It sends out a message that will undermine the public health system. I have

tabled these amendments to address the points I have highlighted.

Deputy Brendan Smith: Senator Fitzgerald asked about the clear legal advice that was made available to officials from the Department of Health and Children on foot of their discussions with their counterparts in the Office of the Chief Parliamentary Counsel. The proposed new Article 4A has been designed to allow public land to be leased, and no more, for the development of co-located hospitals. There will be an accident and emergency unit in the public hospital. The co-located hospital elsewhere on the campus will be required to take patients from that unit 24 hours a day, seven days a week. Detailed consideration has been given to co-location. It will complement, rather than undermine, the public system.

This has nothing to do with ideology. The only ideology is to get extra beds into the system to facilitate access for public patients. I cannot understand why people do not agree with such a policy. As Senators said earlier, access to hospital beds should be based on medical need. The clear advice we have received on the issue of the disposal of land, to which Senator Fitzgerald referred, is that land for co-located hospitals will be leased. I omitted to mention earlier, in response to Senator Prendergast, that the Commission on Patient Safety and Quality Assurance has been established to make recommendations on a licensing system for public and private health facilities. I am sure the Senator will welcome that development, just as I do.

Amendment, by leave, withdrawn.

Amendments Nos. 5 to 18, inclusive, not moved.

Question proposed: "That Schedule 1 be Schedule 1 to the Bill."

Senator Frances Fitzgerald: I would like to reiterate some of the points I made earlier about the three matters being dealt with in this legislation. I refer to the changes being made to the roles of the Minister and the HSE, the amendments being made to the Medical Practitioners Act 2007 and the strengthening of the legal basis of various bodies which, according to the Office of the Attorney General, do not have a satisfactory legal basis at present. Fine Gael is concerned about the manner in which three separate issues are being handled together. If it is necessary to regularise the legal basis of certain bodies, we support in principle measures aimed at doing so. We are not satisfied about the way this Bill has been brought to the House, the timeframe that has been set for the consideration of the legislation and the manner in which three separate matters are being dealt with in a combined Bill.

The Bill before the House will ensure there is no doubt about the legal capacity of Beaumont Hospital and St. James's Hospital to enter into co-location agreements. Some hospitals did not have a real choice on co-location because they were finding it difficult to get money for public beds. The money that is being extended to them to develop co-location was not made available to them when they wanted to fund public beds. I question the extent to which some hospitals — not all of them — have genuinely had a free choice in this instance. That underlying question should be up for discussion.

I hope the Department of Health and Children will re-examine the policy of co-location and realise it will undermine the provision of public health care services and widen the gap between the two tiers of our health system. Many things can be done to improve the health care system, but co-location is not one of them. The Minister of State, Deputy Smith, has emphasised today that co-location will create more beds within the system. The Minister, Deputy Harney, has also made that point on many occasions. We do not know, however, who will staff the beds and who will pay to use them. As I said earlier, the co-location programme will not solve the problems in accident and emergency departments or address the lack of tertiary beds and home services which leads to bed blockers.

I am conscious that cutbacks are being made at present. We cannot get home care packages to help people who are in the National Rehabilitation Hospital in Dún Laoghaire, for example. Parents and other family members are willing to help such people, but home care packages are not available to facilitate that. I raised this issue in the committee. It is a serious problem at the moment.

I understand the wish to provide beds at a faster pace, but the long-term effects of the proposal have not been considered. Alternative solutions have been neglected as a result. Possible solutions to the problems in the health care system include the building of new hospitals by private companies which could then be leased by the State; a requirement for universal public health insurance, a system which works well in other countries and would eliminate the two-tier system; and the placement of non-acute services in the grounds of public hospitals, which would reduce the problem of what is termed "bed blockers". There are many other alternatives to the co-location policy which could have been considered. This decision was taken quickly and without consideration of its long-term impact.

Deputy Brendan Smith: Senator Fitzgerald mentioned staffing. As stated by the Minister in previous debates, the project agreement between the HSE and the private provider requires that the private facility in each hospital will be capable of treating all private patients that are currently in the associated public hospital. The specific minimum requirements for the co-located

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hospitals include the ability to admit private patients directly from public hospital accident and emergency departments, primary care centres and GPs on a 24-hour, seven-day basis; the establishment of joint research and development programmes, clinical governance, performance management requirements and documented service level agreements; and the sharing of information and records management.

It has been suggested that the hospitals are not supportive of the co-location proposal. In fact, the boards of both St. James's and Beaumont hospitals have indicated they want to participate in the initiative. I reiterate that we want to increase bed capacity within our health system. This method is the least demanding on the Exchequer and is the quickest and most expeditious way to ensure we get the required additional capacity in the health system. This will be for the good of public patients.

Question put and agreed to.

Schedule 2 agreed to.

Title agreed to.

Bill reported without amendment and received for final consideration.

Question, "That the Bill do now pass", put and declared carried.

**Health (Miscellaneous Provisions) Bill 2007:
Motion for Earlier Signature.**

Senator Geraldine Feeney: I move:

That pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Health (Miscellaneous Provisions) Bill 2007 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to her."

Question put and agreed to.

An Cathaoirleach: When is it proposed to sit again?

Senator Geraldine Feeney: At 2.30 p.m. on Wednesday, 30 January 2008.

Adjournment Matter.

Health Services.

Senator Maria Corrigan: I thank the Cathaoirleach for giving me the opportunity to raise this matter and I welcome the Minister of State to the House.

I have tabled this Adjournment matter to try to obtain clarification on the allocation of moneys to the areas of mental health services and physical and sensory disabilities in the 2007 budget. Some confusion has arisen in this regard. The impression among organisations on the ground is that moneys that were specifically allocated to certain areas in the 2007 budget did not end up being spent in those areas. Indeed, it appears that some if not all of the moneys may have been spent on other projects or offset against the overspend of the HSE. If this is the case, it raises some serious questions. If it is considered by the Government of the day that moneys should be allocated specifically to certain areas, there is an onus on the HSE to ensure that the money is spent in these areas. Both of these are priority areas which require the expenditure that was allocated to them. I would appreciate clarification from the Minister of State on this issue.

I also have concerns about the sum of €50 million that was allocated to disability services in the 2008 budget. It is essential that we receive assurance from the HSE that every penny will be spent in this area in 2008. I understand there is a need for the HSE to have some flexibility in terms of delivering services. The HSE is accountable to us for its global Vote but its accountability in terms of specific items of expenditure that we allocate is not sufficient. We need to ensure that while the HSE is given the flexibility required to manage its budget, we are provided with assurances that if we consider an area to be of sufficient priority that we allocate specific moneys for it, the money is spent in that area.

Minister of State at the Department of Health and Children (Deputy Brendan Smith): I thank Senator Maria Corrigan for raising this important issue. I will take this item on behalf of my colleague, the Minister for Health and Children, Deputy Mary Harney.

I assure Senator Corrigan that the Government is committed to the full implementation of A Vision for Change and has accepted the report as the basis for the future development of mental health services. The report estimates that in addition to the reallocation and remodelling of existing resources, an additional investment of €151 million is required over seven to ten years. In 2006, an additional €26.2 million was provided for the development of mental health services in line with A Vision for Change. A further sum of €25 million was allocated in 2007. This represents one third of the estimated additional cost of implementing A Vision for Change.

The 2007 additional funding was allocated to enhance existing services and to develop new services including €7.95 million for the development of child and adolescent mental health services to improve both community and hospital based services, to facilitate the provision of early intervention services, to enhance the multi-disciplinary nature of existing child and adolescent

mental health teams, to develop eight new teams and to develop 24 additional beds for the treatment of children and adolescents. A sum of €2 million has been allocated for forensic mental health services to enable the service to address the implications of the Criminal Law Insanity Act 2006 and the Mental Health Act 2001 and to develop additional places including residential places in the community.

In line with Reach Out, the national strategy for action on prevention of suicide, €1.85 million was allocated to develop and implement national training programmes, to complete the availability of self-harm services through accident and emergency departments and to implement a national positive mental health awareness campaign through the National Office for Suicide Prevention. This additional funding brings the total available in 2007 for suicide prevention initiatives to €8 million.

A total of €750,000 was allocated in 2007 for the further development of designated eating disorder services and commissioning services from agencies. This includes funding of €500,000 for a new consultant with a special interest in eating disorders at the Elmount Unit, St. Vincent's Hospital, Elm Park and €250,000 to enhance the expertise available to the existing community based teams in Cork.

Funding of €12.45 million was allocated to develop a range of other services including €3 million to improve specialist mental health services for older people, the homeless and people with an intellectual disability, €3.1 million for second medical opinions and authorised officers required under the Mental Health Act 2001, and to develop further the service of assisted admissions under the Act, €1.5 million to support mental health promotion, advocacy and voluntary organisations, €1.1 million to support professional development and training and €3.75 million for a range of other initiatives including adult victims of past abuse, a liaison mental health service in acute hospitals, a national counselling service and a national service user council.

Implementation of the individual recommendations in A Vision for Change is a matter primarily for the Health Service Executive. An independent monitoring group was established in March 2006 to monitor and assess progress on implementation of A Vision for Change. It published its first report in May 2007 and found that despite some significant initiatives there is little evidence of a systematic approach to implementation. However, in September this year, the HSE appointed a full-time project manager to develop its implementation plan. This plan is expected shortly.

Mental health and the development of appropriate services are priorities for this Government and that has been reflected in the unprecedented increases in funding in recent years. It is estimated that approximately €1 billion will be spent on mental health services this year.

The proportion of overall health spending on mental health is frequently used to make a point on the adequacy of funding. However, it is not entirely valid to make that comparison because as the nature and scope of health services change, funding ratios automatically change. In addition, some 30% of people attending primary care have mental health problems, the cost of which is not captured in the €1 billion figure.

In budget 2007, the Minister for Finance continued the tradition built up over the years of providing additional funding for people with disabilities. The provision of this additional funding continues to support the national disability strategy. The national disability strategy emphasises equal participation in society by people with disabilities. The national disability strategy provides for a framework to support people with disabilities.

The strategy puts forward the policy of mainstreaming public services for people with disabilities. The main elements of the strategy are the Disability Act 2005, the Education for Persons with Special Educational Needs Act 2004, the six sectoral plans published by Departments, the Citizens Information Act 2007, and the multi-annual investment programme for disability support services.

Since the launch of the national disability strategy in 2004, €420 million has been provided by the Tánaiste and Minister for Finance, Deputy Brian Cowen, for additional health and personal services for people with disabilities. The additional funding provided in the budget is to provide for a range of service developments for people with a disability.

For each of the past three years the multi-annual investment programme funding has been used to create additional residential, day and respite places for persons with a disability. The additional funding provided in budget 2007 will provide 255 new residential places, 85 new respite places, and 535 new day places in the areas of intellectual disability and autism services. It also provides for the implementation of the plan to transfer persons with intellectual disability-autism from psychiatric hospitals and other inappropriate placements.

Regarding services for persons with a physical or sensory disability, the additional funding this year will provide for a further 80 new residential places and the resources for 250,000 extra hours of home support and personal assistance.

The additional funding of €50 million provided in budget 2008 continues this Government's commitment to developing services for people with disabilities and in 2008 we will also reap the rewards of the unprecedented investment in mental health in recent years.

I thank Senator Corrigan again for raising this important issue. Since taking up my position in the Department of Health and Children I am aware that she has been active in working with the Minister of State, Deputy Jimmy Devins, on

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being a vigorous advocate for the needs of people with disabilities. I thank her for her ongoing work in this important area.

Senator Maria Corrigan: I thank the Minister of State for his reply and his kind words. It is clear from the moneys allocated that mental health and disabilities are a priority for the Government but did the HSE spend those moneys in the areas for which they were allocated?

Deputy Brendan Smith: My colleague, the Minister of State, Deputy Jimmy Devins, is

anxious to ensure that the funding allocated for these services delivers real outcomes for the people who need them. The Minister of State, Deputy Devins, will be vigorous in his work in this area and I have no doubt that substantial improvements will occur in the lifetime of this Government under the stewardship of the Minister of State.

An Cathaoirleach: I thank the Minister of State, Deputy Smith, for attending here today. I wish him, all other Ministers and the staff a happy and holy Christmas.

The Seanad adjourned at 1.55 p.m. until 2.30 p.m. on Wednesday, 30 January 2008.