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**Wednesday,
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DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

Wednesday, 5 November 2008.

[illegible]

SEANAD ÉIREANN

Dé Céadaoin, 5 Samhain 2008.
Wednesday, 5 November 2008.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.
Prayer.

Business of Seanad.

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

The need for the Minister for Health and Children to progress with urgency legislation to ban BZP, the party pill, which is openly on sale around the country.

I have also received notice from Senator Pearse Doherty of the following matter:

The need for the Minister for the Environment, Heritage and Local Government to outline when the necessary legislation will be in place to bring effect to the budget announcement whereby a €200 levy is to be imposed on all holiday homes, rental and all other non-principal places of residence; and whether the money collected in each local authority will remain within that area and the way in which this levy will be collected from people who own property in this State which is subject to this levy while they reside outside of the State.

I have also received notice from Senator Cecilia Keaveney of the following matter:

The need for the Minister for Arts, Sport and Tourism to engage with his equivalent Minister in the North's Executive to develop an archive of Ballykinlar internment camp for the 1920-21 timeframe and to consider having a cultural tourism aspect to that site and others such as the Curragh.

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

Senator Donie Cassidy: Before the Order of Business I would like, on behalf of myself and the House, to offer our congratulations to the US President-elect, Barack Obama.

Senator David Norris: Hear, hear.

Senator Donie Cassidy: Barack Obama's remarkable personal story, together with his eloquence and huge political talents, send a powerful message of hope to American citizens and America's friends right across the world. We look forward to the President-elect building on America's strong relationships with EU member states and other countries around the globe. We look forward to working with him and his administration on issues of mutual interest to us in Ireland, as well as building on the existing deep and cherished ties between our two countries.

[Senator Donie Cassidy.]

I extend my best wishes to Vice President-elect, Joe Biden, a man who I know is very proud of his Irish roots.

The eyes of the world have been focused on this historic campaign. It has, above all, been a triumph for democracy. For that and for his immense contribution to American life, great credit is due to Senator John McCain, another long-standing and true friend of Ireland.

There is a very clear sense of history with the election of the first African-American US President. Today, we are all reminded of all those who struggled for civil rights in America for so many years and those who worked for justice and peace around the world.

I wish the President-elect well. Both he and his party faces an enormous opportunity and responsibility at a time of immense global challenges. He is the hope of many people in the world. I ask you, a Chathaoirligh, a true Offaly man, to offer our congratulations to another dear friend of Offaly who has many ties with that great county.

Senator Jerry Buttimer: I suppose Barack Obama will vote Fianna Fáil next.

Order of Business.

Senator Donie Cassidy: The Order of Business is No. 1, statements on the over 70s entitlement to medical cards, to be taken at the conclusion of the Order of Business and to conclude at 1.40 p.m. if not previously concluded, with spokespersons having ten minutes, all other Senators seven minutes, on which Senators may share time by agreement of the House, and the Minister to be called upon ten minutes from the end of the debate for concluding comments and to take questions from spokespersons or group leaders; No. 2, statements on the Health Information and Quality Authority's nursing home standards, to commence at 3 p.m. and to conclude not later than 5 p.m. if not previously concluded, with spokespersons having ten minutes, all other Senators seven minutes, on which Senators may share time by agreement of the House, and the Minister to be called upon ten minutes from the end of the debate for concluding comments and to take questions from spokespersons or group leaders; and No. 25, motion 24 re development of green technology for economic growth, to be taken not earlier than 5 p.m. and to conclude not later than 7 p.m. The business of the House will be interrupted from 1.40 p.m. to 3 p.m.

Senator Frances Fitzgerald: I join the Leader in sending the congratulations of this House to President-elect Barack Obama. To see the first African-American commander-in-chief is truly a historic moment for America. It is a moment of hope for America and, I hope, for the world. Many people will be pleased to see the end of President Bush's era.

Senators: Hear, hear.

Senator Frances Fitzgerald: It was wonderful to watch the results coming in last night, to see the engagement of people with politics and to see the people queueing for long hours to vote. I do not think we would have the same patience here if we had to endure a five-hour queue. It was a wonderful moment for democracy and it was tremendous to see the engagement of Mr. Obama with young people and minorities across the divide. Obviously his work begins now. However, it was a fantastic campaign and it was wonderful to see the hope and joy people expressed last night. I hope we will have a presidential visit here. We saw the excitement, inspiration and motivation that such visits provided in the past. Certainly in this election campaign we saw many barriers transcended, including sexism, ageism and racism. I thought John McCain's concession speech last night was very gracious and inclusive.

Senator Jerry Buttimer: Hear, hear.

Senator Frances Fitzgerald: Obviously the focus in the United States has been very much on human rights. Yesterday I raised in the House the issue of human rights in Ireland with regard to the Irish Human Rights Commission and the changes to the Combat Poverty Agency and the Equality Authority. The Leader was not here yesterday, but I want to ask him to convey to the Government the concern of those on this side of the House that in a time of recession and economic difficulty, when minorities and vulnerable people will face even more challenges, the Government has chosen to cut funding to these organisations which protect human rights and protect the vulnerable. It is a frightening decision by the Government and it does not bode well for democracy and the protection of human rights in this country. I ask the Government — the Progressive Democrats, the Green Party and Fianna Fáil — to reconsider its decision at this time and to do another U-turn on this because it is one area in which a U-turn should be done.

We were given to understand by the Government that there was a liquidity problem with the banks. We have heard the Government say that we in this country are facing an international problem. However, I see from the AIB statement this morning, in which its earnings forecast was reduced, that the key problem, as we suspected, is loans to property developers——

Senators: Hear, hear.

Senator Frances Fitzgerald: ——fuelled by a Fianna Fáil-Progressive Democrats Government. This statement from AIB raises serious problems with the state of our economy. As I said yesterday, it is death by a thousand cutbacks. Where is the big plan? Where is the support to hard-pressed mortgage holders and small businesses? It is time we had the Minister for Finance in the House to tell us the plans. In view of this statement from AIB, which causes much concern, it is time for the Minister to come to the House.

Senators: Hear, hear.

Senator Joe O'Toole: In joining with the congratulations to the American President-elect, we should also consider in general terms how his election affects Ireland. The House will be aware that during the course of the campaign Senator Obama made very worrying comments about how he would deal with foreign-based American industry. If he brings to fruition his proposal to stop the repatriation of profits and force American industry to pay corporation tax at US rates, that will have a major impact on the Irish economy. While it is good that we should be talking about congratulations and celebrations, I would also like the Minister for Finance to come to the House and explain the impact this would have on the Irish economy and what engagement he intends to have with President-elect Obama with a view to protecting Irish jobs.

The Joint Committee on Communications, Energy and Natural Resources, of which I am a member, recently heard from oil retailers about petrol and diesel prices. The debate around the House is beginning to be a bit like mandatory sentences — people can say whatever they want. The information they gave indicates where the money goes. It is very clear. A total of 55% of the cost is represented by Government excise duties, while 37% — almost 40% — is the wholesale cost from the refinery. Only 7% of the total cost, in other words, 7 or 8 cent per litre of petrol or diesel at current prices, goes towards the costs and profits of the retailers, including transport costs. Let us put the focus where it should be, on Government and on the refineries and large multinational companies. These are the people we should be looking at, not the small operator on the street who is simply running a business. He or she is not the one at fault here. We should recognise the reality.

[Senator Joe O'Toole.]

I support the point made by Senator Fitzgerald about human rights. One of the provisions of the Good Friday Agreement was the establishment of the Irish Human Rights Commission, which was set up to work closely, which it does, with the Northern Ireland Human Rights Commission. It is a crucial part of what we do and it is very important that it is supported. It is now being told its budget is to be reduced from €2.2 million to €1.6 million. That will not even cover the costs of running the operation. This is an assault on human and civil rights. It is an assault on the Good Friday Agreement and we should take an interest in it. I would like to hear from the appropriate Minister — I am not sure whether it is the Minister for Justice, Equality and Law Reform or one of the Ministers at the Department of the Taoiseach — the Government's plans in this regard and how it sees the IHRC doing its business on such a restricted budget.

Senator Alex White: At a time when the predominant mood in politics and public life is one of pessimism, I join the Leader and the other group leaders in conveying our congratulations to President-elect Obama. It is a moment of considerable optimism, which is an antidote to the deep pessimism we all see around us with regard to our economy and the world economy. It is a fantastic moment and, as Senator Fitzgerald said, it is truly the end of an era. It is not just the end of the Bush era but of a somewhat longer era in American politics, which has an impact on world politics. I see it as the end of the Reagan era, an end to the neo-liberal model of capitalism, which was fostered by President Reagan and Margaret Thatcher and which has its apostles in this country, or at least it used to, although they are disappearing. It is truly a political moment of considerable importance.

Senator Fitzgerald was right when she spoke about the overwhelming sense of joy on the part of many millions of people that we saw last night on television. In many cases these people felt in the past that they never had a stake in their own country or in the political system, society and communities of which they were part. Now they feel this is their moment and they can truly engage with their society and their country.

I have criticised the US in the past, as have other Members of the House. Sometimes we are accused of being anti-American when we criticise American foreign policy. I never thought there was anything so absurd as the suggestion that because one criticises the foreign policy of a country, one is against that country in some way or is guilty of being anti-American. It was nonsensical. We have criticised the US, but this is a moment to remind ourselves of its considerable achievements and the democratic experiment under its constitution. It is an amazing and extraordinary achievement, and this moment is one to relish, not just for the US but also for us.

Senator O'Toole mentioned the effect on Ireland. This may not be a moment simply to calculate the gains and losses for this country. Illegal Irish immigrants and foreign direct investment are important issues, but we might reflect on the larger international picture. This is a huge story. Unfortunately, the contribution of the US in recent years to the international stage has not been good and has often been divisive. There is now real hope that there will be a reversal in that contribution because the great institutions of the United Nations, its human rights achievements and other institutions are nothing without the support of the US. They are, and have been, seriously undermined by the US in recent years, and we now have the prospect that the US will again become a force for good.

I agree with the call for a debate on the Human Rights Commission and the Equality Authority. Another body has not just been undermined, but has been abolished in the recent budget, and there has been very little talk about it. The issue of race has been confronted so impressively by President-elect Obama and by Senator John McCain, who brought it into the open and confronted it in a serious way. We have been struggling with that issue in this country and

it is extraordinary that in recent months the National Consultative Committee on Racism and Interculturalism has been abolished. What possible justification can there be for abolishing such an organisation? Ten or 12 members of staff will be redundant by Christmas because that body is gone. Where is the Government's policy on combatting racism? Where is our integration policy? I ask for that organisation to be considered in the debate we should have on these important institutions.

These institutions and organisations are part of the public service. When my colleagues from all sides make points about the public service and the need to cut back on it, they might remind themselves that these are the organisations in the public service that are a force for good. If people want, and argue for, cuts in the public service, these are the organisations that are undermined and abolished.

Senator Fiona O'Malley: I join the Leader and other speakers in congratulating President-elect Obama and it must give the Cathaoirleach great pleasure to have a second fine leader come from Offaly.

(Interruptions).

An Cathaoirleach: Senator O'Malley, without interruption.

Senator Fiona O'Malley: The sense of hope and belief in politics and that politics is the art the possible that has permeated America and the world must give hope to Members who believe in that art of the possible. As all parliaments face very difficult economic times and choices, it is refreshing to look to America and see the sense of hope and belief in politics there. Long may that continue and prosper. We are all better served if people believe in politics and their politicians. I listened with interest to Senator O'Toole. We need to be careful. It is not all rosy for us and the Presidency of President-elect Obama possibly has implications for Ireland.

The Minister for Foreign Affairs, Deputy Micheál Martin, speaking on the radio this morning mentioned a change in the world order. He made particular reference to the change in the UN. I ask the Leader for a debate on this, because what is happening in the Congo is something that must concern anyone with a sense of decency or humanity. The lawlessness that pervades part of that country has allowed militia and guerillas to inflict fear, murder and rape on ordinary citizens.

We have all heard the cry not to let a second Rwanda happen, but unfortunately the world is standing by and allowing that to happen. The major problem is the UN because it does not have what is needed to tackle the issues. What has the world learnt after Rwanda? Is it going to happen again? I ask the Leader to ask the Minister for Foreign Affairs to come to the House to discuss the UN. The previous Secretary General of the UN tried valiantly to change the organisation, but the difficulty is that the UN looks after countries, not citizens. It should begin and end with human beings and that is why we need a change. With the change in America, it is time to see if the new Secretary General of the UN can initiate change so that we do not preside over a second Rwanda.

Senator Jerry Buttimer: Ar nós na Seanadóirí eile, bronnaim mo chomhghairdeas ar Uachtarán-tofa na Stáit Aontaithe, Barack Obama. I ask the Leader to renew my invitation to President-elect Obama to come the House, as I did last July. It is important that we do so because, as Senator O'Toole stated, of his policies on foreign direct investment and repatriation of the profits of American companies. I wish him well in his job.

[Senator Jerry Buttimer.]

It is extraordinary that AIB revealed its interim management statement this morning in the middle of the American election results, hoping it would get lost in headlines and we would not see the severity of its announcement that loans to property developers are of concern to the bank. I ask the Leader to invite the Minister for Finance to come to the House to discuss not just the AIB statement and the fact that a cosy cartel are being looked after, but more importantly, why banks are not passing on the interest rate reduction to their customers, in particular small business people, young mortgage holders and others trying to survive in this economy. We have a duty to represent these people, not developers who can do what they like under the Government's regime. It is like the turkey's eggs. Look what we are getting from it now. It is time the Minister for Finance was brought to the House and that we spoke honestly and openly regarding the toxicity in the banking profession. We need answers and we only got half a story before we discussed the Credit Institutions (Financial Support) Act 2008 in these Houses.

I also ask the Leader for a discussion on the impending sale of Dunnes Stores. If the reports are correct, we would have no Irish-owned large grocery group in the country. This would have a knock-on effect for consumers and suppliers.

An Cathaoirleach: That may not be correct.

Senator Cecilia Keaveney: I do not know whether I should declare an interest. I have a brother-in-law, Mr. Kearney, and I do not know if he is related to President-elect Obama and whether Moneygall might have been Donegal and a mistake was made when he entered America. We can try and claim credit. I wish the President-elect well.

From the election and what we have seen on television over recent weeks with people queuing to vote, the Leader should consider having a debate in the near future on how we can engage our population in a manner similar to the Americans. The wall-to-wall coverage of this election across the world, for 18 or 20 months, has been incredible. It has led to many people engaging and voting and perhaps there may be lessons in that for us to learn. The debate I seek would be opportune also for us to be able to highlight the work going on under the auspices of the Houses of the Oireachtas Commission whereby we have appointed outreach officers to go to schools and engage with our youth. It is important that we continue to use the House to encourage people to get involved and interested in what takes place in these Houses and use the information we gathered from the last campaign we all witnessed, which was very successful.

I welcome the meeting that took place in the North this week between the Minister for Justice, Equality and Law Reform, Deputy Dermot Ahern, and the Northern Ireland Security Minister, Paul Goggins, at which they examined the issue of cross-Border criminal activity, be it money or diesel laundering, illegal alcohol and tobacco sales etc. I welcome the Criminal Assets Bureau's ability to work on a cross-Border basis. I ask that the Minister be invited to the House to discuss that issue because as a Border representative it is very important that we keep up the pressure to minimise criminal activity on the Border and maximise the results that are yielding finance for the states that have been robbed of excise. That activity has been a major impediment to legitimate business development in our counties.

Senator Feargal Quinn: I add my voice to the congratulations to President-elect Obama. On the graciousness of Senator McCain's speech, which Senator Fitzgerald referred to, I was very impressed by what he said and the manner in which he spoke last night when he conceded defeat. He spoke about looking forward to working together to restore prosperity, and it

reminded me of the Tallaght strategy of 1987. This is a time in which we must work together to make sure that the tough decisions are faced up to by all sides. Today, like every other day here, we hear complaints about the various cuts in expenditure the Government is undertaking, but nobody has outlined what the Government should do.

Senator Jerry Buttimer: That is not correct.

Senator Feargal Quinn: I do not hear much——

Senator Fidelma Healy Eames: That is not true.

Senator Frances Fitzgerald: We have.

An Cathaoirleach: Senator Quinn, without interruption. The Senator has never interrupted anyone in this House and I would appreciate it if Members would afford him the opportunity to speak.

Senator Feargal Quinn: I am happy to be interrupted on that topic, a Chathaoirligh. Whenever people stand up and say that we should not be doing this or that, I would like to hear them outline what we should be doing instead. I do not hear that and did not hear it today.

I was in Brussels yesterday and I was shaken because the group I chaired, which was made up of representatives of 18 European states, discussed the financial problem as it affects commerce. As I listened to the proposals put forward I realised we face a much bigger problem than any other state, with the exception of Iceland and Hungary, which also have problems. I do not think we realise the huge difficulty we face and the Government has lost an opportunity in that regard. At the time of the budget last month we were ready to accept what would have been very difficult measures, but we did not take that opportunity and it may be lost for the citizens of this nation to accept the tough steps that we will be required to take. Those steps could involve a short, sharp shock, but there would be a willingness to accept them. To take one aspect, the need to do something about the expenditure on the public service, I believe we would have been willing to take a cut in pay for one year if it solved the problem.

Another point to which attention has not been drawn, other than a reference to it last week, is the performance related bonuses being paid to the public sector. I was jolted to discover that almost everybody in the public sector who was entitled to a performance-related bonus got it. I believe we are willing to take a short, sharp shock in that regard if we know that it will deal with the problem.

Senator Buttimer is not correct. He is concerned about grocery stores in Ireland not being Irish owned. Dunnes Stores is 100% Irish owned, Superquinn is 100% Irish owned and SuperValu is 100% Irish owned and, to the best of my knowledge, is owned by people who live in Ireland and pay their taxes here. I want to put the record straight on that in case there is a misunderstanding in that regard.

Senator Jerry Buttimer: On a point of order, I would be happy to correct the record if that is the case.

Senator John Ellis: With other Senators, I would like to be associated with the vote of congratulations to Senator Obama. I hope that when he takes over the reins of power in January he will ensure that, rather than spending money on war, America will spend money on alleviating hardship throughout the world. The amount of money that has been spent by the US in the past eight years on war and war-related activity cannot be condoned in any society and that issue must be examined by Senator Obama as soon as he takes office.

A Senator: Hear, hear.

Senator John Ellis: Senator O'Toole raised the issue of fuel costs. There is a need for a debate in this House on the cost of all fuel, petrol, diesel, home heating oil, gas and so on, because a cartel is operating in this country. It may tell us that it gained 7% but it does not tell us the margins it takes before the product lands in this country for distribution. There is a need for a debate on that. We all know about the tax take and it is above board. Everybody accepts that we have to pay taxes and that has always been the case.

I would like to be associated with Senator Quinn's remarks because there will be more shocks in the coming months than we realised in the budget, especially in light of the returns from October which indicate that we are in a far worse position than we were previously. If something needs to be done to address that it should be done in the context of the Finance Bill rather than having another budget some time in 2009 if the revenue take does not improve.

Senator Phil Prendergast: I would like to be associated with the remarks of the other speakers on the President-elect, Senator Obama, and I wish him well.

I express my deep concern at the decision by the Minister for Health and Children, Deputy Harney, to roll back on the decision to make available the cervical cancer vaccine. As a health care professional who has regularly gone into schools to undertake the sexual health programme, I believe that was a brilliant initiative which would safeguard 200 girls a year and prevent them getting cervical cancer later in life. That issue should be examined. It will affect 24,000 young girls per annum at a cost of €9.7 million. There should be scope within any system to save that money, which is not a huge amount. The benefits would be far-reaching. We should not cut back on anything that will limit exposure to something that is dangerous and that can be prevented and inoculated against.

Senators: Hear, hear.

Senator Phil Prendergast: I call on the Minister to reverse this decision or at least reconsider it. I would welcome an opportunity to debate the issue with her in the House because there is scope within every health service — the Minister will find the staff of the Health Service Executive more than willing to work with any Minister and any health care professional — to ensure that the best possible health and outcomes are achieved.

Senator John Hanafin: I agree with the calls for realism in the debate on the economy. Most people recognise that certain action must be taken but whenever action is taken objections are made without reasonable alternatives being put forward. That debate will be ongoing until such time as we get through the current difficulties in the world economy.

I share the views of those who spoke earlier. There is no doubt that there is a time for peace. I wish the President-elect well. While I do not agree with his liberal agenda, I share in the delight of everybody here of the election of the first African-American President. There is a time for peace and I hope that the time has come to redistribute the moneys, especially among the less well-off, and regenerate the economies to allow us to get back to work so that everybody can achieve their full potential.

Senator Paudie Coffey: I, too, want to be associated with the messages of congratulations to President-elect Barack Obama. It was great for democrats in any part of the world to see the democratic process being played out before our eyes in the past 24 hours. It inspires hope for all of those people who are democrats in the truest sense of the word. It is the people who have the final say and it is the people who choose their leaders, and their decision is very welcome.

I am somewhat concerned about Barack Obama's tax and employment policies and the implications they may have for Ireland. I wish to focus on the position close to home. On a number of previous occasions, I requested a debate on the manufacturing sector. The latter is reporting record falls in output, orders and employment figures, which are at their lowest levels since 1998. Almost on a daily basis, manufacturing companies announce job losses, redundancies and the fact that people will be placed on short-time working arrangements. Some 30% of manufacturing companies have reported lower employment levels. Since last month, the number of people on the live register increased by 15,800. This is a serious problem and it must be addressed.

I am deeply concerned about this matter and I call on the Leader to request the relevant Minister to come to the House to engage in a debate on it. The manufacturing sector has been neglected. Senator Quinn stated that he has not heard people refer to what should or should not be done. In my opinion, the manufacturing sector should not be neglected. Fine Gael has continually stated that we should focus on improving export markets and services, supporting manufacturing interests, addressing the lack of competitiveness and bringing about major public sector reform. My party put forward clear proposals before, during and after the debate on the budget. I do not know from where the myth to the effect that there are no alternatives available comes.

Senators: Hear, hear.

Senator Paudie Coffey: We have offered clear alternatives. We are asking the public sector for pay freezes for those earning over €50,000. This proposal may be unpalatable but it must be considered. Other Members are beginning to buy into our philosophy regarding how to save the economy.

I raised a matter on the Adjournment last week which has since been taken up nationally. I refer to the crisis that is looming in respect of the waste management. As a result of the global economic downturn, international demand for the recycled material produced here has disappeared. This has serious implications for the national waste strategy, the viability of the recycling infrastructure that exists here and also the viability of the household collection services offered by local authorities and private operators. I request an urgent debate on this issue in order that we might hear what the Minister has to say. His solution to date has been to create waste mountains, stockpile waste in warehouses and co-incinerate material in other countries. This flies in the face of the policy relating to reuse and recycling and is just not good enough.

Senator Labhrás Ó Murchú: I join the Leader and other Members in extending sincere congratulations to US President-elect, Barack Obama. Senator Obama is a particularly charismatic leader and has huge passion for the vision he has placed before the American people. It is evident that, irrespective of their political leanings, he has succeeded in uniting them. The latter was clear in the context of the cross-party voting that took place.

I concur with Senator Alex White's comments regarding those of us who have consistently questioned elements of American foreign policy. We are not — and never were — anti-American. We are pro-American and that is why we questioned that policy. American foreign policy was questioned in this Chamber when it was not popular to do so and when the vast majority of US citizens still had not come to realise what said policy had done to their country's status on the international stage. Many of America's economic woes may be traced back to the amount of money it has been obliged to spend on the wars in which it is involved.

In many ways, the spectre of terrorism has not been diminished and continues to lurk not only in countries targeted by the US but elsewhere as well. I am somewhat confident that the

[Senator Labhrás Ó Murchú.]

US President-elect is keenly aware of that fact. The same was true of President Clinton. If one rereads some of his speeches, one will discover that he also questioned American foreign policy when it was not popular to do so. President Clinton remains highly regarded.

I concur with the man I was about to identify as President Quinn.

Senator Feargal Quinn: I thank the Senator very much.

Senator Jerry Buttimer: Senator Quinn might yet hold that office in this country. What about Senator Mary White for President?

Senator Labhrás Ó Murchú: Why not?

An Cathaoirleach: Senator Ó Murchú, without interruption.

Senator Labhrás Ó Murchú: I concur with Senator Quinn because I made the same points before the current economic upheaval. I did not in any way mean to detract from the status of the Opposition in doing so, but on one occasion I referred to the Tallaght strategy. I recall watching “Oireachtas Report” after I had done so and hearing some of the comments made by those opposite. I wondered whether I had framed my remarks in the wrong way. I meant what I said as a genuine compliment. I praised Alan Dukes and Fine Gael on the stand they took. If we are truly to congratulate and compliment the President-elect of America, we should learn lessons from and find parallels with regard to what has occurred. One of the lessons I have learned is that Senator Obama has united the American people, even though they are aware that their country will be obliged to deal with severe problems, economic and otherwise, in the near future.

As Senator Quinn and others stated, in a few months this will be common currency in the debate. In other words, we will have undergone the first stage of trying to come to terms with some difficult challenges. At that point, we will be obliged, in a patriotic and united way, to find solutions. Le cúnamh Dé, that will be the outcome not only on both sides of this House but also among members of the public.

Senator David Norris: This is such an historic day that I only wish to strike note by joining the Leader and other colleagues in congratulating US President-elect, Barack Obama. We can all breathe a little more freely today, particularly those very many of us in Ireland and elsewhere who cherish human rights and decent standards. America has begun the process of rediscovering her soul and, as Senator Ó Murchú stated, re-establishing her positive status in the eyes of the world. The long night is ending and the dark cloud of criminality that has hung for the past eight years over Washington and the White House has begun to lift. I thank God for that. However, I imagine that the shredders will be busy in the Pentagon and in the White House this morning as the inhabitants of those, alas, discredited institutions begin to cover their tracks before the President-elect, Senator Obama, is obliged to clean up the Augean stables-like mess President George W. Bush will leave behind.

Senator Jerry Buttimer: It is somewhat like Drumcondra.

Senator David Norris: I echo Senator O’Toole’s call for the Minister for Finance to come to the House to explain how we will address certain difficulties that may arise in the context of economic relations between Ireland and the US. A distinguished American businessman provided a sophisticated analysis of this matter and suggested that it might not all be one-way traffic. I will be interested in hearing what the Minister has to say. Strong and perhaps unusual arguments would be required to persuade the president of any country to safeguard the

interests of foreign workers at the expense of his own constituents. It may be possible to do this but it will not be easy.

Senator Terry Leyden: I join other Members in extending my congratulations and best wishes to US President-elect, Barack Obama, and vice-President-elect, Joe Biden, on their wonderful success. I had the pleasure to hear Senator Obama's speech this morning and also the wonderful speech delivered by Senator McCain. America was blessed to have two great candidates contesting the election to this most important position. Senator McCain's speech was electrifying and he was generous in what he said. I welcome the fact that a new dawn has broken.

I commend the Taoiseach, Deputy Cowen, on sending an invitation to the President-elect to visit Ireland as soon as his schedule permits him to do so. The relationship between America and Ireland is very important. Martin Luther King's famous speech has become a reality. The young people in the Gallery can be inspired by what has happened in America. It is great that someone from a mixed background, with a Kenyan father and an American mother, will become President of the US. When Senator Obama was born, African-Americans could not vote in their own country. All the nations of Africa can now unite in celebration. I understand that Kenya has designated tomorrow as a day of celebration.

Senator Fidelma Healy Eames: Is the Senator of the view that we should have such a day of celebration here?

Senator Terry Leyden: No.

Senator Jerry Buttimer: Will the Senator be travelling to Kenya?

Senator Terry Leyden: It will be a source of great inspiration to all the peoples of Africa to see an African-American become president of the greatest democracy and greatest country in the world.

Senator David Norris: I thought Ireland was the greatest country in the world.

Senator Jerry Buttimer: This is the greatest country in the world.

Senator Terry Leyden: I was referring to America as the largest country in the world.

Senator Jerry Buttimer: The Senator did not say that though.

Senator Terry Leyden: This is a great country.

An Cathaoirleach: Questions to the Leader, please. Time is moving on and some Senators will be unable to contribute.

Senator Terry Leyden: Yes, we live in the greatest country in the world but America is one of the largest democracies.

Senator Jerry Buttimer: Another U-turn.

Senator Terry Leyden: Finally, I agree with Senator O'Toole that the end suppliers are sometimes blamed for the cost of oil and diesel but, in fact, it is the refineries and the major distributors that charge the most. Ultimately, the small retailers are saddled with the high costs. It is important that suppliers of oil and diesel reflect the drop in the cost of a barrel of crude oil.

Senator Joe O'Reilly: I join the almost unanimous congratulations to the President-elect, Senator Obama. He is the epitome of the American dream and he merits our congratulations

[Senator Joe O'Reilly.]

and good wishes. We all have a stake in his success, and hope it is a question of “cometh the hour, cometh the man”. It also presents us with a challenge and opportunity to pursue vigorously with him and his new administration the fate and well-being of the 50,000 undocumented Irish in America. They live as fugitives and are unable to come home to family funerals, have bank accounts, become resident or take out a mortgage. They live the life of a fugitive in a modern society. That is horrific and sad, and tragic for their families here. The sense of insecurity is enormous. I plead with the Administration and the Leader, who has a personal interest in this issue, to put this matter at the top of the agenda in an immediate Irish diplomatic offensive with President-elect Obama.

That should be paralleled with an offensive to urge the President-elect to undo the implications of his stated economic policy with regard to American investment in Ireland. We should negotiate a special position in that regard and certainly make our position and the links between our two countries known to him. A good diplomatic initiative is required.

In conclusion and on a subject on which I am my party's spokesperson, it is a matter of great concern that, at a time when we are in the process of buying carbon credits at great expense and becoming liable for significant fines under the Kyoto Agreement, we are not doing more to secure access to the grid for renewable energy. There should be wind farms dotted throughout the country with access to the grid. If the ESB is a problem in this regard, it should be confronted head-on. I seek a debate on this issue. Why at a time of economic stringency and crisis are we missing the potential of green, renewable wind energy? This is a crisis but it is also an opportunity for the small farmers in this country to form co-operatives, as they did in previous years, erect a wind turbine on each of their farms and sell energy into the grid. I appeal to the Leader to act on that proposition as well.

An Cathaoirleach: Five Senators wish to speak and time is almost up. I call Senator Ormonde.

Senator Ann Ormonde: I, too, wish to congratulate the President-elect, Senator Obama. I listened to his speeches on his vision and its emphasis on change. In a couple of weeks, when the Minister for Foreign Affairs has had time to dwell on that vision, we could perhaps have a discussion about it. We all need to assimilate what he has said up to now. We need to see, for example, how he will deal with the developing world and the people of the world, not the countries of the world. Senator O'Malley referred to that earlier. These are issues on which I wish to see how the President-elect will express his vision for change. I believe it is healthy and will be good.

I love the three words he uses as his slogan, “Yes we can”; they could serve for us as well. We can and will succeed in this country again, and we will get it right. It is not always rosy in the garden, but I hope we will act on those three words. That was my vision for the future, “Yes we can”. We should all think like that from now on. It is possible that we will get our economy back. We should work with the President-elect and make it work for all of us, for the benefit of the world and our economy. We can work with America to bring forward this new vision. That would include the undocumented Irish in America. There are many issues we must discuss. There is a golden opportunity for the Minister to come to the House in a couple of weeks to outline all the issues and have a full discussion on them.

Senator Ivana Bacik: I am delighted with the election of Senator Barack Obama as President. It is wonderfully exciting and hopeful for the world to see a change of regime in the White House. Given that Senator Obama has made it clear that one of his key priorities will be the challenge of climate change, I renew my call on the Leader to allocate time for the debate on the Climate Protection Bill which I introduced last year. The Second Stage debate on the Bill

is due to be resumed. Previously, I was given a commitment by the Deputy Leader of the House that time would be allocated to resume that debate. I asked him about it again yesterday but he did not give a clear indication of when that would happen. I ask the Leader to indicate when the Second Stage debate on the Bill can be resumed. In the words of Senator Obama, “Yes we can” pass a Bill on climate change that sets binding targets for reductions in emissions. The UK did it last week and we can do it in this country. The time is ripe, with a new regime due to take over in the White House.

What does the Leader propose to do about the inappropriate and extraordinary intervention yesterday in the legislative process by the leader of one of the churches by expressing concern about the civil partnership Bill? Cardinal Sean Brady’s comments were most ill-considered given that we live in a republic where there is separation of church and state. He is entitled to express his views but he over-stated views that stray into the legislative domain. I ask the Leader for a commitment that the civil partnership Bill will be introduced early in the next session and that the content will not be altered by this inappropriate intervention.

Senator David Norris: Hear, hear.

Senator Fidelma Healy Eames: I share the congratulations and hope at the dawn of a new era with the election of the President-elect, Senator Obama. His example so far and the vision he has put forward offer hope that there will be good, clean, positive politics that can bring about change for the better.

The issue I wish to raise is the concern that has been brought to my attention by parents, young people and addiction counsellors throughout the country about the availability of herbal ecstasy. It is known as the party pill. As I speak, two youngsters are in the psychiatric unit in Galway being treated for the effects of this drug. They are being mentally unscrambled as a result of this substance. The most awful aspect of this issue is that this substance is currently legally available. The Health Service Executive has brought it to the attention of the Minister, Deputy Mary Harney, who has said she will do something about it next March. However, it is an urgent matter. In one case, a young man from Galway found himself in Cork but did not know how he got there. The drug has shown up in urine over the last year and a half. Hallowe’en is just over and Christmas is approaching so we urgently need legislation.

I ask the Leader to bring this to the attention of the Minister, Deputy Harney. I understand that HSE staff have been silenced on this matter and have been threatened with losing their posts if they speak out. This is a serious allegation. We need urgent and immediate legislation to protect our youngsters, who do not realise what they are taking, and to make this legal high illegal.

An Cathaoirleach: The Senator intends to raise the matter on the Adjournment today. I must allow two other Senators to speak.

Senator Shane Ross: Like everybody else, I believe it is a wonderful day for the world. One can do no more than add one’s congratulations to those which go unanimously from this House to President-elect Obama. It is important, however, to echo what has been said by other Members. Ireland probably did not rate highly on President-elect Obama’s radar during the election. In fact, it is greatly to his advantage and somewhat unique that he does not appear to have been elected with any Irish baggage. That appears to be to our disadvantage as a nation. We do not have an enormous amount of leverage when it comes to his policy regarding Ireland. Indeed, he does not seem to have featured, particularly, in the traditional US mode of being helpful in the Northern Ireland context.

[Senator Shane Ross.]

I was in Boston last week and what Senator Obama said was widely reported, namely, that America is exporting jobs to Ireland. That is what he said. We must quickly send the Taoiseach or the Minister for Finance to America to put President-elect Obama in the picture and to explain that if he prevents American companies from investing here, it will be devastating for the economy of a country that is already very fragile. I do not believe for one moment that he wishes us ill but it is vital that we get the message across to him that the consequences of what he intends to do — we cannot blame him for what he intends to do — could be very bad for us in a situation which is already very worrying. Perhaps we should have a debate on multi-nationals in Ireland. I heard the US Ambassador refer to the issue on the radio this morning and I heard the Minister for Foreign Affairs talking about it, as I am sure did everybody in this House. The issue is already taking off and we should have a debate in this House soon so the message gets across to America immediately, before Mr. Obama is inaugurated.

I note what Senators Fitzgerald, Buttimer and others said about AIB. It appears that AIB has suddenly discovered two things this morning, one of which is Ireland. It is extraordinary that suddenly it is saying the problem is here. For months it has been saying the problem is global but suddenly it has discovered Ireland. The bank has realised that it has all gone wrong here. Why did this happen? It happened because AIB had to go cap in hand to the Taoiseach and the Minister for Finance a few weeks ago and it must now come clean. AIB has now come out with its hands up.

The other thing AIB has discovered is commercial and residential property, which did not feature on its radar until this morning. This is the problem. This time we should not, as we have done in the past, kowtow to the banks. It appears, however, that we will do so again with our nominations to the boards of the banks by giving them a panel of people from which to choose. It seems that the banks are more powerful than the Government. They are dictating the pace of the economy and are being tolerated. The Minister for Finance should come to this House and tell us that he will stand up to the banks and dictate to them, rather than take orders from them.

Senators: Hear, hear.

Senator Donie Cassidy: Senators Fitzgerald, O'Toole, Alex White, O'Malley, Buttimer, Keaveney, Quinn, Ellis, Hanafin, Coffey, Ó Murchú, Norris, Leyden, Ormonde, Bacik, Healy-Eames and Ross expressed their congratulations to Senator Barack Obama, the President-elect of the United States of America. His election is uplifting for people, particularly in the western world. It has many parallels with the election of John F. Kennedy, who lifted the Irish people when he visited Ireland in 1963 and of Mr. Bill Clinton, who did much for Ireland. The latter probably was the best US President in terms of helping us.

Senator Mary M. White: Hear, hear.

Senator Donie Cassidy: In the context of Senator Ross's comments, I remind the House that one out of every seven votes cast in the United States yesterday was cast by an Irish American.

Senator Fidelma Healy Eames: That is a good point.

Senator Donie Cassidy: Millions of Irish Americans voted yesterday and it is probable that the majority of them voted for Senator Obama.

Mr. Tim Kaine, the Governor of Virginia, visited this House seven weeks ago and addressed the Joint Committee on Enterprise, Trade and Employment, of which I was chairman in the last Dáil. His grandmother comes from Killashee in County Longford. I have become very

good friends with the Governor and corresponded with him since his visit. I discovered that he came to Ireland with a high-powered delegation to determine how Ireland turned its economy around in the past 15 years or so. In the course of conversation before he returned to Virginia, he told me that the Virginian authorities reviewed, on three occasions, their financial position for the first five months of the year because the global economy was changing so rapidly. Senator Coffey referred to the decline in industry and manufacturing here. In Virginia, the number one income earner years ago was tobacco, but the state has had to turn around its economy since the decline of that industry. All countries are looking for the winning formula and Ireland is up there with the best of them in terms of how that can happen.

Senator Alex White: We built houses that people do not want.

Senator Donie Cassidy: I did not hear the Senator's remark, but if it relates to houses, no one has the track record in the past ten years in terms of what we have done——

Senator Alex White: The houses are empty. There are 100,000 units with nobody in them.

Senator Donie Cassidy: One person in every seven is in a new house. Many Members here are too young to remember the tenement houses in this country or the fact that Mr. de Valera and his Government had to roll up their sleeves to tackle that issue. They may not even remember more recent times and what Deputy Tony Gregory and former Taoiseach Charles J. Haughey did for the inner city of Dublin, which resulted in its transformation.

Senator Mary M. White: Hear, hear.

Senator Donie Cassidy: Let us talk about facts in this House.

Senator Jerry Buttimer: Yes, the Leader should talk facts.

Senator Donie Cassidy: The facts are there and some younger Members would not read it in the history books because it has not yet been written about.

Senator Jerry Buttimer: What about housing in the 1960s and early 1970s, the tenements that Fianna Fáil built and the ghettoisation of Irish people? That was Fianna Fáil policy.

An Cathaoirleach: Senator Buttimer——

Senator Jerry Buttimer: That was the policy of the Leader's party.

An Cathaoirleach: Senator Buttimer, I will ask you——

Senator Jerry Buttimer: Let us be fair.

An Cathaoirleach: The Leader is replying to the Order of Business.

Senator Jerry Buttimer: The Leader is giving incorrect information to the House.

An Cathaoirleach: I will ask Senator Buttimer to leave the House if he continues to interrupt. His behaviour is not good enough and will not be accepted. The Leader to reply to the Order of Business.

Senator Donie Cassidy: I thank the Cathaoirleach. I am simply informing the House of the facts as they happened in the past.

[Senator Donie Cassidy.]

Senators called for a debate on human rights and the funding of human rights and anti-racism organisations, about which I have no difficulty. I am also happy to set aside time for a debate on banking and the up-to-date position on that sector. I gave a commitment to the House that once every month we will discuss the financial challenges facing the country, which includes banking. We can also have a debate, once a month, on the economy. Given the downturn that is taking place, we must review the challenges every month and assist the Government in any way we can.

Senators also called for a debate on energy costs, which is urgent because what is proposed by the energy suppliers is unacceptable. It is completely unacceptable that in the past 12 months gas and electricity prices have increased by 25%. It is simply not possible to keep the doors open on establishments in the face of price increases of that magnitude. As Senator Leyden said, the price of a barrel of oil has dropped substantially in recent weeks. There is something wrong somewhere. There appears to be a hidden agenda. The Seanad can play a leading role in assisting the Government and the Committee on Communications, Energy and Natural Resources, in getting to the bottom of this. The committee has a serious responsibility in this area. It should devote time to unearthing the hidden agenda and conduct an inquiry similar to the one carried out into the insurance industry. If it could be done with regard to insurance costs, it can be done with regard to energy. We must find the source of the rip-off in energy costs. Those Senators who are members of the aforementioned committee have a duty to this House to ensure that the committee devotes adequate time to this matter — I would suggest a minimum of half a day per week for the next four weeks — to ensure that the people are protected from being ripped off.

What is happening is unacceptable. Thousands of jobs could be lost because of high energy costs. I know of many people operating in the tourism sector who are suffering a huge amount of pain at present. They do not know how they will keep their doors open for the months of November through to February. Tourism is one of the top three industries that is keeping our economy going and it is a major employer. I beseech Members on all sides of the House who are members of the energy committee to play their part. After the Order of Business today I will consult with them to see if the Seanad can play a part in assisting the committee in its deliberations.

The call for a debate on foreign affairs is timely and I have no difficulty in allocating time for it. Senators White and O'Malley referred to the appalling pictures on television screens of the poor people in the Congo. It is unbelievable and unimaginable that, in this day and age, such carry-on continues in some countries. Senator Keaveney called for a debate on Northern Ireland, which is timely given the cross-Border situation and the deliberations of the Joint Committee on the Implementation of the Good Friday Agreement and the various North-South bodies. I have no difficulty in such a debate taking place before Christmas.

Senator Prendergast called for a debate with the Minister for Health and Children, Deputy Mary Harney, who is due in the House in five minutes. The Senator can make her point to the Minister in her contribution to that debate. Senator Coffey called for a debate on waste management and I have given my word that that will take place in the coming weeks. Senator Bacik referred to the Climate Protection Bill 2007 and asked when Second Stage will be taken. I will revert to the Senator on that matter in the afternoon. The Senator also referred to the Civil Partnership Bill which will be taken in the House early next year. Senator Healy Eames highlighted her concerns about the party pill. The Minister for Health and Children, Deputy Mary Harney, will be in the House shortly and the Senator can raise that in her contribution.

Order of Business agreed to.

Medical Cards: Motion.

Minister for Health and Children (Deputy Mary Harney): I am pleased to be in the House to discuss this issue. I am sure most Members of the House have been awake all night watching the unfolding events in the world's oldest democracy, which are very exciting not only for the United States of America but for the entire democratic world and possibly beyond.

It is a pleasure to be in the House again to discuss the issue of medical cards. In recent years the number of people with medical cards has grown substantially — the growth rate has been one of the highest since the introduction of the medical card scheme. In October 2004 there were 1,150,000 people with medical cards and in October 2008 that number had increased to 1.338 million, more than 200,000 additional people now have access to their doctor and to medication free of charge under the general medical scheme.

Next year, notwithstanding the economic pressures we face, the general medical scheme will increase by approximately 14%. The scheme is increasing rapidly for two reasons, including new innovations on the market and new drugs being made available to Irish patients. I saw a programme on BBC last night about this matter. In Britain many medications are not made available to citizens and an issue has arisen there about whether the UK National Health Service will provide services to those patients who can afford to buy medication. The relevant UK Secretary of State made some changes in that regard. The position in Ireland is different. New innovations and new medication are made available to citizens through the general medical services scheme, refunded through the drug payment scheme for those who do not qualify for a medical card, and are available in hospitals when patients are being treated.

The general medical services scheme is increasing as a percentage of the public health budget by more than 1% per year. When I became Minister for Health and Children the general medical services scheme cost approximately 11% of the total public health budget. In 2008 it will be 18% of the total health budget. Therefore, it is an increasing proportion of the budget. In the context of the 2009 budget and Estimates, which were taken together this year because of emerging economic difficulties, the Department of Health and Children was required for budgetary reasons to make savings in the order of €700 million over and above what was planned for 2009.

Senator Frances Fitzgerald: On a point of order, is it possible to get a copy of the Minister's speech?

Deputy Mary Harney: I do not have a script. Notwithstanding these savings, health spending next year will increase by 4.1%. To put that in context, in 1987-88 health spending was reduced by 3.5% when the country faced similar significant economic challenges. There will be an increase next year of approximately 4.1% year on year. Notwithstanding that increase, a cut of €700 million had to be identified in planned services for next year. There is no low-lying fruit in the health area and no easy pickings. There are many areas that had to be thoroughly addressed and one such area was the cost of the medical card scheme.

When the medical card scheme for the over 70s was introduced in 2001 it was estimated that it would cost €15 million per year, and in 2008 it will cost €245 million. Many people in their 60s earn incomes of approximately €300 per week. We have changed eligibility requirements to take account of disposable income for all medical card schemes. Generally, people in their 60s do not have to pay rent or mortgages. They have paid their mortgages, their children have been catered for and they do not have travel costs associated with work. Generally, their gross income and their disposable income are similar. For example, a couple aged 68 years on an income of €300 or above per week do not qualify for a full medical card. However, with the over 70s scheme, someone on reaching the age of 70 years automatically qualified regardless

[Deputy Mary Harney.]

of circumstances. Many people criticised that scheme. Last December, the Fine Gael spokesperson on health said that a means test should be introduced for that scheme. Many people have examined this scheme and taken the view that, given all the circumstances and the pressures of medical expenses, a free scheme for any group of people regardless of income cannot be justified.

The cost of the over 70s medical card scheme is rising by approximately 7% per year because of the numbers involved, whereas the cost of medical cards in the general medical services scheme is rising by approximately 2% to 3% per year. The Government made a decision in the budget to end the automatic entitlement. Among the complications with the over 70s scheme were that a capitation fee of €640 per patient was agreed with the Irish Medical Organisation in 2001. That scheme was introduced by legislation as was the contract under which doctors operated the scheme. The only way to change the capitation fee, other than by agreement, is to change the legislation and the automatic entitlement. It was grossly unfair to have a capitation fee of €640 for doctors to treat people who are generally better off and a capitation fee of €161 for doctors to treat people who get a medical card based on means in the most disadvantaged areas. The €640 fee was virtually four times the fee for a doctor who treated a patient over 70 who was in receipt of a card based on means.

Of the 350,000 people aged 70 or more in Ireland, 215,000 receive the medical card based on means and 140,000 receive the card as a result of reaching the age of 70. There was a huge anomaly in the manner in which doctors were treated. After some reflection, the Government felt it was not in a position to negotiate under Irish and European competition law with the IMO or the IPU. As a result of consultation, we established a group, chaired by Mr. Eddie Sullivan, a former Secretary General of the Department of Finance who retired about 18 months ago. The group made a recommendation to the Cabinet and we agreed to pay a single capitation fee of €290 in respect of all patients over 70. That is right, given the circumstances. It ends the perverse disincentive for doctors working in areas of high disadvantage. From anecdotal evidence provided by doctors who approached me before and after the decision was made, it has been well received in those disadvantaged areas.

The Government estimates that €100 million will be saved as a result of this decision, which must be achieved during 2009. The new standardised capitation fee will bring in €16 million and a further €20 million will come from the 20,000 people who will not qualify under the new income criteria, which is €700 per week for a single person and €1,400 per week for a married couple. The CSO has provided new statistics from the EU-SILC, which is a household survey. We estimate that there are no more than 5% of people over 70 who have incomes in that bracket as the average earnings of people over 70 in Ireland is €260 per week. Therefore, the threshold is almost three times the average earnings of a single person in that population group.

The issue that arises is how best to use scarce resources. In Ireland, access to doctors is available free of charge to one third of the population. That population also receives medication free of charge and does not have to pay the in-hospital charge, which is being increased from €66 per day, capped at ten days per year to €75 per day. All other citizens pay for access to doctors and pay for their medication to a limit of €100 per family per month. That comes to €1,200 per year per family, which includes families of four, five or whatever. I do not believe that such an outgoing is unreasonable in the circumstances in which we find ourselves.

When this scheme was introduced, capitation fees to doctors cost about €203 million per year. In 2007, that had grown to €431 million. The cost of drugs was €434 million for the GMS, but that had risen to over €1 billion in 2007. Next year, the cost of both fees will rise by about 14%. We have increasing levels of unemployment and we must provide medical cards for those at the bottom of our society. One would love to do more as far as medical cards are concerned.

I mentioned earlier that a couple in their late 60s earning over €300 per week do not have access to a medical card. Many people would say that is a low level of income, which it is, and one would love to do more. Since I became Minister for Health and Children, we moved to disposable income and increased the income threshold by 29%. That particularly helps young couples with children, those in employment and those with child care costs, rental or mortgage payments, travel costs and so on. We also introduced the doctor-only medical card, which has a 50% increased income threshold on top of the threshold for a full medical card. Approximately 80,000 people have that card, but the number is increasing reasonably rapidly with the rising level of unemployment.

Given all the circumstances, the decision made was fair. I have many quotations on this issue, including a quotation last December by the Fine Gael spokesman on health who said that a means test should be introduced. Notwithstanding that, people seem to change their position in the light of changing circumstances, even if it is just a few months later. I genuinely believe that regardless of who is Minister for Health and Children, the automatic entitlement to benefits such as medical cards regardless of income cannot be justified. Somebody like me should not be entitled to a medical card when somebody much less well-off just under the age of 70 cannot qualify. A society that does that is not a fair society and does not target resources to those who need them most.

There is no evidence to suggest that the introduction of the medical card has had a beneficial effect on access to hospitals for people in that age group. The average attendance at doctors' surgeries by people in that age group is four to five times per year. The reality is that many people who are better off tend to look after their health better. If we are to target resources to those who need the health service most, it must be at chronic illness management, which affects people in their 50s and 60s as well as those over 70. These are challenges which confront the Government and must be addressed in any contract of employment in the general medical service. Moving services from an acute hospital environment to a primary care environment means treating chronic illness in the community as part of primary care. The health transformation programme is a priority for the new reform which Professor Drumm and his team at the HSE are overseeing.

Senator Frances Fitzgerald: I thank the Minister for coming to the House and for the willingness she shows to debate the topics of the day. It is appreciated.

The Government made a political choice to deprive the over 70s of a medical card. There were many options on the table, but for some reason that was the decision the Minister made. We have seen the response of the people, who certainly do not agree with it. Given the statistics provided by the Minister today, she has effectively told us that she has made these changes to the medical card for a saving of €20 million. I think I am right in saying that the other changes could have been brought about anyway. For example, the change in capitation for GPs was negotiated by the former Minister for Health and Children, Deputy Micheál Martin, who has stayed very quiet on all this. What stopped the Government from changing that deal in the past few years and saving the amounts to which she referred this morning? I could ask a similar question about drug charges.

I appreciate that the proportion of the population that is elderly is increasing and that the Minister is looking at projected ongoing costs. I find it strange that since the Government has made four or five changes on entitlement, the savings figure still remains the same at €100 million. It seems that those savings are being made in areas where change could have been brought about anyway.

It is regrettable that the Minister had to come to the House today to debate this issue because the Government insisted that the priority was to protect the vulnerable and the elderly.

[Senator Frances Fitzgerald.]

Providing a right just before the general election in 2001 and withdrawing it as soon as times get tough does not sit well with me or with the Fine Gael Party. I think the Minister has seen that it does not sit well with the public. We have seen mass meetings in churches, radio station phone lines have been jammed with concerned callers and 15,000 people protested outside the gates of Leinster House. We have seen an extraordinary reaction from the public to the decision that was made. There have been apologies from the Government and I am sure the Minister will admit that the decision caused incredible confusion, upset and distress. It really was a new low for this older group. The Government obviously made a number of changes since then.

I want to raise a number of questions regarding the shift away from universality because I do not think the Minister had any political mandate to move from universality on this benefit. In the general debate, there has been a striking lack of discussion on the philosophy behind universality and the benefits it brings not just to those who access health services but to society as a whole. Does the Minister agree that the means testing system can prove both inefficient and burdensome? What will the cost be of means testing the 20,000 or so compared to the entire group? One of the Minister's goals is to reduce bureaucracy in the HSE. She wants to reduce administration and move to frontline services. How many people will have to be employed on the administrative side to police this system? Who will administer it and how many extra officials will be dealing with it? What is the time-frame for sending out these forms?

I want to discuss preventative medical care. The Minister commented on elderly people attending a GP four or five times a year, but that refers to healthy people over 70. In the course of this debate there has been strong evidence based on research in this area, which is a cornerstone of the Minister's work, that if one improves community care services, thus keeping people in their own homes, it lessens the burden on hospitals and nursing homes. We have all seen this happening in our families. The medical card represented a door to those services for many people. It made the difference between allowing people to remain at home instead of availing of expensive accident and emergency or other hospital services. That research became evident during the course of this debate.

What will the cost be of the extra numbers of people who end up using accident and emergency units because they did not call to their GP for an antibiotic for a bad cough which developed into pneumonia? We know that money is tight for many older people so what will the cost be of such accident and emergency attendances or inpatient admissions?

The Minister said she will bring out a simplified medical card means testing form for the over 70s. Will she give the House more details on this? What will appear on this form and what will be omitted? How will these forms differ from those for the under 70s? The Minister said there will be a simplified form, but can it be simplified for everyone? At this stage, it is not clear what she is planning in this regard.

The Minister says she will introduce legislation, but the measures are not in the Social Welfare Bill. Will she clarify when that legislation will be introduced and what it will contain? I assume that the three-year automatic entitlement will end. Will that be in the legislation?

Will the Minister clarify where the savings will be made? At the beginning, she said the scheme covers approximately 140,000 over 70s who are medical card holders. It was estimated at the beginning that 15,000 people would change their cards, 85,000 would lose the full entitlement but would have a doctor-only medical card, 25,000 would lose all entitlements but would be in receipt of a €400 grant and 15,000 would lose all entitlements. That would enable the Government to save €85 million by recouping the cost from GPs, but will the Minister explain how she will end up with €100 million even though the dynamics of the scheme have changed

as a result of the pressure that has been brought to bear on it? Why could the savings from GPs not have been achieved to begin with, rather than targeting older people?

A number of people have attacked Deputy James Reilly for his role in negotiating the contract for the over 70s, but I consider this to be a complete red herring. The reality is that the then Minister for Health and Children, Deputy Martin, negotiated the deal with the doctors. The Government signed up to it without ensuring that the public and the Exchequer got the best possible deal. It should be acknowledged that this was the Government's error, not Dr. Reilly's.

On many occasions, the Minister has said that people such as herself and retired judges should not receive a medical card when they reach 70, but that ignores the debate on the benefits of universality. She says she thinks the majority of people agree with her, but questions have been asked as to whether people with substantial means apply for medical cards anyway. There is a question mark over that point. Does the Minister have statistics on that issue and do we know the costs involved? It would be interesting to know the answers.

Age Action Ireland and the Senior Citizens Parliament do not agree with the changes the Minister made. In discussing that 5% we need to debate the impact of universality. The Minister may have seen an article in *The Irish Times* entitled "Should there be universal access to State benefits?" One of the points made in that article about universality was that the debate is not merely about hard statistics, cost take-up and outcomes. Given the amount of waste there has been following a range of Government decisions, one must ask again whether this money could have been saved elsewhere. The article went on to state that it is about investing in social capital. It made the point that the economies of countries, particularly the Nordic ones, that have invested in social capital are extremely good. Universality gives middle and higher income groups a sense of tangible benefit from the taxes they pay.

International research shows that means tests reinforce a sense of exclusion, stigmatisation and intrusiveness. Although it may not be an issue regarding the medical card scheme, very often when means testing is introduced the people who should be getting this service do not get it because they are excluded. There is a sense that services for poor people become poor services. The response on the street was a call for universality for the over 70s.

Senator Mary M. White: It was not.

Senator Frances Fitzgerald: People had seen a vision of universality when medical cards for the over 70s were introduced in 2001. They liked what they saw and felt it worked for their health. It gave a better quality of life to people over 70 so one must ask why this political choice was made. As for Fine Gael's position on universality, we went to the electorate in the 2002 election with a universal health policy. At the last election, in 2007, we went with the beginnings of a universal health policy for the under 16s and under 5s. We also talked about moving towards that universal position over time, but beginning with those under 16 and under 5. We made detailed provisions for those age groups.

I thank the Minister for attending the House and I look forward to hearing her replies to the questions I have raised.

Senator Mary M. White: I am delighted to welcome the Minister to the House. I do not find Senator Fitzgerald's ideological argument convincing. Her heart is not in it.

Senator Frances Fitzgerald: It is.

Senator Mary M. White: Anybody with common sense would know that one pays according to one's means. I accept that in the new revised scheme, 95% of people over 70 will have a

[Senator Mary M. White.]

medical card. I do not believe that people who are well-off and can afford to pay for medical services should get a free medical card.

Senator Liam Twomey: Is the Senator getting rid of it?

Senator Mary M. White: I do not believe that, in her heart and soul, Senator Fitzgerald thinks people who have the money should not pay.

Senator Liam Twomey: Is the Senator getting rid of universal access?

An Leas-Chathaoirleach: Senator White, without interruption.

Senator Mary M. White: I am talking about universality.

Senator Frances Fitzgerald: They have it in national schools.

An Leas-Chathaoirleach: Senator White, without interruption.

Senator Liam Twomey: Is it Government policy to get rid of it now?

Senator Mary M. White: I support the revision. As spokesperson on older people, I was pleased to see that older people in Ireland were able to exert their influence to get it changed and rather than the 62% who would have been given a medical card it is now 95%. We were talking this morning about the United States and the people of that country engaging in the political process. In my view, real-life politics was the meeting I attended in Westland Row church with 1,600 older people filling the church, not one seat left vacant and 15,000 people out in the street. The older people in Ireland have got their voice. We talk a lot about the grey vote but to me it was grey rage, shown by the passion which the people expressed to have this measure changed.

Many of the people in Westland Row church were women. The Minister may remember that up until 1973 when we joined the EU, when women married, they were forced to give up their jobs in the public and private sectors. The women who spoke at the meeting told of how they had to give up their jobs on marriage, how they had no choice and could not work. In my mother's time it was culturally unacceptable for a woman to work, even if she had a skill which would get a job. Many of the women who participated in the meeting in Westland Row church were that group of women who had to give up their jobs. They stayed at home and minded their children and now the one thing they were given for free, the medical card, was being taken away from them. They were incensed and passionate. The grey vote and grey rage was successful in this case. As a business person I congratulate the Minister. If people see something is not working and do not have the guts to change it, then they are no good for anything, so I am delighted.

My purpose this morning is to talk about the fair deal scheme. I spoke in Drogheda to the local active citizens group. I went there specially to speak about the fair deal scheme and to explain it to them. This is a superb scheme. I supported the Minister when she came to present it to the Fianna Fáil parliamentary party meeting a year and a half ago and I wholeheartedly accepted the benefits of this scheme. It will provide a level playing field whereby access to nursing home care will be affordable, accessible and anxiety free.

I refer to my policy document of June 2006, A New Approach to Ageing and Ageism, with which I am sure the Minister is familiar. I listed 30 recommendations and recommendation No. 18 states:

The Government should encourage the provision of innovative financial arrangements ... that would enable older people to raise funds from their home to cover the cost of care while still retaining full possession of their home.

This is the beauty of the scheme, in my view, that people will be able to retain their homes. Many people find this fair deal scheme difficult to understand because there is a bit of mathematics involved but if they sit down with a pen and pencil and work out the 80% of their income and the 5% of the value of their house, they will have no bother in understanding it.

Nursing home care is very unequal throughout the country as a whole and citizens are not treated equally in the current situation. This is very unfair and I am an advocate for the new scheme. I ask the Minister in her response to say how sufficient public beds will be provided. Currently there are more private beds than public beds. I ask her to say what arrangements will be in place to provide more public beds if a person wishes to go into a public nursing home.

Currently the charges for nursing home care throughout the country range from €800 to €1,500 per week. This in itself is a sign that something is wrong if one Irish person has to pay more than another person. At last night's meeting of the Fianna Fáil parliamentary party, I made the point that this scheme is not just for older people; it is for any person who needs long-term residential nursing care. It is not just for the over 65s. The scheme is also available to somebody of 40 years of age who has been assessed as needing residential care as a result of Alzheimer's or whatever. Every Irish person is entitled to be assessed whether he or she needs long-term residential care. This is the democratic nature of the scheme.

Some speakers at last night's Fianna Fáil parliamentary party meeting questioned whether there would be asset stripping if a person's house was worth €2.5 million. I have no time for that whatsoever. Last Monday in Drogheda, one man said they all would sell their houses to their children in advance of needing to go into a nursing home. It would be much better where a person has to go into a nursing home and is then able to return to his or her home, that this home has not been designated in advance as being owned by his or her children. There is nothing so precious as having one's own home and one's own nest in which one can be happy and relaxed.

I am convinced about this scheme and I acknowledge there will be issues to be resolved during the passage of the Bill through the Houses. Returning to my point about older people showing their power, I was not upset or annoyed but rather I was impressed that the over 70s had the passion to come out and object and say they wanted to hold on to their medical cards.

I recommend to the Minister a book by Julia Neuberger which is a manifesto for old age, entitled *Not Dead Yet*.

Senator Joe O'Toole: Well done.

Senator Mary M. White: We need to have a good debate in the House on a vision and a strategy for old age. I am meeting Julia Neuberger on 24 November in the House of Lords. She is bringing in to meet me a number of people in the UK who are interested in the whole vision for older people. I congratulate the Minister on making the changes when she saw the democratic response and I congratulate her on the fair deal scheme in which I have total belief. I spent three full days studying the scheme and I sent out a newsletter to all county councillors throughout the country to explain the details because it is a bit complicated. I say well done to the Minister.

An Leas-Chathaoirleach: Before I call Senator Joe O'Toole, I welcome a former Member of the House who is in the Distinguished Visitors Gallery, former Senator and Deputy, Mr. Martin J. O'Toole, and his wife.

Senator Joe O'Toole: He is a man I might acknowledge is related to me and, I might acknowledge to the Fine Gael people, although he might be slow to admit it, a man whose people came from a house in south Connemara that is a very strong Fine Gael house before he moved up to the next county. I welcome him and it is great to see him looking so well.

With the permission of the House I wish to share my time with Senator Norris. I welcome the Minister to the House and I echo the words said previously about her record of availability to Members of this House to deal with issues. It is well known in this House that I admire much of what she is doing in health and I have regularly been prepared to defend issues and points made in this House by the Minister. Both my colleague, Senator Norris, and I have taken great issue with personal attacks on the Minister.

I was delighted to see the Government make the change. I do not have any problems with change of mind or U-turns because Governments are there to deal with issues and to find solutions. However, I disagree with the partial impact of the change. All the anecdotal evidence has been to the effect that the health of the over 70s has improved significantly since the introduction of universal entitlement to the medical card for that group of people. If for no other, this is a good reason to have introduced it and to maintain it. I ask the Minister to consider it on that basis.

The movement from gross to net income was unfortunate. I took serious issue with the line on the Department of Finance website on the morning the decision was made which stated it was being moved to gross income more or less because people understand their gross income more easily than their net income. This line, which is still on the website, is facile, flippant and irritating. I will explain why.

To give a real life example, I recently spoke to a man earning €40,000 a year who would be outside the qualification level. He is in his late 60s and, unfortunately, his wife has advanced Alzheimer's and eventually had to be brought to a nursing home. The cost of that nursing home is just under €4,000 a month — I cannot remember the exact figure but it is close to €47,000 or €48,000 a year. In his situation, the nursing home cost is more than his total income. To give the full story, he has two children who, despite being in comfortable but not superb jobs, are sharing the cost with him, as many people would do. It is a responsibility we all face at some stage.

It seems grossly unfair that this man would not qualify for a medical card. In his case, an issue of net income comes into play. I know there is a system of appeal but that does not appear to be set to deal with this particular issue. The net issue is the only issue that counts. The man also told me of previous physiotherapy costs and a number of other costs before his wife went into the nursing home. While I do not purport to know all the details, this is an example of why we should be reconsidering this area.

I have known the Minister long enough to know she would not deliberately misinform me or anybody else. However, I do not accept only 20,000 people are outside the limit. I have tried to put together figures in this regard and I have been able to judge the number of teachers who would not qualify. Between primary, post-primary and third level, I estimate that approximately 15,000 or about half of retired teachers would not qualify, although I stand to be corrected on this if the Minister can correct me. If I add to that the number of retired gardaí, nurses, civil servants and public servants who would be outside the limits, before even considering those in the private sector such as retired bank officials with occupational pensions, I cannot accept there are only 20,000 people. While I cannot disprove this at present, I intend to do so. I just do not believe it possibly could be correct that only 20,000 people over 70 are outside the limit. While I recognise that some of my figures apply to people in their 60s rather than their 70s, I do not believe the global figure.

Those are the nuts and bolts issues. The fundamental difference I have on this issue is that I disagree with the Minister's point on medical cards. I am not in favour of giving medical cards to millionaires. I am in favour of universal access which should be paid for through proper taxation and other means. Rather than setting up a system of trying to measure who gets under the bar and all that goes with this system, the most honest way in a republic and a democracy is that everybody over 70 would have universal access. While I do not see them doing it, if Michael O'Leary and the lads want to queue up and apply for a medical card, they will get the same as everybody else. They pay their taxes and that is their entitlement. To be fair to that man, he pays his taxes in this country.

I have effectively made four points: first, on the improvement in general health, second, on the net figure as opposed to the gross figure, third, on the numbers, which I disagree with, and fourth, that we live in a democracy where there should be universal access paid for by tax rather than by getting under the bar at the age of 70 or over.

Senator David Norris: I am grateful to my colleague, Senator Joe O'Toole, for giving me this time to speak. I welcome the Minister. She is a woman of exemplary courage but I just happen not to agree with her on a number of issues.

Like Senator O'Toole, I applaud universal access. There is a clear case that it saves money and one can test this against the improvement in health of elderly people. I am not convinced there is a queue of millionaires waiting to sit in doctors' waiting rooms and accident and emergency units.

There may be a few, however. I received a curious letter from a woman constituent to tell me she had been at dinner in one of the great clubs around St. Stephen's Green with some very sophisticated, nice people. They had their cellars of wine and all the rest, were delighted they had their medical cards and were very upset at them being taken away. Within a couple of days, the woman was out in one of the yacht clubs in Dún Laoghaire with a similar group of people. This is anecdotal evidence, however, and does not disprove the fact that although there may be mean-minded millionaires, the impact on the system is comparatively small.

I agree with universality. However, where I differ from my other left wing colleagues is that I believe one has to put in place the tax regime that would support universality before one has it. I do not believe the Minister, who has campaigned for lower taxes throughout her political career, would agree. I would opt for the Scandinavian model. If we want this kind of universal health care, which I do, we cannot introduce it before introducing the tax regime that will support it. I am very much in favour of doing that.

I am also in favour of means tests and have no difficulty whatever with them. However, if there is a means test going up, there has to be a parachute means test coming down so the most vulnerable are protected. That did not happen with the medical cards scheme as envisaged by the Government. I, too, was contacted by that gentleman whose wife had Alzheimer's. Clearly, he was saving the Exchequer money, yet he was being penalised for doing so. If he had washed his hands of his wife and stuck her in a home, we would be paying a lot more. Those kind of people need to be protected.

Politically, this was the most cack-handed thing I saw in my life. I was in that church on Westland Row. I thought the Minister of State, Deputy John Moloney, had great courage. They did not know him from a hole in the ground when he stood up but the minute Fianna Fáil was mentioned, a wave of palpable anger went through that church and he went pale.

People were not prepared for these cuts. While I do not agree with the medical card cuts, it is politically dangerous when a budget is beginning to unravel. The people should have been prepared properly by the highest political leaders in the land who should have outlined the

[Senator David Norris.]

specific clear financial dangers in which we are placed, reinforced this message realistically to the people and then made judicious cuts. One does not start with the elderly, the disabled and people in education. That is a political disaster.

The view of those who would like to support the Government in tackling this very difficult situation is reinforced when we see the dismantling of the Combat Poverty Agency, the Human Rights Commission, the Equality Authority and the Data Protection Commissioner, despite the very small savings, if any, which will result. This was clearly intended to cripple and muzzle the voice of the vulnerable and must also be reconsidered.

There is a difficult situation in which the budget is unravelling. I would support the Government if it was courageous, and I would do so to my own disadvantage. Although it is not popular with my constituency, I have said over the years that there is a clear argument which must be answered for considering the question of fees in third level education, for example. When resources are limited, they must be targeted at the most vulnerable. What the Government has done by doubling the capitation fee is to strike again at the most vulnerable. While I am all in favour of universality, the tax regime for this is not in place.

I will raise another issue while I have the Minister more or less captive. While some agencies such as the Equality Authority were targeted, the Competition Authority was left completely untouched. Although the Minister and I get on pretty well personally, this is one area where she and I have an ideological difference. I do not believe competition is universally to be held up as a positive ideal. I do not admire the work of the Competition Authority. Recently, the authority failed in its duty because it neglected a deadline by which it could have dealt properly with a major multinational and, as a result, it let it off the hook. It then went after those in Irish Equity, the vulnerable, who earn less than €7,500 from doing broadcast voice-overs. The authority claimed they could not collectively bargain through a trade union because they were a cartel. Cartels are big business; they are not poor, vulnerable people making the odd few bob out of doing a few voice-overs. That is why I am concerned that while the Combat Poverty Agency and the Equality Authority are attacked, the Competition Authority is left alone. I do not believe it has proved its value.

There are other areas where savings could be made and an audit should be conducted to identify them. I am concerned about an undue increase in the prescription of antibiotics for certain age groups over particular times in the year. This morning on the wireless this was reflected on by an entertaining Irish doctor from Canada. He said when he went to examine these patients, they would say they did not need an examining doctor but a prescribing doctor. Many antibiotics are being used for viral infections, respiratory illnesses and flus when they actually have no effect on them. It also has the effect of lessening their effectiveness which in turn strengthens other infections such as MRSA. Prescribing these medicines is a waste of money so it should be cut out rather than going after the elderly.

The removal of medical cards from the elderly was misplaced and badly handled politically. I met lovely and wonderful elderly people at the recent demonstration outside the Houses. That was grey power and since I am getting grey myself, I am pleased about it. Many of them said flattering things to me. When I asked them how many voted for Joe Higgins, when they most needed him, and how many voted for Fianna Fáil, there were few takers and a few guilty looks. We are all going to have to take some pain from the budget. If every interest group is able to unpick it and it starts to unravel, then the country will be in real trouble.

Senator Dan Boyle: When the old age pension was first introduced in 1908 by David Lloyd George, it was seen as a progressive measure. It was, undoubtedly, the first political statement on these islands — Ireland was part of that jurisdiction then — of governmental intent on

looking after the needs of older people in society. It can be argued that it was cynically introduced as the eligibility age for the pension was actually higher than average life expectancy at the time. The political argument was that a gesture had been made to look after the needs of older people in society but at little cost to the public purse.

Senator Liam Twomey: Will the Green Party get rid of the old age pension too?

Senator Dan Boyle: No. Since 1908, people have been living longer and healthier lives, fortunately, but their health needs and the cost of meeting them are also increasing. The Government is committed to introducing the best possible public health care service for the maximum number of people in society. Where that cannot be met from public resources — it must be remembered we are dedicating €16 billion of very scarce public resources a year to the health services — there is a contribution principle for those who can afford to pay. More than half of adults have chosen to do this by subscribing to private health insurance. Other people have other means at their disposal.

The introduction of universal medical cards for the over 70s was badly handled. It was ill-thought out and quickly put in place with no real assessment of its likely costs. As a result the scheme's costs became far higher than ever anticipated, however much political argument can be made that it was good for those who benefitted from it.

It has been forgotten that a small but significant group in this age group have resources. The State has been subsidising many of them twice, once in the form of a free medical card and then in the form of tax relief on their medical insurance should they choose to remain in the private health insurance system. This whole area, therefore, needs to be examined.

Undoubtedly, this process could have been handled better. The ultimate result, however, has been the setting of limits that reflect the incomes of the majority of people in this age group and the meeting of their health care needs through a cost to the public purse. I find it shocking that the average income for people in this age group is €260 a week. That is a wider issue and reflects badly on the society in which we live and how wealth is distributed. People from this age group are among the poorest people in our society, albeit still a wealthy society. We need to come up with a political response that addresses their needs in the best possible way.

I do not believe universality is the best way of doing that. If someone in this age group can meet health care through their personal resources, the State should stand aside. We know this is not the case for the majority in this group. The Government has now set benchmarks to meet their needs. The responsibility will be for whoever is in government in the future to assess those benchmarks, keep them apace with the prevailing cost of living and ensure this age group's needs are being met.

The programme for Government seeks to increase medical card entitlement across the population — for example, extending eligibility for children under five years and for those with an intellectual disability under 18 years — but not in the form of universality. It is a source of disappointment that this has not been achieved as it is resource linked, but it remains the Government's intention. It also means the existing criteria for medical cardholders need to be examined.

It is also unacceptable that resources have not allowed us to examine general eligibility levels for medical cards for the wider population. Up to €16 billion is spent annually on the health service. Either we make the difficult choices that need to be made to allow those resources to be better used or we limit the eligibility to an entitlement many of us believe should be more open and widespread.

[Senator Dan Boyle.]

I want to hear from the Opposition — those who aspire to being or could possibly be in government shortly — how it would answer these questions.

Senator Nicky McFadden: Does the Senator know something?

Senator Liam Twomey: Senator Boyle should not be upsetting the Minister.

Senator Dan Boyle: Other than pious aspirations, I am not hearing those questions being asked or answered by the Opposition parties.

Senator Liam Twomey: Was the Senator not listening to the Fine Gael leader?

Senator Dan Boyle: I heard the Minister raise Fine Gael's policy from the last general election which was based on 4.5% economic growth for the next five years.

Senator Liam Twomey: That was based on figures provided by the Department of Finance.

Senator Dan Boyle: Will Fine Gael implement its policy on that basis? There are fiscal conservatives in the party who would balk at such a policy decision. The costs of such a policy could only be met by a Scandinavian style of taxation. One cannot say one is prepared to spend money without saying how one will raise it, and Fine Gael does not say that. The reality is that we are talking about tax rates well in excess of 50% — up to 60% — to fund the policy decisions Fine Gael is pretending it would make in government.

Senator Liam Twomey: What will the Government do then?

An Leas-Chathaoirleach: The Senator has one minute. Senator Boyle, without interruption.

Senator Dan Boyle: Unfortunately, I only have one minute, which is not long enough to explain my alternative.

Senator Nicky McFadden: Saved by the bell.

Senator Liam Twomey: It is more than enough time.

Senator Dan Boyle: The Government has considered universality and looked at the resources available. It has investigated how the majority of people in that age group can retain a free medical service. To the limited extent it can be, a circle has been squared. We must deal with the reality. The only other alternative is a Scandinavian model.

Senator Liam Twomey: It is not.

An Leas-Chathaoirleach: Senator Boyle to conclude without interruption.

Senator Dan Boyle: If it is not a Scandinavian model it is a German model, which has the same effect of universal health care with 50% of one's weekly salary. Those are the answers.

Senator Liam Twomey: It is a cheap price.

Senator Dan Boyle: If Fine Gael is not prepared to be honest about how to achieve this, the credibility of what it is proposing lies in tatters. We must accept the situation as it is.

Senator Phil Prendergast: I too welcome the Minister, Deputy Harney, to the Seanad. I will not repeat many of the points that have been made, but there is major concern in certain areas.

I too was in the church on the day of the protest and I was struck by how upset people were. I know many other people were too. I join others in saying I was rather horrified at the way in which the Minister of State, Deputy John Moloney, for whom I have high personal regard, having got to know him in his capacity as Chairman of the Joint Committee on Health and Children, was not allowed to put forward his viewpoint. I did not agree with that. People have a right to be heard.

As Labour Party spokesperson on older people, I maintain that the elderly should not be treated as an expense to be contained. We can make trite remarks and comments, but older people, generally speaking, are a lovely group of people. With the automatic entitlement to a medical card, they did not have to worry too much about going to hospital. I will speak a little about hospitals because of my past experience. Hospitalisation for older people is associated with a major cost factor. I am sure that if an analysis was done on the first three days of a hospital stay and then every ten days after that it would be found there is significant cost involved. When somebody is admitted to hospital, as well as all the issues of prescribing and changing medication, he or she is analysed and subjected to sometimes unnecessary interventions such as blood work. This must add considerably to the expense of putting that person in hospital. If the cost of each blood test is added up it will be found that this aspect contributes significantly to the cost of a hospital stay. Sometimes blood work is done in routine fashion although it may not always be necessary. This is an area that should be considered with the aim of achieving cost savings.

Senator Boyle wondered how we might do things. Working in the health service for so long I saw many areas in which there is scope for savings, which would not affect positive initiatives such as cervical screening. This has been shelved recently, to my regret. The extension of the medical cards entitlement to everybody over 70 was a very positive and forward-thinking development. It had a significant positive effect on the health of older people because it allowed them to be monitored and treated for their ailments at home or by the doctor.

My mother-in-law, a lovely woman of 84, was in hospital recently. When she came home she said it was very cold and that she felt the cold much more badly after coming from hospital. She felt her need for heat was increased when she came out of hospital, which was an additional expense. Bord Gáis is looking for a 3.9% increase in the price of gas, while the ESB is flagging a 5.6% increase. The cost of gas has already increased by 20% and that of electricity by 17.5% , while inflation is at 4%. People who worry about heat or are prone to colds find that their confidence has been damaged, whether because they no longer feel they have the safety net of the medical card or because they have a genuine fear that they are not keeping control of their health to the same extent. They are getting sick and being admitted to hospital. This results in a major increase in costs to the Exchequer as well as the follow-on negative aspects of being in hospital. When their confidence is gone it may not return for quite a while, if ever. I hate to say the word but we must consider the danger of being put in hospital. Older people are being put in a place which is frequently over-crowded and in which they may be prone to being infected with MRSA or other conditions they did not intend to get when they went into hospital. This results, again, in significant additional costs. Thus the automatic entitlement to a medical card was very positive. It allowed people to be at home and to retain their input into their health. It was lauded everywhere as being the right thing to do.

Based on the figures released by the Government, the medical card entitlement for the over 70s had a positive impact on health and took pressure off the acute hospital and nursing home sectors. It was felt that it did not make sense, from an economic or public health point of view, to press ahead with the abolition of the automatic right. That was also the view of Age Action Ireland, which went on to say it challenged the Government to reveal whether it has factored into the estimated savings the increased number of older people who will need to be hospital-

[Senator Phil Prendergast.]

ised or to go into full-time nursing care as a result of the curtailment of the medical card scheme. Age Action Ireland also made the point that this measure, which has made a major contribution to people's health, was being abolished for the sake of saving less than €20 million. It felt the Government should have considered doctors' fees, the cost of prescriptions and the possibility of using generic drugs.

There is major scope within the health service to consult the people who are at the coalface. We should consult nurses, care assistants and doctors who treat people at the coalface. There is not much point in asking administrators or people who do not know what it is like. Sometimes when a person comes to a doctor or a practice nurse, all he or she wants is a little bit of time. They might not need treatment. Confidence is a major issue for older people. They do not like to have the rug pulled from under their feet in any sense. The removal of the entitlement to a medical card was a retrograde step. The automatic entitlement should remain. I am sorry that has happened.

I admire the fact that the Minister has come into the House. Given that I worked in a hospital for so long, when I met my former colleagues they wanted to know what it was like up here. I was amazed at the frequency with which I had met the Minister through this House and that is to be welcomed. I hope she will listen to some of what is being said. There could be an opportunity sometime to engage positively with people on the ground. I recall the Minister's visit to South Tipperary General Hospital. It was a lovely occasion and it was to celebrate the expansion of the services, even though they were being reduced. It would have been nice for the Minister to sit around the table for a cup of tea or coffee with the staff and ask them how they would run their departments if they had the budget and how they would make sure quality is maintained. The Minister would find that the service would be managed very efficiently. Staff who administer care would allow for the unexpected and we would have a very efficient health service.

Senator Geraldine Feeney: I welcome the Minister to the House and I hope she will listen. The Minister is a great attendee to the House. She listens and, if there can be compromise, she is open to it. It is a measure of the woman she is and where she is today. She is a reforming and caring Minister and her caring and listening side has come across in recent weeks regarding the medical card scheme.

The decisions on medical cards was wrong. We did not gauge it properly and the Minister, the Taoiseach and the Government have said that. It is never too late to say "We got it wrong". The Minister has returned with a very good scheme and I welcome it as it is very workable. I will not discuss the financial issues; the Minister has outlined all of them. Regardless of who one is, whether one comes under the terms of free medical card cover, if one is undergoing undue financial hardship because of a medical condition, regardless of financial circumstances, the case can be looked at independently. I am glad to see that. There are people who may be just above the threshold but have expensive medical bills to pay.

Some 330,000 people out of 350,000, which is 75%, are covered by the scheme. I heard the concerns of Senator O'Toole and I am always taken with what he has to say. He is a very balanced man and never comes in with an agenda. He is in a unique position as an Independent Member rather than a party Senator. He has very good ideas, but I do not share his view on a universal scheme. When it was brought in, it was with the best intent. We were in a different economic situation and it was a very good idea at the time.

Senator Prendergast mentioned old people in hospital. We all have experience of that in our families. Old people do not like going into hospital, but they need not be afraid. The older people I know will stay at home and should have no fear of going into hospital. It was unfortu-

nate, and I know the Opposition will jump up and say, “No it was not”. Politics played its part in this. I said that in the House last week and the week before.

I am glad to hear Senator Prendergast say it was wrong that Minister of State, Deputy John Moloney, was not allowed to speak. Government Members were invited to the meeting. I will say no more on the matter because I got myself into deep trouble over it and I am glad it has settled down. I am glad to hear others acknowledge what I said in the House last week.

The VHI was mentioned by the Opposition in the past two weeks. There is no need to worry about the VHI. It has seen very few people over 70 who received a medical card leave the organisation. It stated that it welcomes anyone who left, having received a medical card, back into the VHI regardless of their current health. They will not be penalised in any way——

Senator Nicky McFadden: They cannot pay their premia.

Senator Geraldine Feeney: The only thing the VHI asks them to do, and it is perfectly entitled to ask, is that they pay the premia outstanding from the time they left. It is a business. The Opposition must get real.

Senator Liam Twomey: The Senator should get real. Where is she coming from, asking people to pay?

An Leas-Chathaoirleach: Let the Senator speak.

Senator Liam Twomey: That is rubbish.

Senator Geraldine Feeney: It is a very fair scheme. I smiled when I heard Senator Fitzgerald. She and Fine Gael are very precious regarding Deputy James Reilly. He held the country to ransom when he went out and——

Senator Frances Fitzgerald: The Government negotiated it. Accept the responsibility.

Senator Geraldine Feeney: He bled the taxpayer dry.

An Leas-Chathaoirleach: There should be no interruptions.

Senator Frances Fitzgerald: This is rubbish. Accept the responsibility.

Senator Liam Twomey: It was the Minister, Deputy Micheál Martin. The Senator is using parliamentary privilege to make false claims.

An Leas-Chathaoirleach: People will have their opportunity to speak. Let the Senator speak. Senator Twomey will have an opportunity.

Senator Geraldine Feeney: Fine Gael and Senator Fitzgerald are very precious regarding Deputy Reilly. In his role as president of the IMO, he bled the taxpayer dry.

Senator Frances Fitzgerald: What did the Minister, Deputy Micheál Martin, do? Is the Senator taking responsibility for the Government’s negotiation of the deal?

An Leas-Chathaoirleach: I ask the Senator to resume her seat.

Senator Liam Twomey: Is Senator Feeney saying the Minister, Deputy Martin, was an imbecile?

An Leas-Chathaoirleach: Deputy Reilly is not taking part in this debate.

Senator Geraldine Feeney: He bled the taxpayer dry in the interests of his own profession. The Opposition cannot have it every way. He cannot be the champion and they cannot be the champions behind him for the elderly. The Opposition needs to get real. He robbed the State and now he wants to be all things to all people. They cannot have it every way.

Deputy Bernard Allen, on 29 November 2007, criticised the extension of the medical card to all those over 70, regardless of income, and said he did not think it was fair that a High Court judge should get a free medical card. The Opposition cannot come in from all sides.

An Leas-Chathaoirleach: Senator Feeney must say if that is from the record of either House.

Senator Geraldine Feeney: It is from the Dáil record. I congratulate the IMO. I hope talks will come to fruition. It is a much more agreeable fee than that negotiated before. I would like to see the IPU come to the table and look at generic drugs. I wish the Minister well and look forward to having the deal done with the IPO and the IPU.

Senator Nicky McFadden: I am glad the Minister has taken time to be here. I appreciate that. My colleagues have said there has been widespread acceptance from GPs and geriatricians that more older people will be admitted to acute hospitals because of the removal of the over 70s medical card from 5% of people, and there will be a decline in public health. This generation does not abuse and is not wasteful. It rarely uses its medical card. A number of people never used their medical cards but are registered with their GP and the GP still gets paid for those patients. That should have been addressed and still could be.

What is most mesmerising about this decision is the lack of transparency as to the actual savings for the Exchequer. As Senator Fitzgerald said, there is widespread confusion. Most important, the elderly are confused. Why not increase taxation for judges and Deputies who can afford to pay? Let the millionaires pay, not the most vulnerable and those who have worked all their lives to establish our country.

I have had a representation from a man whose wife was suffering from Alzheimer's disease. He aided her in her decline and demise, but he did not know how to care for her because he did not have a medical card. Therefore, he was not entitled to ancillary benefits such as access to the public health nurse, home help and meals on wheels. It is much more difficult to access these services if one has no medical card. An elderly person with a leg ulcer should be able to access dressings. I am aware of many cases where people were nursed back to health in the community, which the Minister advocates, because they had access to all those services through primary care in the community. That is what I advocate — universal health care.

Does the Minister not understand that this may cost the State much more in the long term and as other contributors said, our population is rapidly ageing? Those who do not have access to the medical card will become even more dependent on State services. A previous speaker spoke about having a chest infection. That can become a more serious condition such as pneumonia or pleurisy and the person may have to go to hospital. People do not want to burden the doctor but if they had a medical card, even that 5%, they would use it and, I emphasise, not abuse it. The concern is to keep people out of acute hospitals and ensure they are available for people who are very ill. This universal measure is being axed without regard to the benefits from the point of view of people's health.

On the flip side, the people over 70 who do not qualify for a medical card will have to pay more than €100 a month for their medication and if they need to go to an accident and emergency department, that will cost another €100. If they require X-rays, pathology services or blood tests, they will have to pay for those as well. As the Minister said, this is based on their gross income. Many people's pension funds have gone through the roof, so to speak, as a result

of what is happening in the global economy and burdening people to this degree is very serious. As Senator O'Toole said, the true figure in terms of those affected is much more than 20,000. He gave the example of 15,000 teachers but what about the nurses and the gardaí who have retired? All of those people are on public service occupational pensions and they, too, will not qualify for the medical card.

Senator Feeney spoke about the people with pre-existing illnesses who have surrendered their private medical insurance. What is to happen to those people? Will they have to pay back ten years' premiums to the VHI? Any of the older people I know would find it a huge burden to pay back that amount.

I applaud the Minister for rowing back in the way she did and for listening. She is a caring Minister and one who listens. I applaud also the wonderful people in the grey army. In my young life as a politician I have never experienced such strength and courtesy as I did on Molesworth Street that day. I agree with Senators Prendergast and Feeney on allowing people to speak but those of us on this side of the House have not turned this into a political issue. We are elected to represent the people. This is a democracy and I resent Senator Feeney saying we have turned it into a political issue. That is not the case.

With the Chair's indulgence I want to ask the Minister when the sexual assault treatment centres for Mullingar and Galway will open. The Minister might come back to me on that issue in her own time; I will not put her in a position to do that now. A total of €2.4 million has been allocated and everything is in place, including the forensic service. Doctors and nurses have been trained and I would like to know the position in that regard.

Senator Fiona O'Malley: I welcome the Minister to the House. I was looking through my notebook this morning and came across a quote I had written when I was involved in a debate with an economist. The comment he made was that politics always wins out over economics. I thought that was a depressing remark for somebody to make because when one is in politics, one must have the bigger picture and the long-term issues in one's sights at all times. In dealing with the principal of universality in respect of medical cards for the over 70s, this was the one time economics won out over politics.

The Minister made the points very eloquently in her contribution. With the declining resources in the economy, is it fair that those people who can afford to pay for their own medical care should pay when there are many people who are more deserving of the State's declining resources? If they are denied access to State services, where is the fairness in that? The Minister had the courage to take on that principle of universality and stake her claim that she stands up for a fairer system which will deliver the resources of the State to those people who are in greatest need.

I have sat through the debate as it has continued and there is one aspect that has been ignored, especially by Fine Gael speakers, and that is the economic position. The Acting Chairman addressed that issue in his own contribution, as did other speakers. We cannot continue to insist that services remain in place when it is clear the resources are not available to pay for them. I came across a great oxymoron in the title of an article, *If It's Free, How Much Does It Cost?* In this instance, the cost of something that is free comes to the Minister's desk. She is very much aware of the cost of something when it is free to people. If they have an entitlement, most people are not terribly concerned about how much it costs, yet it does cost and that is why choices have to be made with a limited budget.

I applaud the Minister's decision, particularly as the escalating costs of medical cards for the over 70s is often ignored. People only ever speak about the €100 million it cost this year, the €250 million it will cost next year, the 14% increase and so on. That is something that must be

[Senator Fiona O'Malley.]

curtailed and it would be reckless in the extreme if the Minister had done nothing to try to curtail those costs.

I allude to what Senator Feeney spoke about. I accept Senator Fitzgerald's point that the Minister at the time must accept some responsibility in negotiating a price but I do not believe that the then Minister or Minister for Finance ever thought that, on the introduction of a universal card, the State would be required to pay four times the going rate. I am sure it never occurred to them at the time. Fine Gael's very able and capable James Reilly, now Deputy Reilly, seized the opportunity on behalf of the medical profession, and they were well rewarded for it. I am aware this issue has caused an element of disquiet within the Irish Medical Organisation. Many members of the IMO are happy that a more realistic and sustainable payment will be agreed. I welcome that and hope the IMO will agree to the terms because it is a much fairer system. At least the reformed system for the new medical card scheme will be more affordable.

It is important that the moneys available to the health budget go to the patients in the first instance and for services. Containing the costs to the doctors somewhat is something that is to be welcomed.

The Minister made mention of the statistics, and it was referred to by other speakers, and said she was certain about the figures for the 20,000 people who will now qualify. I want to ask a question about the statistics available to us. On previous occasions when we introduced various benefits the statistics have not always been good. Is the Minister confident that the statistics available to us across the board are correct? This is an area in respect of which we cannot afford to obtain incorrect information. I would welcome the introduction of identity cards for all citizens if this would assist in ensuring the statistics are correct.

I welcome the decision the Minister has made and also the changes that have taken place. She has taken vital action and stood up for a principle, which is important. I compliment her on the courage she has shown.

Senator Feargal Quinn: I wish to share time with Senator Bacik.

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

Senator Feargal Quinn: I welcome the Minister. I concur with those who stated it is good to see her so willing to come to the House on so many occasions.

At the height of the crisis that arose a few weeks ago, two Members of the Lower House who are over 70 years of age and I were interviewed on the plinth by RTE. The first question I was asked was whether I have a medical card and whether I receive free medical care. I do not recall ever receiving a medical card. However, on the one visit I made to him last year, my doctor stated that since I am over 70, I am not obliged to pay. He either missed out on the €640 the State should have paid him or on the fee that I should have paid for his services. I have no difficulty with stating that those at the top level should be obliged to pay. However, there is one query in that regard which I will put to the Minister in a moment.

As stated on the Order of Business, I am concerned that people do not realise the seriousness of the financial crisis into which the country is facing. We must take action to solve that problem. One of the things we must do is monitor areas in which we can afford to reduce costs. We must then proceed to reduce those costs in whatever way possible. I have a difficulty with those who object to every effort to cut costs without offering alternative proposals.

The Department of Health and Children employs approximately 100,000 people. Despite the pay freeze, the partnership deal will cost €189 million in a full year. That figure does not even include the cost of pensions. We will be obliged to pay 10% of every public service worker's

salary from moneys borrowed. We have already borrowed so much and there is no sign that we will be able to reduce our level of borrowing in the near future. I have a real difficulty in respect of this matter, particularly in circumstances where there might be a failure to cut costs.

In my opinion, the deal done in 2002 was not good. I support the Minister in her efforts to ensure a better deal is obtained on this occasion. Unlike Senator Feeney, however, I would not state that we were screwed by the other side. If a bad deal is agreed, it is the fault of the negotiators on both sides. I applaud the Minister on what she is trying to do to reduce the cost to the State.

I have one query to put to the Minister. I am of the view that we should spend money on prevention rather than cure. In many instances we do not do so. From a business point of view, I came across an interesting case whereby one British company made great efforts to reduce the amount of salt in bread sold in its stores. What it did was approved and accepted because there was a large campaign in Britain in respect of how bad salt can be for people. When something similar was attempted in the Czech Republic, the relevant supermarket's customers sprinkled salt on their bread and ended up consuming far more salt than would otherwise have been the case. I refer to this case because it provides an example of what can be done.

The position is similar as regards obesity, in respect of which there is a major problem in this country. An extremely interesting article on this matter was published in *The Irish Times* yesterday. We must take action to educate people about the dangers of obesity rather than being obliged to provide them with hospital care at a later date.

Prevention is better than cure. Will the Minister put my mind at rest and indicate that the steps she is taking will not retain in our hospitals those people who might otherwise have been cared for at home?

Senator Ivana Bacik: I thank Senator Quinn for sharing time and I welcome the Minister. I wish to tackle a topic to which other Members referred, namely, the principle of universality. Essentially, as the Minister and other Senators stated, this matter boils down to a single question as to why richer older people should receive free health care. The Minister for Education and Science framed the same question some time ago when he asked why the children of millionaires should not be obliged to pay university fees.

There is a certain superficial attraction to the argument that people should pay for public services if they can afford to do so. However, this masks a clear ideological commitment to a different way of providing public services. We should be honest about this matter. Those of us who defend the principle of universal access are not saying that richer older people or millionaires should obtain services free of charge. Rather, we are stating that we should adopt the European social model under which richer older people pay more for public services through a fair and progressive taxation system. Under this model, services are provided equally to all on the basis of need. There is evidence to show that this method of provision is fairer and more equitable and does not lead to the sort of two-tier access that currently exists in the Irish health service.

The health service is beset by many problems. However, the scope of this debate does not allow for us to discuss them today. The provision of medical cards, free of charge, to the over 70s was a start in the context of creating universal health care provision. I and others on this side of the House have argued that there should be universal access to health services in the same way that there is such access to primary education. We do not ask that millionaires should pay more if their children attend national schools. No one in the House would argue in favour of that. However, the principle is the same. We all accept that our primary education system,

[Senator Ivana Bacik.]

which is fair and equitable, allows the children of millionaires to attend school on the same basis as those whose parents are in receipt of social welfare payments or on low incomes.

The same principle should apply in respect of preschool care and the health care system. If it did, we would be on the road towards a more equitable society. Such societies exist in countries that have embraced the Nordic model to which I refer. The universal medical card for those over 70 years of age could have represented a move towards this model of provision. Unfortunately, however, we have moved away from that model and back towards one which involves means testing. It is also unfortunate that the Minister for Finance has indicated a more universal — if I might use that word — attack on the principle of universality by signalling that child benefit is likely to be means tested in the future. This is a regressive policy and it will lead to our moving towards a system under which public services will only be available on a means-tested basis. As a result, two-tier models will appear at all levels and in all areas of public service provision. That is fundamentally regressive because it will lead to the creation of a more unequal society.

Millionaires have their waste collected and have access to public transport on the same basis as everyone else. That is how it should be. However, they should pay more for these services by means of a progressive tax system. Senator Quinn and others asked those who support the principle of universality to indicate from where the money will come. It should come from higher taxes on the wealthy. I said this on previous occasions and I make no apologies for doing so again. Instead of a 1% or 2% levy on those on certain levels of income we should introduce a higher rate of taxation in respect of those who earn over €100,000, €150,000 and €200,000, respectively. That would have been a fairer way to fund universal access to public services.

Senator Larry Butler: I welcome the Minister, who is always prepared to come to the House to answer questions. It is fair to acknowledge that the announcement in the budget in respect of medical cards was poorly thought out. I thank the Minister for reviewing the position and for getting the balance right. We upset many older people who provided the country with wonderful service in the past. I take this opportunity to apologise for causing any hurt or concern to these people, some of whom may be vulnerable, not in the best of health or whatever. If one makes a mistake, there is nothing better one can do than acknowledge that fact.

Older people have given the country great service and have been loyal supporters of those in the political arena. Regardless of the parties they favour, it is these individuals who come out to vote. They are very important to us as public representatives.

I welcome this debate because it highlights the issues that exist. Like Senator Quinn, I am of the view that we must address the economic situation. The Minister was faced with an unenviable job in the context of putting together a departmental budget and setting down parameters relating thereto within which she could work. When she was faced with trying to make the system fairer, which she has done, she again had to try to find savings. She is working within the economic structures and I do not consider that a rowing back in any way. We are listening to what people say. When people came to the gates of Leinster House to object to what we were doing, we said we were listening and we cared. It is important we did that.

We urgently need to highlight volunteerism. Many older people have retired early. They could make a huge contribution to various parts of our community. It behoves us to have organisations that would approach these people and tell them they can make a difference by making that contribution. Retired teachers, bank managers and so forth could become involved in volunteerism. It plays a major role in every aspect of life in this country through involvement with the GAA, soccer teams, the Society of St. Vincent de Paul and other organisations.

The expansion of health services has been enormous over the years. I spent eight years as a member of a health board and I can see the improvement in the standard of the services. More than 10,000 older people receive services in the home. This is a huge and important part of delivering services to older people. It is the most economical option as it keeps people out of nursing homes. A total of 53,000 people receive home help, with 700,000 more hours of home help being provided since 2005. These are huge improvements in the health service.

All of this costs money. We must ensure, within the parameters of what we can afford in the budget, that we are getting value for money. That is most important, now more than ever. Every euro squandered will put somebody on the live register. I feel sorry for people such as the young person on €40,000 per year with two children and a wife who is probably not working. They cannot acquire a medical card. It was important the Minister took action. The 5% will probably help to include people who become unemployed. We hope the unemployment will not continue for too long. It is a huge drag on our economy. A total of €19 billion is being spent on unemployment at present.

We must recognise our situation. Senator Quinn is correct that we must live within the parameters of what we can afford, and the Minister is trying to do that. I welcome what she is doing with the health service generally. However, it is time to examine the Health Service Executive. The HSE has been working for the past four and a half years. I do not believe it is working correctly. The Minister will have to regionalise it and make it more meaningful to people who use the services, which is not the case at present. The Minister is regionalising the BreastCheck service but she should regionalise the other parts of the health service and make them more relevant to the local people who use them. That should be done sooner rather than later.

Senator Liam Twomey: This is a great debate because it has broken down into an ideological political debate. One either believes in universal entitlements or one does not. Clearly, the Government is following the line of the Republican Party in America by saying that people cannot have entitlements if the money is not available. Members on this side of the House say we must set standards and a baseline for people. One can have universal entitlements in this country. The Government could have maintained the universal entitlement for everybody over the age of 70 in the same way as it could maintain the free travel pass, television licence and so forth. The universal entitlement does not have to become an issue because the economy is deteriorating.

I will explain why. The Minister and I had numerous debates about this issue in the Lower House when I was a Deputy. She often pointed out that the health service in the United Kingdom costs €2,000 per citizen in that country. She also pointed out that health care in this country costs €3,000 per citizen per year. Everybody in the United Kingdom, not just those over 70, is entitled to free general practitioner care. The UK can provide more care and provide it more cheaply. Why is that? It does it more efficiently.

This Government has failed to introduce transformation, reform and accountability to the system, as is clearly shown in the argument from the other side of the House. That is what went wrong. It is not because Deputy James Reilly made Deputy Micheál Martin look like Mickey Mouse but because nobody in the past seven years has done anything about the system. The Minister and I sat on opposite sides of the other House when I told her it was not possible to have two rates of payment for the same group of patients. Not only did this Minister do nothing about it, neither did anybody who is saying here today that Deputy James Reilly took the mickey out of the former Minister, Deputy Martin. Deputy Micheál Martin and the Government did nothing to reform the health service and did not deal with this issue in the

[Senator Liam Twomey.]

past seven years. I as Fine Gael spokesperson on health and children raised this with the current Minister but nothing was done. That is what went wrong.

Universal entitlement can survive these economic difficulties. We are still spending a great deal of money but if we reformed the public and Civil service, it would be possible to make the changes we have discussed. Senator Quinn is respected in the House for making good economic arguments. However, he would never consider turning off the heating in his stores if profit margins were becoming tight. He knows it would be a foolish decision that would drive people away. He would make the decision to cut costs and make the business more efficient. That is what should have happened in the health service. If there is an economic debate about this, it amounts to the failure to make accountability and reform part of what the Government has done for the past six or seven years.

Penalising older people now, penalising children in the future, lining up child benefit for taxation and removing home help and other services from older people is nothing more than an admission of failure. The Government failed to protect the people it was elected to protect. The Minister need not give me any of the silly arguments she is trying to gather to claim that this is about money or anything else. It was a failure to do her job. We could not only continue to give the medical card to everybody over 70 but also give the medical card to every child under the age of five years if we had reformed how money is spent in the HSE.

As I said previously, the UK spends €2,000 per person every year on its health service while we spend €3,000 per person per year. We get less for our money. Why is that? The Minister and I had this debate on more than one occasion in the Lower House. Furthermore, I am disappointed that the cancer vaccine for young women will be stopped. There is talk about drug restrictions in the General Medical Services scheme whereby I will be told, as a general practitioner, no longer to give the good drugs to my patients who have a medical card but to give them the yellow pack service. That is now Government policy. That is the road the Government has taken; it must stand over it.

Minister for Health and Children (Deputy Mary Harney): With regard to the debate about universality, and it has merit, tax rates of at least 60% would be required to fund the proposals suggested by the Opposition. Senator Twomey referred to the United Kingdom but pharmacists in the UK, for example, earn at least €100,000 less than their Irish counterparts and the same applies to general practitioners. In the British health care system, one cannot get Herceptin for breast cancer, for example. We must compare like with like.

Recently I met the German deputy Minister for Health, who was here as part of a delegation. She pointed out that a high dependency bed in a nursing home in Ireland costs as much per week as it does per month in Germany. If we are to have a debate and compare ourselves with other countries, we must refer to the cost of health care professionals and to patient-staff ratios, including the ratio of nurses to patients, which is double in Ireland what it is in France.

We are living through a very serious economic crisis, as Senator Quinn pointed out. A number of people have yet to come to terms with how bad things are. Senator Quinn made the point that the money for 10% of all public sector salaries must be borrowed and that 100% of the pay for any new public sector employee recruited will have to be borrowed.

I did not, and do not, have the option of making people in the health service redundant. However, we should have a redundancy plan but we must be sure about who we want to make redundant. We had a redundancy plan in this country in the past and the wrong people left the public sector, although many of them subsequently returned. We do not want a redundancy plan which involves us running around like headless chickens cutting 1,000 jobs here and 500 there. It must be properly thought out and funded up front because it will be expensive. We

must also ensure that we maintain appropriate patient-staff ratios. Any redundancy plan must apply across the health service, not just in what is broadly called the bureaucracy. One person's bureaucrat is another's support staff. None the less, there are many areas in which there is scope for redundancies.

The bill for public sector pay next year will be €19 billion. A 10% saving on that would yield €1.9 billion. If we could make choices like that, some of those other choices might not have been necessary. I make that point because we will have to make those kinds of choices.

Decisions being made in the health service are not taken lightly. The cost of medical cards will rise by 14% next year. The numbers accessing the over 70's medical card scheme is growing by 7% annually while the number receiving medical cards in the general population, that is, among the poorest people, is only growing at 2%. Up to now, a couple aged 69 earning more than €300 per week would not get a medical card but once they reached 70, they qualified for a card, regardless of their means.

I wish to clarify a point in connection with something Senator Quinn said. When a person reaches 70, he or she does not automatically receive a medical card but must apply for one. I have met a number of people who have applied for the card but have never used it. However, regardless of whether one uses it, the nominated doctor is paid the fee of €640. Furthermore, it was not open to us to renegotiate that fee unless we annulled the legislation. The contract with doctors in relation to that fee has legislative backing. The contract is based on the Health (Miscellaneous Provisions) Act 2001 and the fee can only be changed by altering that Act. The ending of automatic entitlement is essential to change the fee structure and the contractual arrangements which were entered into. The contract states that under the 2001 Act, the contract has been agreed with the IMO and can only be changed with its agreement. I am not blaming anyone for the contract. It was entered into in good faith and at a time of plenty. The view was taken that the scheme would be good for older people in our society.

Senator Frances Fitzgerald: There also happened to be an election pending.

Deputy Mary Harney: The estimate at the time was that it would cost €15 million. As we know, that estimate was inaccurate because the numbers on which it was based were wrong.

To those who say that more than 5% of those over 70 will be disqualified, the Central Statistics Office has given the Department data on the number of people over 70. It is interesting to note that there are 10,000 fewer people over 70 than the current number holding the medical card. That is probably because people have passed away who are still factored into the equation. The Revenue Commissioners tell me that 57,000 people in Ireland over the age of 65 pay tax, approximately 18,000 of whom pay at the higher rate. The numbers decline very rapidly once one gets to people aged 70 and over, although to be fair to the Revenue Commissioners, they cannot distinguish between people aged 65 and 70.

No additional staff will be recruited to administer the means test, which we are trying to simplify. The means test for a card runs to eight or nine pages. I often help people in my constituency clinic to fill out the form and I have told the Health Service Executive that it must be simplified. It is an extremely long and complicated form. Indeed, means test forms should be simplified for everybody, but particularly for older people. We have made provision to repay people for nursing home charges. A total of 75,000 people or their estates qualified for reimbursement but 40,000 older people did not apply to get their money back. It is not that they were not aware of their entitlement. Many said that they did not want the money back because they received good care. We are dealing here with a group of citizens who are extremely honest and, therefore, a very simple form of assessment will be required.

[Deputy Mary Harney.]

I am also anxious to ensure that if a person qualifies for a medical card as part of a couple and his or her partner subsequently passes away, that person does not lose the medical card.

Senator Frances Fitzgerald: That is a very important concern.

Deputy Mary Harney: In the context of the legislation, I am seeking to facilitate that. Once one does a means test at 70, that should be the end of the matter. There are very few people who can expect their means to improve after the age of 70. Perhaps one or two might win the Lotto but there should not be very prohibitive legislative requirements for the sake of one or two people.

The legislation to which I am referring will also protect community rating. Since the Supreme Court decision of 16 July, community rating is extremely vulnerable. I intend to include a measure in the legislation that protects community rating. If I do not make such a provision, older and sicker people in Ireland will not be able to afford health insurance, if the market segments. The Government is addressing this issue, which has not received a lot of attention since the Supreme Court decision. People have not yet made the connection between the decision of the court and the potential consequences for older people. We must bring in legislative provisions to protect the cost of health insurance for older people.

It is important to point out that people would not have dropped their health insurance because they were in receipt of a medical card because the card only provided for the statutory hospital charge. If one has a medical card, one does not pay that charge. Otherwise, there were no other hospital related benefits that people would have assumed on getting the card. The VHI's Plan P covers that and it has informed the public that if people exited Plan P and wish to re-enter it, they can do so without any penalty. They will not have to pay back any money for the past seven years. Approximately 25,000 people have that insurance plan, which means they do not have to pay the ten-day statutory charge.

I cannot deal with all the issues raised in the short time available to me. However, I will endeavour to deal with some more by way of question and answer.

On the issue of the €100 million figure, €16 million is the capitation and €20 million is the 5%. I must make it clear that we were always going to help 95% of older people. One of the reasons there was so much confusion over this matter, which I very much regret, is that everybody over 70—

Acting Chairman: The Minister should be aware that there are only two minutes left.

Deputy Mary Harney: Everybody over 70 genuinely thought they would lose their medical card but that was never going to be the case, with 215,000 still qualifying. A further 85,000 were going to get either a full medical card or a doctor-only card. We were going to give a cash payment to those who did not qualify for a card towards the cost of their health expenses.

Having reviewed that plan, in light of the public reaction and following consultations with the IMO, we decided to forget about the cash payment and to raise the income thresholds instead. It was always our intention to help older people, up to the 5% cut-off point, with the cost of their general medical services, their general practitioner or their drug costs.

Acting Chairman: There is only one minute remaining in the slot. I invite each spokesperson to ask a question of the Minister and allow her to use the remaining time available to answer.

Senator Frances Fitzgerald: I particularly welcome the clarification the Minister has just given with regard to a couple who qualify for a medical card and where one party subsequently dies, the remaining party will retain the medical card. That will be of relief to many people.

The Minister spoke about people not realising the seriousness of the economic situation. When the Government negotiated the social partnership agreement recently, was it tuned into the reality of the economic situation?

On the issue of the €16 million that the Minister said she is saving on drugs——

Senator Liam Twomey: The Minister said €60 million.

Senator Frances Fitzgerald: Am I right? Did the Minister say €16 million?

Deputy Mary Harney: No, I said €60 million.

Senator Frances Fitzgerald: I ask the Minister to outline, in the limited time available, how she expects that saving to be made and what initiatives have been taken in that regard.

Senator Feargal Quinn: I have a very short question related to my earlier remarks. Will the Minister, Deputy Harney, put my mind at rest on the matter of the likelihood of the over 70s going to hospital rather than taking primary care through the local general practitioner? I am concerned as this relates to the notion of prevention rather than cure.

Senator Phil Prendergast: Will the Minister consider carrying out a pilot scheme at some stage? This could involve choosing a given hospital and examining whether there is a different way of dealing with the budget and its effects on frontline services.

Senator Mary M. White: Some Senators have said the public does not realise the seriousness of the economic situation. I believe the public is prepared for some taxation——

Acting Chairman: Our time has expired and I require a question to the Minister from the Senator.

Senator Mary M. White: I do not need to be prompted. If we want to make radical changes in policy——

Acting Chairman: According to the Order of Business, a question must be asked.

Senator Mary M. White: We must take the public with us and a national debate is required. What is the Minister's view on this? I believe there should be a pay freeze for two years for the private and public sectors and that is the end of the story. It would solve the problem.

Senator Liam Twomey: That sounds like the Fine Gael policy.

Senator Mary M. White: The public is ready for something such as this. We cannot let Mr. David Begg decide what to do. We must bite the bullet. Will the Minister provide an update on the new proposals for the regionalisation of the Health Service Executive?

Acting Chairman: We have exceeded our allocated time. With the permission of the House I will allow the Minister, Deputy Harney, three minutes to respond to the questions.

Senator Mary M. White: Of course; we have plenty of time.

Acting Chairman: Is that agreed? Agreed.

Deputy Mary Harney: The possibility of a pay pause because of the economic situation was mentioned. There is a pay pause in the public sector. An 11-month pay pause was agreed as part of the national partnership talks. However, as we are all aware, the economic situation

[Deputy Mary Harney.]

has deteriorated rapidly since that agreement. Every possible option for the public finances should be on the table. The more that can be saved on pay, the more there will be for services. Most reasonable people take the view that we must examine redundancy proposals. The Taoiseach established a task force to examine public sector reform. I understand it will submit a report in the coming weeks which will form the basis of a reform agenda for the public sector during 2009. The Minister for Finance is the Minister with responsibility for the public sector, however as many are aware I am open to making changes in public sector numbers to facilitate scope for services to the public.

The issue of drugs is a matter for clinicians to advise. Dr. Michael Barry, head of the National Centre for Pharmaco-economics, St. James's Hospital and Trinity College Dublin, was appointed to a group, including clinicians, to make recommendations. The group will report to me by 1 December next. The group and I had a long meeting yesterday. Dr. Barry is positive about the scope for considerable savings on this matter, as are many pharmacists.

I refer to Senator Quinn's question. Much work in Ireland in recent years has involved providing support at home for older people. There are 10,000 older people supported at home with the clinical home care package. This support package includes the provision of public health, nursing, physiotherapy, occupational therapy and so on. In the past these services had to be provided in hospitals. The emphasis of rolling out primary care teams is on providing support in the community outside of hospitals, which are the most unfriendly places for the provision of services. The same applies to home help hours. Some 53,000 people receive home help support, many of whom are older people. We wish to continue to maintain as many of these packages as possible. The option was to leave the medical card schemes as they are or tear to pieces home help services and home care packages and forget the strategy of gearing up. It was not a question of taking the action just for the sake of it.

We examined many choices. There was an option involving prescription charges. Some doctors suggested the possibility of a small prescription charge. We took the view that it would be wrong to charge for essential medicines, especially for poorest people, although several general practitioners suggested it was a good idea and such schemes operate in many other countries. We examined the option of changing the long-term illness scheme. This involves a card given to people with certain illnesses regardless of means. It would apply to people with very serious illnesses. The cost of this scheme amounts to €160 million and we took the view that we should not interfere with it. This decision was taken after much debate and discussion at many Cabinet meetings.

I refer to the question on frontline services. When people discuss frontline services the assumption is that there should be no change in staff ratios. There is a very high nurse to patient ratio in Ireland. It is twice the nurse to patient ratio in France and we do not have appropriate staff to patient ratios. Consider the cost of changing staff ratios in health care. Some 80% of the cost of health care is wages, which we could not touch next year. Therefore, any reduction to the €700 million to which I referred must come from the remaining 20%. That is why it appears the change in plans for the human papilloma virus, HPV, vaccine is one such proposal. That is the reason such changes appear very severe. However, I must cut €700 million from 20% of health spending and this involves making tough decisions, which I accept.

Health issues are a daily part of the national debate. Following the decision on the provision of the HPV vaccine announced yesterday, there was an implication in the other House this morning that the timing of the announcement was because of the election in the United States of America. However, it was announced yesterday because Deputy James Reilly asked a question and the RTE health correspondent made phone calls on the matter. We wanted to be honest. It was not a question of hiding the fact that it was going to happen. There are two

companies involved with great public relations machines and the matter would not have gone under the radar. I say this in case there is an assumption that the announcement was related to the USA elections.

We will not change the structure of the HSE. Consistency of support is one of the reasons the HSE is important as a national organisation. Senator McFadden mentioned public health nurses dealing with ulcers. In some places they only deal with leg ulcers if the patient has a medical card. There is a view in other places that such treatment should be dealt with on the basis of need. We seek services based on the needs of the patient, especially given the new primary care strategy. The HSE must change the way in which it is managed and there must be clear lines. This point surfaced in the Fitzgerald report on the Midlands Regional Hospital, Portlaoise. There must be clear lines of accountability, which is possible in a unified organisation. This is the process Professor Brendan Drumm, to be fair to him, has undertaken in the past year through significant internal organisational efforts, the likes of which never before happened in the country on such a scale. Professor Drumm made announcements on this matter which will be put into effect in the coming months.

Sitting suspended at 1.50 p.m. and resumed at 3 p.m.

Nursing Home Standards: Statements.

Minister of State at the Department of Health and Children (Deputy Máire Hackett): I thank the Cathaoirleach and Senators for giving me this opportunity to make a statement on the nursing homes support scheme and on the standards for residential care settings for older people. The Government is committed to ensuring access to quality nursing home care for all who need it. Two key initiatives in this area are the new nursing homes support scheme, which will address issues of access and affordability, and the standards for residential care settings for older people, which will address the issue of quality.

The Minister for Health and Children and I published the Nursing Homes Support Scheme Bill 2008 on 9 October. The scheme is designed to remove real financial hardship from many individuals and their families who, under the current system of nursing home subvention, have to sell or remortgage homes to pay for the cost of nursing home care. Under the new scheme, there will be one transparent system of support towards the cost of care that will be fair to all, irrespective of whether they are in public or private nursing homes.

The basic commitments of the new scheme are that individuals will contribute towards their cost of care based on their income and assets, and the HSE will meet the balance of cost in nursing homes approved for the purpose. Individuals will not have to sell or mortgage their houses to pay for their care. They will not have to borrow to fund the care costs. They will not experience unaffordable care costs, nor will their families have to find money for their care. The scheme will equalise the level of State support available to individuals, regardless of whether they are in public or private nursing homes. This will meet one of the objectives of Towards 2016, which is that State support should be indifferent to whether a person is in public or private care. This is not the case at the moment.

The State currently pays approximately 90% of the cost for people in public nursing homes. In contrast, the State only meets about 40% of the estimated average cost of care in a private nursing home, while some people receive no support. The result is that many people in private nursing homes have to sell or mortgage their homes to meet their care costs. There are five key components to the new scheme, namely, the care needs assessment, the means assessment, the calculation of the individual's contribution to their care, the selection of the nursing home and the calculation of the level of State support.

[Deputy Máire Hctor.]

The first step is the care needs assessment. A person, a family member or a guardian can apply to the HSE for an assessment of care needs. The needs assessment will be carried out by appropriate health care professionals using a common care needs assessment process. If a person is assessed as needing long-term residential care, he or she can apply for financial support. This will involve undergoing a means assessment, the purpose of which is to establish how much the applicant can contribute to the cost of his or her care. The means assessment will take into account a person's income and assets. In the case of a couple, the means are assessed as 50% of the couple's combined income and assets. The assessment will not take into account the income of other relatives such as the applicant's children. The scheme includes safeguards to ensure that a person's spouse or partner who remains at home retains at least the non-contributory State pension and that the person has a sufficient personal allowance.

Individuals will contribute 80% of their assessable income and 5% of the value of any assets in excess of the asset disregard per annum. The asset disregard will be €36,000 for an individual or €72,000 for a couple. The asset disregard provided for in the current subvention scheme stands at €11,000 so this represents a very significant improvement. If a person's assets include land and property based in the State, the 5% contribution based on such assets can be deferred. In effect, the HSE will advance a loan for that portion of the contribution. A charging order will be registered against the property enabling the money to be recouped from the person's estate when it is settled. That is known as ancillary State support.

In the case of the principal residence only, the deferred contribution will be capped at 15%. This means that after three years of care, a person will not be liable for any further deferred contribution based on his or her main residence. If a spouse or certain dependents are living in the residence, the contribution will be further deferred during their lifetime. The dependents that qualify for a further deferral are known as connected persons. To qualify as a connected person, a person must be either a child under 21 years of age of the person who received care, a relative in receipt of certain specified social welfare payments or whose total income is not more than the maximum rate of contributory State pension or a relative who is the owner of a building to which the family home is attached. In addition, the connected person must have been living in the family home for at least three years before the original request to defer contributions was made and must not have an interest in any other property. A person can also opt to pay the contribution at the time of receiving care if he or she so wishes.

Once a person's contribution has been calculated, he or she will be supplied with a list of public and private nursing homes. The private nursing homes will have been approved for the scheme. As part of the approval, the price charged for care will have been agreed with the National Treatment Purchase Fund. A person can choose care in any of the nursing homes on the list, subject to a place being available and the suitability of the home to cater for his or her needs. If a person selects a public nursing home, he or she will pay a contribution to the HSE and the State will pay the balance. If a person selects a private nursing home, he or she will pay his or her contribution to the nursing home provider and the State will pay the balance.

Since the fair deal was originally announced, a new feature is the inclusion of a provision whereby a person may apply to the Circuit Court for an order appointing him or her as a care representative of a particular person. The appointment of a care representative is only necessary where a person does not have full legal capacity and wishes to apply for ancillary State support. However, a person appointed as a care representative may assist with any matter relating to the scheme.

A care representative must act in the person's best interest at all times and shall keep accounts of his or her actions. The following people may apply to be appointed as a care

representative, a person's spouse or partner, a parent or child of the person, a brother or sister of the person, a niece, nephew, aunt or uncle of the person and a registered medical or other such health practitioner, other than the proprietor of a nursing home. A care representative will not need to be appointed if a person is already a ward of court or if a sufficient registered enduring power of attorney is in place. The inclusion of this protection is vital for older people, some of whom are among the most vulnerable members of our society.

While on the theme of protection, I would now like to turn to the second focus of my statement today, which concerns the standards for residential care settings for older people. We are all aware that the first choice for older people is to remain living at home for as long as possible with the support of their families and community support services where necessary. This is the essence of Government policy. However, when this is no longer possible, it is important that older people should have access to the best possible residential care available.

A fundamental principle of the health service reform programme is to put the users of health and personal social services at the centre of those services. We need to ensure the protection of residents, to safeguard and promote their health, welfare and quality of life, and to ensure that there is a focus on the well-being, dignity and autonomy of older people. We must also ensure that our older people receive appropriate levels of care in surroundings which are of a high standard. To ensure quality we must have evidence-based standards. Standards must acknowledge the unique and complex needs of the individual at the centre of care. They must recognise the additional specific knowledge, skills and facilities needed in order for service providers to deliver a person-centred and comprehensive service that promotes health, well-being and quality of life. They must set service providers the goal of providing a setting in which older people can experience a good quality of life.

The present standards for nursing homes are set out in the 1993 care and welfare regulations and the Health Service Executive inspects private nursing homes on the basis of these standards. Under the Health Act 2007, the existing inspection and registration systems for residential services will be replaced by a strengthened and expanded system. The Act strengthens and modernises the registration and de-registration process. Statutory responsibility will be given to the chief inspector of social services for inspecting and registering children's residential centres, residential centres for people with disabilities and residential centres for older people, including private nursing homes. The chief inspector will inspect centres against the regulations governing these centres and standards set by HIQA.

Last year we published draft national standards for residential care settings for older people. The standards were developed by a working group chaired by the Department of Health and Children and included the Health Service Executive, the Social Service Inspectorate and the Irish Health Services Accreditation Board.

As the Health Act 2007 provides that the enhanced inspection function will be taken over by the Health Information and Quality Authority, known as HIQA, the draft standards were formally referred to HIQA for consultation and finalisation. The authority established a wide-ranging working group to finalise the draft standards and I acknowledge the significant contribution made by that group.

Earlier this year, the HIQA board submitted its final draft national quality standards for residential care settings for older people to my colleague, the Minister for Health and Children, Deputy Harney, for her approval, as required under the Health Act 2007. There are 32 standards under the following seven groupings: rights, protection, health and social needs, quality of life, staffing, the care environment, governance and management. The standards apply to all homes, both public and private. They require the preparation of individual care plans for all

[Deputy Máire Hctor.]

residents, specify ideal training for staff, and emphasise good communications with patients and relatives.

As Minister of State with responsibility for older people, I have had the opportunity to visit many such facilities across the country. The standard of care being provided at present is, by and large, of a high quality. However, there is a consensus with which I think we can all agree — we must continue to ensure consistently high standards of care across the public, private and voluntary sectors. This is the core of what these standards are about. They are designed to encourage continuous improvement. Their significance lies in the framework they create for nursing home care across the country, and for the provision of sufficient care to maintain the well-being of those cared for with regard to the nature and extent of their dependency. They are consistent with the Government's policies, principles and legislation.

Regulations will be introduced to underpin the standards and at the moment the Department of Health and Children is in the process of carrying out a regulatory impact analysis on them. As part of this process, we commissioned an independent consultancy to carry out a cost benefit analysis on the financial impact the standards will have in long-term residential settings. Furthermore, in October, my colleague, the Minister, Deputy Harney, and I, co-hosted a public consultation session in Dublin Castle on the standards in the context of the regulatory impact analysis. The purpose of that event was to provide key stakeholders an opportunity to feed into and inform the RIA before finalisation and to discuss the standards, their criteria and the proposed regulations in advance of their introduction.

Participants included representatives from voluntary and advocacy groups. Service providers were represented by Nursing Homes Ireland, a representative organisation for the private and voluntary nursing homes sector, and the Health Service Executive together with several private nursing home owners and several participants from the voluntary sector. Dr. Tracey Cooper, the chief executive of HIQA, was also in attendance together with a number of representatives from the medical professional organisations.

This consultation formed a vital role in hearing from key stakeholders and will feed in to the final analyses. It is expected that the RIA will be completed in the early part of November and that both the approved standards and regulations will be in place in 2009.

I thank Senators once again for inviting me to address the House. I look forward to hearing their comments both on the nursing homes support scheme and on the standards for residential care settings for older people.

Senator Frances Fitzgerald: I welcome the Minister of State to the House and thank her for being here today.

Deputy Máire Hctor: I thank the Senator.

Senator Frances Fitzgerald: She has certainly had a baptism of fire in her portfolio, given the difficult situation that arose recently concerning the medical card decision. We had a good debate on the matter in the House earlier. I hope the Minister of State will have an opportunity to familiarise herself with it because some very interesting concepts were aired during that discussion. It is the first debate I have heard in this House on the policy behind the decision, as regards how we can approach universality or selectivity. That question, which is at the core of our attitude to services, will increasingly come into focus. It certainly came into sharp focus when we had the debate on medical card eligibility.

I have a number of questions on the fair deal legislation. First, when will that legislation be introduced in the Oireachtas? Many Members are keen to know the timeframe for its

implementation. Second, there is concern that the amount of funding allocated is lower than anticipated some months ago due to the budgetary situation. Perhaps the Minister of State can outline to the House the implications of that lower budget and how she sees it working out. Third, has the Attorney General given a view on whether there are any constitutional issues concerning the family home, taking money and the approach that underpins the legislation? I would be interested to know if any questions arose concerning the constitutionality of the proposed legislation.

We in Fine Gael have several questions and concerns about the legislation, including the implications a decision to fund long-term care might have for a family, the family home and for farmers. These questions need to be teased out. There will need to be a good information campaign on the legislative provisions in order that people will understand the choices they make. People can often make hasty decisions on long-term care due to a medical emergency, for example. They will therefore need to be familiar with the legislation because of the major impact it will have on families. I welcome its publication, however, and when it comes before the House we will examine it in detail.

Whether people are in nursing homes or other residential care settings, it is critical that they are assured of high standards and a good quality of life. We have had appalling scandals in this regard. While there are many excellent nursing homes and residential care centres, no more than in the area of child care, we must ensure that high standards are maintained. Last week, there was a report in *The Examiner* on the inspection regime for child care facilities. It was interesting to read that report which reflected the kind of concerns that can arise. Even though families are placing their children in day-care settings, there is still some appalling bad practice in such centres. It is one thing to have standards but it is another to implement and monitor them. The question of the implementation and monitoring of standards and of ensuring inspectors' reports are acted upon is critical. This is evident in the area of child care and I expect the very same issues will arise in the implementation of standards in nursing homes.

There have been scandals, mishaps, oversights and errors, some of which have been life-threatening. We were all horrified when we saw the programme on Leas Cross and when the hidden camera recorded the way in which elderly people were dealt with. It has to be every family's nightmare to organise residential care and then to find out, accidentally or otherwise, that a loved one has not been receiving care but rather has been subjected to what amounts to cruelty or elder abuse. This is a huge issue and it is a great worry for families with loved ones of any age in residential care, but especially in the case of the elderly. If the decision is made for an elderly person to go into residential care, the State must be able to assure the family that it is concerned about the standards, that these will be monitored and that the family can have confidence in the care.

I welcome the changes to the health legislation which ensure all residential settings for both elderly and younger people will come under the scope of the standards. This is a really welcome development. I also welcome the wide consultation in which the Minister and the Minister of State engaged and the working group assembled to collate these standards. There is cross-party political agreement that we need to have a set of standards put in place to which all nursing homes must adhere to ensure the safety and dignity of patients and to provide a system which affords all older people in need of care the most competent and compassionate care available.

The Minister of State has provided some clarity with regard to the draft standards but I ask her to reiterate when the agreed standards will be published following the consultation. I ask the Minister of State to explain how the standards will be implemented. Some will be set out by way of primary legislation but how will the non-regulatory standards be enforced and implemented?

[Senator Frances Fitzgerald.]

All nursing homes need to be registered by law. I refer to the draft standards and ask for clarity. They state that if the nursing home setting is not in compliance with the regulations, it may fail to achieve registration status or it may lose the registration status. However, it is likely in some situations that the residential care setting will be given a conditional registration for a defined period of time during which it will be expected to come into compliance with the regulations. I ask the Minister of State to clarify what this means. Will nursing homes still be able to register if they do not meet these standards? Who decides whether a service provider is refused registration status? The word, “may” is not clear and is open to interpretation. I am assuming the standards will be mandatory. I ask the Minister of State to clarify. If an operating service provider is found to be in breach of the regulation, will it be required by law to shut down the service until the regulatory standard has been met or will it be allowed stay open even if in contravention of standards? I ask the Minister of State for her initial understanding, even if some of this detail is not yet decided.

I am concerned that we could end up with a two-tier set of standards if there is ambiguity about the implementation of the standards. The nursing homes will be concerned and this is understandable given that the same issue about a transition period between adoption of standards and their implementation arose with regard to child care facilities. The question arises as to the cost of implementing these standards. Will the nursing homes be given help with the implementation of the standards? In the case of child care facilities, capital grants were often used by providers to make improvements to services. Different nursing homes will have different demands in terms of the amount of work or adaptation which they will require to meet the new standards. There may well be a discrepancy between public and private nursing homes. Is it intended to introduce grant schemes to enable nursing homes to pay for quality and standards upgrades? I refer in particular to public nursing homes. A number of them will need to change to a considerable degree to meet the standards which the Health Information and Quality Authority has outlined.

I welcome the concept of standards, as does everyone. It is clear these are overdue. We want to see the publication and implementation of the completed agreed standards as a matter of urgency. I would be grateful if the Minister of State would clarify the points I have raised. Lessons must be learned from the Leas Cross debacle and something similar must never happen again. I look forward to prompt action from the Minister of State.

Senator Mary M. White: I welcome the Minister of State, Deputy Hootor, to the House and compliment her, the Minister, Deputy Harney, and the Department of Health and Children on overseeing the National Quality Standards for Residential Care Settings for Older People, published by the Health Information and Quality Authority.

In the wake of the report by Professor Des O'Neill, consultant geriatrician at Tallaght Hospital, into the Leas Cross nursing home and its significant shortcomings as a care provider, it is heartening to see that such comprehensive quality standards are now being put in to place. Clear criteria of what is expected of a provider of residential nursing home care and what level of service a resident and his or her family can expect to receive are now provided. It is of paramount importance that we protect our most vulnerable citizens and give them the support they need to live their lives in a safe, caring and respectful environment.

According to Professor Des O'Neill, past research carried out at Tallaght Hospital has revealed that many general practitioners have observed substandard care in nursing homes, but many of them were unsure of where to turn to report this or how to take the matter further. Now for the first time, all residential care homes for older people which are run by both private and voluntary bodies and the Health Service Executive, will be inspected by an independent

authority. Once the necessary regulations set by the Minister for Health and Children are in place, the social services inspectorate of the Health Information and Quality Authority will register and inspect all these residential care homes to ensure they meet the new quality standards.

Dr. Marion Witton, chief inspector of social services at the Health Information and Quality Authority stated:

At the heart of the new standards is a deeper focus on the individual needs of residents. Each resident must now receive a contract setting out what they can expect regarding accommodation, care and services. Residents' independence should be preserved and they should be able to enjoy a flexible daily routine which can be varied to suit their needs. Where appropriate, their lives in the residential care setting should reflect as far as possible the lives they lived before they entered their new home. The emphasis will be on evidence that residents are being looked after properly and that individual needs are being met.

It is evident that these standards have been devised to promote best practice in Irish nursing homes. This new system of registration, inspection and regulation will ensure improvements in the quality of care, and the registration and inspection process will act as a deterrent to unqualified people establishing sub-standard residential care homes. Our older people and their families can gain confidence from knowing that an independent authority is now registering and inspecting residential care settings against a defined set of national quality standards.

The provision of quality services to older people is a priority for us all and as we will all grow old, it is refreshing to see that in developing these standards, the authority adopted a comprehensive approach to ensure all stakeholders had the opportunity to have an input into the development of the standards. There has been public consultation, including direct consultation with the people who use residential care services, the people providing nursing home services, health care professionals, older persons advocacy groups, the Department of Health and Children and the Health Service Executive. Building on the excellent work done by the Minister, Deputy Harney, the Minister of State, Deputy Hootor, and the Department of Health and Children on the fair deal, on which I spoke this morning, when the necessary regulations are implemented, this initiative stands to offer peace of mind to our older citizens in full-time residential care and to their families.

It is important that we implement the highest quality standards for health and social care services for our older generation. The implementation of these new standards will have a great and meaningful impact on the lives of our older people in full-time residential care. Older people should be allowed to lead full and active lives that are as close as possible to the lives they have already led. I envisage that these standards will work effectively to combat previously unsatisfactory staff-resident ratios in nursing homes around the country, putting an end to chilling reports of people having to go to bed at 6 p.m. because of staff shortages.

Older people and their families have a right to true and accurate information regarding nursing home facilities and quality of care. They should have a say in the running of the homes in which they are involved. We need to ensure that best practice is achieved by all providers of residential nursing home care and that all complaints are taken on board and acted upon. There is an ever-apparent need for transparency in the current system and I have faith that these guidelines will provide that.

These standards also serve to safeguard the finances of older people, which should ensure that no older person will be incorrectly charged for nursing home services again. This, coupled with the new fair deal scheme, will provide reassurance to people in full-time residential care and their families and prove to further strengthen the Government commitment to the welfare

[Senator Mary M. White.]

of older people in our community. Ultimately, this initiative is a very positive step in the health service reform programme and it is important the public is aware of these rigorous guidelines with which nursing homes will soon have to comply. As I stated in my policy document, *A New Approach to Ageing and Ageism*, published in June 2006, improving the quality of life for each individual in long-stay care should be our constant preoccupation.

The provision of nursing home care should not be cold-bloodedly about making money. Nursing homes must give tender, loving care to the people under their control. It is frightening and daunting for older people to think they will end up in a nursing home where there is no care or love and where their habits are not considered. I have been in a position to visit two nursing homes in the past three years and I was not impressed. We should not be afraid to speak out when we feel that people are not being looked after and are being forced into a routine. I find it frightening and Orwellian when one visits a nursing home to see all the older people sitting around in a circle. Something must change.

I read in *The Guardian* last year that John Snow, the Channel 4 newsman, brought his young daughter to visit an older person in a nursing home. The child's comment on the home was to ask what the older person could have done to deserve to be left in a place like that. We must consider the integration of older people into housing estates and the planning and location of nursing homes. In my travels around the country as a Senator, I find that many nursing homes are in the middle of nowhere. How they get planning permission is beyond me.

I wish the Minister of State, Deputy Hocht, well. She did a mighty job at the parliamentary party meeting last night in answering all the questions on the fair deal. She was not daunted although it is a complicated issue. I wish her the best of luck.

Senator Joe O'Toole: I welcome the Minister of State, Deputy Hocht, to the House. She has had a difficult couple of weeks but if the job was easy, they would not get good people to do it.

Senator Nicky McFadden: That is true.

Senator Joe O'Toole: The debate concerns an issue I have raised time and again in the past couple of years following the Leas Cross issue. I take on board many of the points made by Senator Fitzgerald in her contribution and I want to hear the Minister of State's response. I have had reservations from the beginning, which I have raised repeatedly, about setting up a new group of inspectors to check nursing homes. My view, which touches on the points raised earlier, is that we should set and organise certain regulations and standards which are required for nursing homes and include them in the wider remit of other specialists.

I do not believe there is any one qualified person who can go into a nursing home and check all the things we would want to check. The report on Leas Cross covered many different areas which are beyond the expertise of any one person, for example, the areas of prescription, running a pharmacy, nursing, attendance and care by doctors, health and safety, diet and other issues. No one person can deal with all these. I would like it to be included in the remit that, for example, local health inspectors would check the issues a health inspector would normally deal with in a restaurant, a pub or a general location; a fire officer would check issues to do with fire safety; a nursing specialist would check specifically the level of nursing standards; and similar would happen with regard to management, cleanliness, housekeeping, diet and so on.

I am not suggesting the Minister would organise and employ a whole raft of people dealing with the areas to which I referred. Instead, I am suggesting that a nursing home in an area would be added to the responsibility of a wider general area. For example, a dietician in the

local hospital would have as his or her responsibility to check in a codified manner several times per year and then give an on-line response to a general collecting body which would gather the information as it becomes available.

This is a classic example of the kind of issue the Senators raised yesterday with regard to how we can save money in the public sector. This is to create a whole new body of people to do a job they cannot possibly do. Six months after they are appointed, I will be standing here on behalf of people who have written to tell me a certain nursing home did not have any visits or to ask what the inspectors are doing. They cannot do this job. No one person can check all the areas to which I referred unless he or she spends 25 years qualifying to do so.

This is a management issue. We need to organise the management of nursing home inspection in a way that employs the expertise already available, namely, specialists such as fire officers, health and safety inspectors, pharmacists, nursing inspectors and a variety of other groups. I speak as an Independent who is to an extent disinterested in the issue but I want to know how we can find an effective way of dealing with this question.

The crucial point is that if one was to organise this in the way I suggest, one would not have 25,000 pieces of paper. It would have to be organised as an on-line method so that each of those inspectors would be required to immediately fill in an on-line form which would go straight back into the more general collection. This would save us from much difficulty. We are aware of the issue of publishing reports on nursing homes. This report would grow as each different group or inspector attached to it outlines the situation that was found.

There is no other way this can be done. If I am running a pub or a restaurant, various officials will come in, such as a planning officer, a health and safety inspector or a garda to check the licensing laws. One would not dream of trying to set up a whole new team of people to inspect pubs or restaurants. One would expect those who had responsibility in those areas to do it.

We all reacted to what happened in Leas Cross and other places, which is understandable. However, it is not that simple. We need to consider this in a careful way to ascertain what gives the best value for money, effectiveness and efficiency. It will not be done by a new cadre of inspectors, which should be music to the ears of the Department of Health and Children and the Department of Finance.

Certain issues such as entertainment for and motivation of nursing home residents are important. I have occasion to visit nursing homes on a regular basis and I often see residents sitting around in a circle, as Senator Mary White said. However, at another nursing home I visit I have been impressed that its residents are entertained with singing and can avail of visiting services such as a hairdresser. In my experience most people who have a family member in a nursing home are happy with the level of care and support being given. I accept there were problems at Leas Cross and other homes but what we are doing here is running the rule over them.

Another issue is that many people believe brand new nursing homes have the best standards. In my experience, however, some of the older nursing homes give a far more personal and acceptable service. It all comes down to caring and having caring people working in a nursing home. Those caring people do not have to be Irish either. It all comes down to looking at how best to deal with people.

When people are concerned about the atmosphere in a nursing home, it is usually because of their own experience. People have difficulty in adjusting when they walk into a room with 20 very elderly people, some with Alzheimer's. All we want to do is reassure ourselves that we are approaching this properly and getting the standards right. I accept nursing homes cannot be the Ritz but it is about getting the basics right such as diet, exercise, comfort, cleanliness, nursing and pharmaceutical care.

[Senator Joe O'Toole.]

I want the Minister of State not to take any received wisdom in this area but to make up her own mind on the basis of her own experience. If Ministers' judgment and expedience were not called for, then there would be no need for them. It is Ministers who run the country, not experts.

Mistakes have been made in other areas concerning inspection when cadres of inspectors were promised but not enough were appointed. I do not want nursing homes to be out there as independent satellites, as it were. I want them part and parcel of an operational system which will be dealt with like other aspects of the service industry. While it is an area that touches many of our loved ones, the Minister of State must step back from any sentimentality and decide how to do this best. I wish her well in her portfolio. It is not an easy one but people are supportive of what is required to be done in this area.

Senator Larry Butler: I welcome the Minister of State, Deputy Hoctor, to the House and commend her on the exceptional job she is doing in this important area concerning our older people.

I agree with Senator O'Toole on how enforcing standards in nursing homes could be simplified. We do not want to complicate this area. Senator O'Toole also raised the availability of recreational facilities in nursing homes. I would like more emphasis placed on this area.

Leopardstown Park Hospital, one of the older homes which I often visit, is run to a very high standard with exceptional facilities. For example, the hospital has purpose-built little allotments in which residents can work and garden. Every year it has an exceptionally fine art exhibition and a Christmas and crafts fair, all produced by its residents. These types of recreational activities must be encouraged to be part of all nursing homes.

The evaluation of care packages must be considered in the development of future policy in this area. This is important because, as Senator O'Toole stated, we are trying to provide the best possible service. With approximately €400 million invested in community supports for older people, it is to be hoped this will reduce the number of older people having to enter nursing homes prematurely. Allowing older people to remain in their own homes is much more beneficial to them. Home care help is the cheapest package for keeping people out of nursing homes. Currently, there are 4,300 home care packages and it is fair to say the Government has committed significant investment to older persons' services. I look forward to this being improved further.

The Minister of State has done great work on the forthcoming legislation on nursing home standards. It will be introduced presently and will naturally be tweaked when going through the House. However, her presentation on it last night to the Fianna Fáil parliamentary party was exceptional. It is obvious the Minister of State has spent much time on it.

We must promote the best care practices in nursing homes as well as residents' rights, protections, health and quality of life. Nursing home staffing standards are also important. It is important that those who deliver the service are sympathetic and have the welfare of the older person in mind. We must ensure that when we are delivering services to older people, who have given us major benefit in their lifetimes, they are delivered with care and kindness and in a personal fashion. That is the most important thing we have to do.

Senator Phil Prendergast: It is nice to see the Minister of State again. I welcome most of the standards proposed in this document, particularly those aimed at maintaining the dignity of those in long-term care. However, there are some areas that need to be examined more closely or at least need more explaining. It is essential, after all the delays over the Fair Deal scheme

for nursing home residents, that we get this right first time and that proper standards are implemented quickly.

While the Fair Deal plan kept falling foul of the law, these standards could fall foul of a lack of clarity. My observations here are intended to be constructive but I cannot ignore the fact that the Minister was energised by the Fair Deal scheme because she was in search of revenue. These standards, however, are going to cost money — €110 million according to the Minister's own estimate last year — and, therefore, we need a timescale for the adoption of these regulations and we need a commitment that the finance required will be made available. The current economic climate, and the Government's predilection for cutting services rather raising revenue from the rich, could render these standards well-meaning but of little use. We cannot allow the Government to use these standards to create the illusion of finally taking action in the wake of the Leas Cross scandal. That has been well flagged by other Senators who have spoken, and everyone has been rightly appalled at what happened there. There is every reason to be concerned when we consider what has happened to older people in the past few weeks.

I want to be constructive and not approach this from a political point of view. However, just as there is a danger of political exploitation, there is also a danger of commercial exploitation contained in these standards. Private care can be a big business and any room for competitive advantage in the sector could be seized upon if all of the regulations are not clearly spelt out. We cannot have any ambiguity in the standards or in the timeframe for their implementation. Unfortunately, there are grey areas, which I fear could lead to some of these standards not being implemented for years to come, if in fact at all. For instance, there are regulations about the care setting in terms of decoration, bedroom size, bathroom-to-resident ratio and so on, but there is scope in the regulations for homes to defer these works for years. Perhaps they will not have to upgrade their facilities at all. The Minister will need to be particularly clear about the meaning of the following passage on page 6 of "National Quality Standards for Residential Care Settings for Older People in Ireland", which states:

In order to be registered the residential care setting must comply with the regulations. If the setting is not in compliance with the regulations it may fail to achieve registration status or it may lose the registration status. However, it is likely that in some situations the residential care setting will be given a conditional registration for a defined period of time during which it will be expected to come into compliance with the regulations.

In the case of those standards which are not regulatory standards, or standards linked to regulations, failure to comply will not in themselves lead to failure to be registered or loss of registration, but they are designed to encourage continuous improvement.

I am worried about the ambiguity of this because there is scope there not to follow through on compliance with the regulations. It sounds a bit like a get-out clause. If one nursing home can increase its margins by skirting the regulations, others are sure to follow.

On the subject of money, another concern is that the regulations provide no explicit protection with regard to charges. The individual care plan and contract should, I believe, include guarantees on fees, especially with regard to increases and new services. The standards quite rightly include rules about how nursing home staff deal with residents' money, but let us not forget what came out in the aftermath of the Leas Cross scandal. What about how the Government treats residents' money? For instance, where stands the medical card entitlement of people in care, with differing charges and differing levels of on-site medical care? What happens if they are unfairly or illegally dealt with by the provider, be it private or State? Should this not fall under the independent remit of the inspectorate? If not, will the upcoming nursing home Bill address this issue?

[Senator Phil Prendergast.]

Monitoring of these standards is to be carried out by the Social Services Inspectorate. To be effective, it will need more staff and a set of effective inspection and reporting procedures. HIQA's document states a lot about the standards that should be observed but nothing about the practicalities of enforcement. Steps have been taken to recruit more staff — I am aware that we are operating under very tight constraints — but the Minister must outline how many inspectors she will appoint and the targets she will set for them. We need this type of detail in order to be assured that these standards can be properly enforced. We have good reason to be concerned about whether the inspectorate will be truly effective. Twenty-five years ago, the Department of Health itself recommended, in a major strategy document, independent inspections of nursing homes.

I thank the Minister of State for listening to the points I have made this afternoon. I agree with the points made by other speakers, particularly Senator O'Toole, about the practicalities of the issues. The dignity of older people must be sacrosanct and I believe the thrust of this forthcoming legislation is helpful. I look forward to its implementation and I look forward to the Minister of State's clarification of some of the issues I have raised today. I thank her again for the time she is giving to come to the House and listen to these debates, which are helpful in terms of how we deal with issues that are affecting us all. If they do not affect us now they certainly will in our future.

Senator Déirdre de Búrca: I welcome the Minister of State to the House and thank her for her statement. I welcome the opportunity to make a statement on the nursing home support scheme and the standards for residential care settings for older people.

There is much concern about the issue of care for the elderly. Many of our population are ageing and this presents people with questions about how best to look after their elderly relatives and, for the elderly people themselves, where they will receive the best care and whether it is affordable. Issues of quality and affordability are very much on the minds of older people and their families. Some of the scandals that were made public in recent years have heightened people's concerns. The nursing home support scheme and the standards for residential care settings for older people will go a long way towards alleviating some of that anxiety and making it clear what people can expect from the residential care provided for older people in this country.

In regard to the nursing home support scheme, I welcome in particular the care needs assessment that forms the early part of the process by which a person is supported by the State in accessing nursing home care and receiving subventions. The care needs assessment examines in a comprehensive way the individual person and his or her care needs. Most of us would accept that the optimal situation is for an elderly person to be looked after at home and that residential care should be required only when this is not a possibility. The advantage of the care needs assessment is that the needs of the older person can be assessed and a care plan drawn up. This could help to ensure a spectrum of services is provided, from the personal and social care services provided in the community to the supports and care provided in a residential setting. I hope many elderly people who have the care needs assessment will not need to enter residential care but may be able to access personal and other supports in the community.

When an older person has the care needs assessment, a clear process is set out for them and they then have a means assessment which looks at the key issue. The issue that causes much concern for older people is how much they can contribute to the cost of their care. A clear system has been proposed under this draft legislation that the applicant's means will be assessed

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as 50% of a couple's combined income and assets. The assessment will not take into account the income of other relatives, such as that of the applicant's children.

As the Minister of State mentioned, there will also be safeguards in place to ensure the person's spouse or partner who remains at home retains the maximum State non-contributory pension and that the person also has a sufficient personal allowance.

These details are all very important to older people and their families, who may be considering availing of residential care. I propose that the Minister of State provide information leaflets for older people and their families through citizens advice bureaus, on the scheme so all the information people want will be provided. If that was done the families would be empowered to identify the different stages of the process and the eligibility of their relative before needing to move through the process.

One of the effects of the system is, as the Minister of State highlighted, that it will create equality in the treatment by the State of older people who access private or public residential care. That could be positive if it means the equalisation of standards across the public and private residential nursing home sector. The result will be a sense of equality. The individual will be supplied with a list of public and private nursing homes and the older person and his or her family decide which approved nursing home to access.

The legislation will deal with people in existing nursing homes that are not approved and the individual wants to avail of this scheme and consider what his or her options are. I commend the role of the care representative. The person appointed to this role, when an individual does not have full legal capacity and wants to apply for ancillary State support, will be in a position to act in the person's best interests at all times. The legislation is very clear on who is eligible to act as a care representative in place of an older person.

The standards for residential care settings for older persons is based on the idea that older people must receive appropriate levels of care in residential surroundings of a high standard. This must be based on evidence-based standards. I agree with Senator Butler on the positive developments that have happened in nursing homes in areas such as recreation and stimulation of older people. We too often find older people in nursing homes and residential care settings sitting in chairs watching television, with very little real stimulation. It is to be hoped the new standards for residential care settings will include the idea that older people have a need for stimulation, recreation and occupational therapy, with some variety in their day. There are existing models in some newer nursing homes. It is to be hoped that the residential care settings will encourage these types of practices to become more widespread across all nursing homes.

I welcome the standards and the support scheme, and I congratulate the Minister of State on producing them.

Senator Nicky McFadden: I welcome the Minister of State. It has been three years since the damning crisis of Leas Cross and the total breach of the duty and standard of care owed to nursing home residents was exposed. The Government at the time said it would never happen again. In March 2008 the final draft of the standards for residential care were published. I, with my colleague, congratulate the Minister of State, but at the time there was a requirement in the draft legislation for a regulatory impact assessment. The Minister of State spoke about this in her speech and said that a cost benefit analysis had to be done by consultants to carry this out. What was the result of the cost benefit analysis and how much did the consultants cost? When will we know the outcome of the report?

The investigation into Leas Cross revealed some serious issues. I will not discuss them all because it is a horrific memory for all who saw the programme. It was an appalling abuse of

[Senator Nicky McFadden.]

the elderly, but it was an exception. The majority of nursing homes in Ireland, thankfully, provide excellent, quality care for our elderly.

I welcome, as part of the standards, the proposed individual care plans. The legislation is about caring for individuals. They are not like a herd of cattle thrown into a pen. These are people with feelings and requirements. I also welcome the intention to communicate with patients and residents. These are the people who have needs and requirements, and we urgently need to consult and talk with them.

Why has it taken so long to decide the standards? Senator Prendergast spoke on standards and the size of rooms. I agree there must be quality regarding cleanliness, nutrition and recreation, but we must be mindful of the fact that these are homes and people must live there. I visited many nursing homes — I have elderly relatives and friends who are in nursing homes — and I have been in cold, clean, white, clinical, brand new nursing homes, but I would not like to end up there. I would prefer to be in a homely, warm nursing home that is well established and has regular staff, enough staff so they can take time to talk and provide warmth and care. Courtesy and respect for our elderly population are important.

My uncle is in the Camilian Fathers nursing home in Mullingar. It provides the best care. One regulation a number of years ago stated that the curtains surrounding each bed were too short — they had been put in place the year before — and they all had to be replaced. They were of a specific fire regulation quality. It cost thousands to replace all the curtains because the regulations said they were too short, and the reason was the privacy and dignity of the client. That is important, but replacing them because they were too short was scandalous.

In St. Vincent's Hospital in Athlone we are proposing a new primary care unit with a view to moving all the patients to a new facility in Clonbrusk. There is a proposition that each patient will have his or her own room. I am not sure if it is necessarily the best approach for elderly persons to have rooms of their own. If they want them, well and good, but there is a staff shortage. How will the staff look after the patients in the individual rooms? It is nice to have a choice but I am not sure people want to be in rooms on their own. I imagine it could be very lonely if one is elderly.

I am also aware that owing to staff shortages, elderly people help each other out. They ring the bell for each other, help each other with their tea or whatever. I question whether we should have these clinical, brand new facilities without communication among the patients. It is not all about modern facilities but providing properly trained staff to look after the clients.

I welcome the main aspects of the legislation and ask the Minister of State to answer my questions on the cost of implementing these measures and how they will affect the older private nursing homes in terms of being able to afford to implement these changes.

Senator Paul Bradford: I welcome the Minister of State with responsibility for older people to the House. I welcomed the creation of a Department with responsibility for older people. It was an issue I raised on many occasions with various Taoisigh in the other House because I believed the elderly faced a huge range of issues that needed to be brought together under one office holder. I realise the office is relatively new but I hope it will serve as a focal point for Government policy in respect of our growing elderly population.

Notwithstanding that preamble, I want to comment on the Minister of State's contribution and her proposals concerning the elderly. The fair deal legislation was published jointly by the Minister of State and the Minister for Health and Children, Deputy Harney, some weeks ago. That legislation is something on which I, and many of my colleagues, have been requesting and seeking information in the past few months. I was disappointed to learn that the legislative

timetable would seem to suggest the Bill will not be debated in the other House for some time and that it will be well into the future before it is enacted. I suggested to the Leader of the House that the Bill should be re-published as a Seanad Bill. It is not that we are idle in this House of the Oireachtas but the Seanad would be the ideal House in which to give that legislation the careful consideration it requires. I ask the Minister of State to take up that suggestion with the Minister for Health and Children because the quicker this legislation is brought before a House of the Oireachtas, debated in detail, amended where necessary and then enacted, the better. I would like the legislation debated in this House before Christmas if it is not possible to debate it in the other House.

Once the legislation comes up for debate it will provide much food for thought. I have had a quick glance at the Bill and the financial parameters it is putting in place will be welcomed by many and questioned by others. There is a whole ideology to take into account in regard to care of the elderly but the current structure of the subvention payments are not working. They may have been deemed to be of major help when they were introduced but now that the cost of nursing home care is significantly higher, a new framework is required. I am neither praising nor condemning the Bill because we need to have a full debate on it quickly.

I do not wish to bore the Minister of State or my colleagues but the issue of care of the elderly is something of deep concern to us all. We must never forget that care of the elderly must begin in the family and in the community. Maximum Government supports must be directed to families and communities because the majority of elderly people would wish to spend their golden years of retirement with their families and in their communities.

The outstanding Government scheme of the past 20 years has been the carer's allowance. We all complain about the income limits, the amount of payment, etc. and there is room for much improvement, but for every euro invested by this and previous Governments in the carer's allowance, the return has been tenfold. The carer's allowance has allowed many people remain in their home and in their community among their friends and families. Those people would be obliged otherwise to seek placement in nursing homes, be they public or private.

To the best of my knowledge the Social Welfare (Miscellaneous Provisions) Bill has just been published but I appeal to the Minister to seek maximum progress, flexibility and income disregard in respect of the carer's allowance. We also could seek improvements in the carer's benefit scheme at a time when more people are losing their jobs. There are many people who may have been in full-time employment and many households are facing a new situation where two people have to work but some of those jobs are being shed. In many cases, with the help of a carer's allowance or carer's benefit payment, some of those people would be in a position to look after their elderly relatives in their homes and their communities. That is something to which we must genuinely aspire.

Ideology in terms of right or left has no place when we talk about care of the elderly, nursing homes or support for the elderly. It is not right or left but right or wrong. If we want to have matters correct in that regard, we must aspire to allowing the maximum number of people retire at home. That is not an impossible financial or political equation. It is a question of where we direct the maximum amount of resources.

We must continue to improve the carer's allowance scheme. The figures presented to me some years ago by the late Minister, Séamus Brennan, on the removal of the means test for the payment of the full carer's allowance to people providing full-time care to people in need of it were surprisingly modest. I ask the Minister of State to trawl through the records and update them because even in today's constrained financial times we should be able to progress the carer's allowance payments to a more rewarding level and thereby encourage more people to stay at home.

[Senator Paul Bradford.]

The carer's allowance, the carer's benefit, community care grants and home care packages, which I welcome although they are not as advanced as they should be, should be the primary aspect of what we aspire to do for the elderly. I welcomed earlier the publication of the Nursing Homes Support Scheme Bill. I recognise that there must be a nursing home side to the equation as well because not everybody will be fortunate enough to have the capacity to remain at home. From the sense of family, community and tradition, I ask the Minister of State to concentrate on care within the family and community.

Regulations for nursing homes are very important. These must be to the maximum degree from the perspective of ensuring people in nursing homes have not just every facility but all the rights and protections they require. There have been too many sad and scare stories of an unforgivable nature. The idea of people maximising profits at the expense of vulnerable elderly people is shocking and we must be careful to ensure maximum standards and regulations are in place. I am sure we will go into all of that in greater detail in the debate on the fair deal legislation and I will play my role in the debate on that.

The preference of the majority of elderly people is to receive the highest possible level of financial support to allow them to remain in their homes and communities. This dream can be realised if proper Government support is provided.

Senator Feargal Quinn: I welcome the Minister of State and what she had to say in her contribution. I compliment her on the enthusiasm she has displayed with regard to resolving this problem. I agree with Senator Bradford that the majority of older people would much prefer to be cared for at home rather than in nursing homes. As a result, we must give careful consideration to the carer's allowance. Since last month, we are aware of the strength of feeling among older people with regard to anything that might hinder them.

I do not have much personal experience of nursing homes. However, one of my wife's aunts entered a nursing home and I recall how valuable the care she received proved. I was executor of her will and I am aware that she appreciated that care. Everything we can do to provide assistance in this area will be worthwhile.

In the earlier debate, I referred to my concerns about people asking Ministers to spend more money without making alternative proposals. I am, therefore, very reluctant to suggest courses of action to the Minister of State. However, I wish to make a number of points. The national quality standards for residential care settings for older people undoubtedly represent a positive step forward. However, there have been numerous drawbacks, including the delay in implementing the nursing home support legislation — the fair deal — and cuts in home-care packages.

In the interest of improving standards in this area, the Irish Medical Organisation and the British Medical Association in Northern Ireland launched a joint policy document, "Care of Older People on the island of Ireland" on 2 October. The document in question suggests that there be clear lines of communication among all agencies and workers involved in the care process and indicates that this includes the areas of acute and primary care. It also suggests that all sectors should have round-the-clock access to details of older people's medication and clinical conditions. The document states that for those living alone in their homes, domiciliary and other health care services should be appropriate, co-ordinated and of a high standard, with minimal bureaucracy. It is difficult to disagree with these points.

The document further states that older people should be asked to identify their needs, that services should include opportunities for social interaction and that nutritional care should be made a priority. The latter two aspects are extremely important. One of the difficulties I enco-

entered when my wife's aunt entered care was coming to terms with people, particularly younger individuals, using her first name rather than addressing her by using the salutation "Mrs." or "Miss" followed by her surname. We must take into account people's need for privacy in that context.

The document to which I refer contains evidence to the effect that the elderly are less likely to receive clot-busting drugs when they suffer heart attacks or strokes. These people should have the same access to such drugs as those in any other age groups. It is surprising that this issue, which must be addressed, emerged from the report in question. It is worthwhile drawing attention to "Care of Older People on the island of Ireland", particularly in light of the Health Information and Quality Authority's nursing home standards, because it highlights the numerous drawbacks that continue to obtain in nursing homes and in home care.

The other point I wish to make relates to the possibility of increasing the fuel and living alone allowances. This year has been extremely tough for the over 70s, particularly when one considers their concerns regarding the possibility that their medical cards might be taken away. Next year may be even more difficult for them. Increasing the fuel and living alone allowances would go some way towards assisting the elderly in society.

Members are always asking that additional moneys be spent. It is with reluctance, however, that I refer to the €2 increase in the fuel allowance to €20 per week from January 2009. Age Action Ireland has reported that many older people to whom its representatives have spoken indicated that they cut down on food and fuel costs during winter. If they do so, the elderly open themselves up to the dangers of respiratory illnesses and circulatory problems. Each winter, there are a great many deaths as a result of cold-related illnesses. Most of the victims are older people.

There has been no increase in the living alone allowance since 1996. Age Action Ireland indicates that up to 2,000 older people could die this winter as a direct result of inadequate heating. That is shocking. Ireland has one of the highest levels of excess winter deaths in Europe and there has been a 21% increase in winter deaths here compared with 10% in Finland and 14% in Austria. Neither of these countries has a climate that is as temperate as that which obtains in Ireland.

The Government could make an important and worthwhile contribution in respect of the areas to which I refer. Such a contribution would serve as a gesture to the many people over 70 years of age who are of the view that they were treated unfairly in the budget. I accept that this may be a different matter altogether but we have not paid adequate attention to the subject of those who need forms of care other than nursing home care.

I welcome the Minister of State's comments. I also welcome the proposals contained in the legislation, which I hope will be introduced as soon as possible.

Senator Liam Twomey: The Minister of State's contribution breaks down into two parts, namely, what she said about the fair deal — in respect of which I continue to have some reservations — and her comments on the standard of care available to elderly people in nursing homes.

The Minister of State indicated that it is the Government's policy to encourage people to remain living in their own homes for as long as possible. Everyone — older people, their families and the State — would prefer it if this were the case. When the Minister of State says that this is Government policy, it must be made quite clear that said policy will be followed up on. I have another job outside the House — as a general practitioner — which I do not have as much time to pursue as I would like. I am aware there are major difficulties regarding public

[Senator Liam Twomey.]

health nurses, home care packages and access to services that allow elderly people to live at home.

There is no great commitment to allowing elderly people to remain at home, particularly when one considers the problems they encounter in trying to access services such as those provided by public health nurses. When elderly people are discharged from hospital, home care packages are often not available and, as a result, these individuals are left to their own devices. This is the first matter which must be addressed.

The fair deal involves a care needs assessment. Many people bought into the fair deal because they are of the view it involves nothing more than 80% of their incomes, plus or minus a contribution from their homes. The Minister of State indicated in soothing terms that there is nothing about which they should be concerned. It is clear, however, that all their assets will come into the equation. People may be obliged to dispose of the other assets before being considered under the fair deal. Only when they have nothing left but their incomes and family homes will these individuals be considered under the fair deal.

The care needs assessment is extremely important. The Minister of State did not indicate what such an assessment will involve or the length of time a person will be obliged to wait before one is carried out. If an individual is considered to be able to remain at home because he or she can dress, feed and wash himself or herself, regardless of whether he or she is afraid of living alone or is psychologically vulnerable, he or she will not be part of the fair deal. These people will not be able to access other residential State services and they will not be able to gain entry to public nursing homes. Once the State decides they do not qualify, they will get nothing.

Deputy Máire Hctor: That is not true.

Senator Liam Twomey: The Minister of State outlined the position during her contribution.

The need for the fair deal arose on foot of the events at Leas Cross, of which the public first became aware in 2005. We have been waiting for almost four years for many of the new standards to be introduced, which is too long. As far as I recall, the report into Leas Cross was referred to the Garda. Will the Minister of State indicate the information communicated to her office by the Garda in respect of the matter? One of the failures at Leas Cross was not that the standards were bad — which they were — but that what happened was reported up the line and nobody took action. It was made known to people that there was a problem with Leas Cross but nobody did anything about it. That is the problem the Minister might encounter. She might put a fantastic set of standards in place but if nobody does anything when a breach is reported, as happened with Leas Cross, we are back to the same position. What was the response of the Garda to the Leas Cross report? If the Minister considered it necessary to go to the trouble to refer the report to the Garda Síochána, she should at least have received a report back from the Garda.

Senator O'Toole is correct that we must be careful with our approach to standards in nursing homes. It will be a minefield trying to draw up a set of standards and obliging nursing home personnel, public health doctors and nurses and officials from the Health Service Executive to trip over themselves filling out reports. The standards must be user-friendly and workable. They must not have nursing home staff tied down ticking boxes when they should be looking after patients. That is the greatest danger. When there is a failure to protect elderly patients in nursing homes, there is an urge to over-correct, with the result that people spend their time ticking boxes and not looking after patients.

Senator O'Toole asked what we can do about this. The first way of getting around the problem is to ensure that when one is made aware of a problem in a nursing home, one sends in the heavy guns. One must pursue the problem. If it is reported that a nursing home is not doing its job, the authority must do something about it. There is no point having staff in 2,000 nursing homes throughout the country filling forms, ticking boxes and getting completely stressed when the small minority of nursing homes which clearly will not live up to their commitments are not inspected and followed up when a report is made. Much of what the Government has said about this relates to the financial impact it will have. That is very important but it is not the real reason for doing this, which is to protect elderly people.

Let us remove the mystery about nursing homes. I listened to the contributions on this issue and some of the comments were a little patronising. When I carry out house calls to nursing homes I have no problem bringing my children with me. Elderly people love to see young children running around the nursing home and bringing variety to their lives. They would be delighted to see more people bring their children.

We should not paint these nursing homes as some type of elderly care institutional prisons. They are not. My next door neighbour, whose only fault appears to be that he votes for Fianna Fáil, calls to nursing homes every Sunday to sing to the residents. He is not a professional singer. He is retired but is lucky enough to be in good health. These are the things that make nursing home living a little more enjoyable. Nursing homes should not be described as if they are horrible institutions. In the vast majority of cases they are not.

Senator Paddy Burke: I welcome the Minister of State, Deputy Hootor, and wish her well with this document and her work with the aged. I have the greatest respect for people who take care of the elderly, especially the nurses, doctors and other staff who work in nursing homes. I have visited some nursing homes and they can be quite depressing places. There must be a better way, in some cases, of looking after the aged.

In the majority of nursing homes the elderly are getting the best care possible. However, at some stage we should devise a system whereby people can be given aid to return to their homes, either by way of a grant or assistance. With the fair deal system for the nursing homes, this could apply in some cases to private houses through, for example, the provision of an extension or paying somebody at home some form of assistance for looking after the person.

I have a number of questions on matters in the Minister of State's presentation. With regard to the calculation of the level of State support, is everybody entitled to get some level of support, regardless of their means? Will any type of waiver scheme come into play with regard to the means test? What is the situation for a person who is on the threshold? Is there a buffer system or is one cut off straight away when one reaches the threshold? Is there room for manoeuvre in the calculations that will be made in the means test?

The Minister spoke about step three, which is the contribution to care. Does this apply to people who are in private nursing homes at present or will it only apply to new entrants to nursing homes? There are some doubts that it applies to people who are already in nursing homes, which the Minister might clarify. She said a charging order will be registered against the property, enabling the money to be recouped from the person's estate when it is settled. This is known as ancillary State support. Will an interest rate apply? The person could be in a nursing home for a considerable period but no more than 15% of the value of the private home can be taken. A loan will have to be provided but will an interest rate apply to it or will the 15% of the property be the only thing taken into account?

Obviously the other assets will be taken into account but no more than 15% of the value of the private dwelling house can be taken. Some people will have other assets so a loan might

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have to be arranged to take a portion of those as well. Will there be an interest rate across the board? Perhaps the Minister of State would clarify this important issue.

When will valuations be carried out? Obviously a valuation will be made at the beginning when the person first goes into the nursing home. However, if the person is in the nursing home for ten or 15 years, is a valuation of the property or house made every year? A house that might have been worth €1 million 12 months ago might only be worth half that amount today. On which valuation does one base the calculation? The person could be in the nursing home for many years. Is a valuation carried out every year or is it carried out when the person goes into the nursing home, with another being carried out when the person passes away or returns to the private residence? These matters should be clarified.

The different people who will assess the applicants will form different opinions. We have seen this happen too often with planning permission applications. I believe a range of different views will be taken in the different health areas.

Another matter the Minister might clarify relates to the care representative and how somebody can go to the Circuit Court to become a care representative. The Minister described the different people who can become a care representative. They can be a parent, brother, sister or relative. What about a neighbour? I have seen many cases where neighbours have done much more for older people than their relatives. I do not see any mechanism whereby a neighbour can become a care representative. If that option can be included, it should be because very often neighbours do more for older people than family members.

Minister of State at the Department of Health and Children (Deputy Máire Hackett): I listened with great interest to the contributions of Senators to this discussion. I am very grateful for the opportunity to address the Seanad on this issue and to respond to the queries raised by various Senators regarding this very welcome scheme.

I spoke today of the strides taken in developing the new nursing home support scheme and the standards for residential care settings. I would like to conclude by reflecting on the wider policy vista in which these strides are being taken.

The western world enjoys, as never before, the opportunity of ageing. Through our social, scientific and economic progress, human life has been strengthened and prolonged. In ancient Greece life expectancy at birth was 20 years of age. By the 1700s, life expectancy had only increased to 30 years of age. In 2007, just 300 years later, half of all baby girls born in Ireland were expected to live to 100 years of age and beyond.

Our longevity is something to be celebrated. The Government recognises this and is committed to supporting older people. This commitment is reflected in the current social partnership agreement, Towards 2016. In that agreement, the Government and the social partners have adopted a life cycle perspective, placing the person at the centre of social policy development. The vision for older people, as reinforced in Towards 2016, is to provide the support where necessary to enable older people to maintain their health and well-being, as well as to live active and full lives in an independent way in their own homes and communities for as long as possible. There are specific initiatives for older people in the partnership agreement, such as pension and income supports, housing and accommodation, community and residential health care, mobility and promoting education and employment opportunities. The high level objectives of these initiatives, individually and collectively, are intended to make a real and significant improvement in the quality of life for older people.

Of course, a comprehensive policy vision requires a comprehensive cross-departmental approach to policy development and delivery. The establishment of the Office for Older People

in January of this year will bring coherence to Government planning, policy and service delivery for older people. The Office for Older People encompasses three Departments — as Minister of State with responsibility for older people, I also have responsibilities in the Departments of Social and Family Affairs and the Environment, Heritage and Local Government. I am also a member of the Cabinet committee on social inclusion, which ensures there is an integrated and coherent approach to issues relating to older people at Government level. This approach is crucial to delivering the Government's vision of improved integration of services, thereby further supporting older people into the future.

My office will also continue to develop health policy and will oversee and monitor the delivery of health and personal social services for older people and the running of the long-stay charges scheme. It will, in short, be the focal point for the development of a more comprehensive policy relating to older people. The resources of my office, which is staffed by officials from the Department of Health and Children, will shortly be strengthened by the addition of the staff of the National Council on Ageing and Older People. These new staff will significantly add to the research and overall capacity of my office.

The voluntary sector in general will also make a positive and essential contribution to the development of policy on older people. This will be done primarily through the establishment of a new national advisory council on older people. One of the main functions of this new council will be to advise me on all aspects of the lives of older people. The council will also suggest ways of improving the co-ordination and delivery of services for this section of society.

The establishment of the Office for Older People, the interdepartmental network and the advisory council will bring greater coherence to policy making for older people. These significant new measures will allow for a much greater degree of cross-cutting and will further develop the partnership approach that has featured so strongly in the planning and development of services for older people in recent years.

Within the EU member states, Ireland stands out as having a relatively youthful population. While we are undoubtedly on the same demographic path as our EU counterparts, we are still some way behind. The latest statistics indicate that 11% of people living in Ireland are aged 65 or over. It has been estimated that this figure will rise to 20% by 2036 and to 29% by 2056. Thus, an opportunity exists, while our nation is still young, to carefully plan ahead. This opportunity has been recognised by the Government and manifests itself in particular in two key commitments, namely, the development of a strategy for positive ageing and a future funding model for long-term care.

I am pleased that the key function of my office is to develop a strategy for positive ageing. This new strategy will be developed on a cross-departmental basis. My goal is to ensure that the strategy is meaningful and innovative and will result in real improvements in the lives of older people. The strategy will involve, for example, the development of operational plans by various Departments clearly setting out objectives relating to older people and joined-up thinking on initiatives serving this community. Other areas for consideration include ongoing mechanisms to monitor progress and identify challenges.

The policy vision outlined in *Towards 2016* requires a comprehensive, cross-departmental approach. It also requires sustained and sustainable levels of funding. The very significant funding allocated by the Government to services for older people over the past three years is testament to its commitment to the principles in *Towards 2016*. In 2006 and 2007, just over €400 million was provided to enhance service developments across the sector. Over €165 million of this was for community-based services over the past two years. A further €25 million was provided in 2008 and in the recent budget the funding levels for community services were maintained.

[Deputy Máire Hctor.]

To underpin the objectives in Towards 2016, older people have also been specifically highlighted in the social inclusion priority of the National Development Plan 2007-2013. Some €9.7 billion will be invested under the older people programme, with €4.7 billion allocated to the living at home sub-programme and €5 billion to be provided for the residential care sub-programme. In short, the Government is firmly committed to using the national development plan as a vehicle to translate policy into practice over the period of the plan.

The investment in services for older people in the past few years represents an important foundation on which to build. However, the development of infrastructure requires a sound blueprint and the development of infrastructure of care services responding to future demographic needs is no different. In the years ahead our nation's age profile will change and it is now, while our nation is still young, that we must consider the long-term care services needed to support us over the next half century and the funding model that, by virtue of financial sustainability, might ensure the long-term provision of such supports. That is why the Government and the social partners have agreed to identify a financially sustainable funding model which will support the future infrastructure of care services.

I hope time will allow me to specifically address some of the issues raised by Senators during the course of today's discussion. I was delighted with the interest expressed in the scheme and Senators made very valuable contributions. One of the questions raised related to the time-frame for the introduction of the legislation. It is my understanding that the Whips intend to bring the Nursing Home Support Scheme Bill before the Dáil within the next two weeks. Indeed, I hope the Second Stage debate can begin next week. I am sure much of what will be said in both Houses will be valuable in bringing in the best possible legislation to serve older people into the future.

Senators asked why there was such a delay in producing the legislation. The Bill was delayed due to its complexity. While there were no constitutional difficulties with the Bill, certain legalities had to be ironed out and it took quite some time to get it right. The Government wanted to bring forward legislation that, when enacted, would be user-friendly. To take the example of the care representative, we wanted to make that process as easy as possible. We wanted to ensure that a solicitor would not be required in order for a care representative to come forward and protect the best interests of residents of long-term care institutions. While the delays are regrettable, we believe we now have a very good blueprint from which to work. We hope Second Stage of the legislation will be taken in the Dáil in the next two weeks.

The question of standards and the timeframe for them was raised. The final date is not set, but the regulatory impact analysis will be completed this month and the standards and regulations will be finalised afterwards. We expect this to happen in the next couple of weeks.

Senators Joe O'Toole, Mary White and Larry Butler raised the important question of the experience of people in long-term residential care, which is no doubt varied. However, I believe there has been a genuine effort by public and private nursing home service providers to offer stimulating programmes for older people in long-term residential care. Some of these programmes have worked very successfully. For example, the Sonas programme helps residents suffering from dementia or Alzheimer's disease and has been of benefit to those who availed of it. I compliment county libraries throughout the country and I am especially mindful of Tipperary County Library which has opened up its doors as a long-term residential care setting for both private and public residential care. The library now visits residential care centres and people have access to books, can share and discuss them and promote the best books to read. Such experiences bring the outside world in and stimulates the mind which is important, especially as we get older.

Senators Frances Fitzgerald and Phil Prendergast mentioned the conditional registration of nursing homes under the standards scheme. HIQA will carry out the registration of nursing homes. It may grant conditional registration to allow a nursing home time to meet the appropriate standards. While one may set out with the best of intentions one must be realistic and give an opportunity to nursing homes to comply. A realistic and achievable timeframe must be put in place in this regard. This is why conditions will be laid down which will contain a timeframe in order that the nursing home must comply in time. During that period HIQA will carry out additional inspections and visits to monitor the progress in meeting these standards. Full registration will be granted to a nursing home at the end of that period only if HIQA is satisfied that the nursing home meets the standards. Senator McFadden asked a question about the cost of these standards. The cost benefit analysis is being carried out by independent consultants and will provide the relevant information and it will be part of the regulatory analysis. Work is underway and is expected to be completed by the end of this month and will then be published.

There was a question about those currently in nursing homes. Such people may wish to continue with existing arrangements and avail of the subvention. Subventions will continue to be available to those in nursing homes. However, when the Bill is passed, which we envisage by the middle of 2009, there will be a new scheme in operation. The subvention will not be increased once this scheme is introduced, but it will remain for those who wish to continue to avail of it. I emphasize this scheme is voluntary. People may choose to partake in it or opt to pay for their own care and not to be part of the scheme.

Senator Liam Twomey mentioned the report by the Garda on the Leas Cross nursing home and I do not have the answer to his question, but I will ensure he gets a response.

Senator Liam Twomey: I had a question about care assessment as opposed to means assessment. If a patient is considered to be suitable for a home, he or she may not be given an option. It is not always the case that a person in a nursing home has had a stroke or suffers from a disability or dementia. Sometimes people cannot cope with living alone at home. Will such people be excluded from the scheme if a care assessment concludes there is no physical necessity for such people to be in a nursing home?

Deputy Máire Hctor: The Senator, in his capacity as a general practitioner, and I know of people who registered in nursing homes because they feared the winter and the cold, but who are very mobile. A nursing home is not the ideal place for such people. It is Government policy to provide support and keep people at home for as long as possible. There may be people who are dependent but who can avail of this support while remaining at home. I am aware the Senator was critical of the home care package scheme, but the experience has been very good throughout the country.

Senator Liam Twomey: Only if it is available.

Deputy Máire Hctor: In my area of the mid west and in County Kildare the scheme has proven to be very good. I cannot comment on County Wexford at this stage. However, significant funding has been invested and more than 11,000 people avail of the home care packages. The Minister, Deputy Mary Harney, announced the intention to set up more than 200 primary care teams. Professional medical colleagues of the Senator will be at the forefront of this initiative with other specialists and experts, such as physiotherapists and speech therapists, working with older people in local communities. We are working towards this objective. I am conscious we have not reached the objective yet and we must continue to bring people into the system. One should consider the €10 million allocated to my colleague and Minister of State

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at the Department of Health and Children, Deputy John Moloney, to provide for services in speech therapy, physiotherapy and so on. We are working on a vision for the future and funding must be put in place to this end.

Senator Liam Twomey: If a patient fails the care assessment, is he or she excluded from the scheme?

Deputy Máire Hctor: We all agree a thorough care assessment will be carried out for an individual's needs. If such a person is deemed suitable for long-term residential care, a care needs plan is put in place——

Senator Liam Twomey: What if this is not done?

Deputy Máire Hctor: The assessment could be also carried out and might conclude such a person is more suitable for a home care package.

Senator Liam Twomey: There is no choice?

Deputy Máire Hctor: If a person wishes to enter a nursing home of his or her own accord no one will stop him or her.

Senator Liam Twomey: There are no benefits from the scheme.

Senator Paddy Burke: What about the interest and the valuations of homes?

Deputy Máire Hctor: On the financial side, some €55 million in the budget has been allocated for the nursing home scheme which, we anticipate, will start by the middle of next year. On the matter of interest charged, the assessment will be carried out on the value of the house.

5 o'clock The charge will be 5% for a single person and 2.5% for a couple per year, up to a maximum of 15% for the first three years. We are aware the value of a house may fluctuate. The applicant will have an opportunity to request a review of the value of the house and this will form part of the arrangement. If a person wishes to enter the scheme and avail of nursing home care, he or she may start to pay his or her contribution of either 2.5% or 5% immediately. However, he or she may also opt to defer that payment. It could be the case that a loan is taken out by such a person and obviously that will be subject to interest rates.

Senator Liam Twomey: It is the Health Service Executive that has taken out the loan.

Deputy Máire Hctor: Is the Senator referring to people who take out a loan to pay their costs?

Senator Paddy Burke: The Health Service Executive is taking 15% of the value of the house. Will the HSE charge those people interest? The HSE will pay the nursing home.

Deputy Máire Hctor: I am not absolutely clear on that, but I might get back to the Senators on it.

Senator Liam Twomey: That is fine.

Senator Paddy Burke: Will the Health Service Executive keep the same value of the house from the first year? What happens if there is a fluctuation?

Deputy Máire Hackett: It is based on the first three years of residential care. The average stay in a nursing home in Ireland is currently four years. We know of people who remain much longer in those homes, so that may be part of the consideration.

Development of Green Technology: Motion.

Senator Dan Boyle: I move:

That Seanad Éireann recognises the importance of the development of green technology for economic growth in Ireland.

The most recent edition of the respected publication *Newsweek* has a cover story entitled “The Green Rescue — Why Obama, Brown, Sarkozy and other world leaders are pushing towards a green solution to the economic crisis”. The magazine is not known as the most radical of publications, yet it has obviously come to this conclusion of the basis of discussions that are happening in countries, governments and political parties across the world. The story is based on the idea that the international economic crisis exists because we have put too much faith in economic instruments that are no longer available to us as cheaply as they once were or in the quantities that once were there. The reality is that we now need to move towards a post-oil economy.

The price of oil has fallen significantly in recent months. This has been brought about owing to the inability of countries to pay for the resource. Because of that, there might be an expectation that we can go back to business as usual. It is also accepted that this dramatic fall from a world record price of €150 per barrel is very much a short-term phenomenon. The reality remains that there is only so much oil left in the world and demand for it will increase. This has resulted in increased research and development on what we should be doing to achieve alternatives that do not rely so much on fossil fuels. Renewable energy is the most obvious recipient of that research and development.

We in Ireland are still playing catch-up when it comes to making use of our own natural advantages in this area. Wind energy is the area that most appeals to the public imagination and knowledge of renewables. We are catching up fast and there are many wind farms and turbines being erected throughout the country. The Government has set a very ambitious target for renewables to reach 40% of total energy output in a short timeframe. The advantage of renewables is not just in reducing our energy bill but also in developing the potential of an industry through using its technology. As we are catching up in the area of wind energy, we are doing so with technology and equipment that has been developed and sold by countries that have made these decisions before us. The turbines we use are from Denmark and Germany. Had we started using this technology earlier than we did, there would have been great opportunities to develop the technology, produce the equipment and create jobs in Ireland.

There is another area of renewable energy in which work has already begun and in which Ireland has a competitive advantage. I am referring to wave energy, and the waves off the west coast of Ireland are most advantageous to this kind of development. There are several prototypes in place that began as models in laboratories and became quarter-size and then half-size turbines. They are generating a significant amount of electricity that would see the development of full-sized turbines on farms that will harvest wave energy in the future. The hope is that we would make these turbines in Ireland and sell the technology to other countries as well as creating more than enough energy to meet our own needs and sell it to other countries.

The German Government, in which the Green Party there participated for six years, developed its renewable sector to the extent that now there are 250,000 jobs in the German

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economy based on green technologies. A population equivalent suggests as many as 20,000 jobs could be produced in Ireland. It is a template we can and should follow. The United Nations Environment Programme produced a green report in September which predicted that a great number of jobs can be created worldwide from the green technology sector with an economic value of €284 billion. This is the crest of the wave that we in Ireland should be riding. We should be at the forefront in making the most of the potential that exists. How we do so will determine our success as a country in the future.

We can no longer rely on bubbles in our economy that will come and go depending on other economic circumstances, such as the reliance on property. There are some sectors in our economy that are, thankfully, still thriving and will continue to thrive, such as information and communications technology and the knowledge economy. However, we have lost many traditional manufacturing industries and we have learned in recent months that service industries are not as useful as we thought they may have been. Therefore, we need to develop a new sector that will fill that gap and will see us through crises in the future.

The Minister for the Environment, Heritage and Local Government, on foot of the carbon budget contained in the Budget Statement, has announced the establishment of a high level action group to advise on the development of Ireland's green economy. The group is setting out an action plan for developing green enterprise in Ireland in the next four months. The Minister of State said that an overall Government approach is needed to drive the green economy. This is essential in the sense that we have depended on certain Departments, such as the Department of Enterprise, Trade and Employment and the Department of Finance, to be that engine in the past. The whole point of a green technology approach to the economy, however, is that it will involve several other Departments, including not only the Department of the Environment, Heritage and Local Government and the Department of Communications, Energy and Natural Resources, but also the Department of Education and Science. In that way, we can make the most of the potential that exists.

It is hoped the high level action group will identify the potential for enterprise development, as well as how education training might address skills deficits and the necessary research and development for the potential of Irish firms to bid for public procurement opportunities throughout the EU. The Government is currently examining how the public service can give greater consideration to environmental impacts as regards how Government goods and services are procured. In addition, the Oireachtas Sub-committee on Climate Change and Energy Security is examining how the green economy might best be developed. We can achieve much on our own as a nation through the efforts of Government and the political system, but we also need to make use of international partnership arrangements. The European Commission estimates that the eco-industry in Europe already employs more people than either car manufacturing or chemicals — a statistic that may surprise many people. The EU Commission's monitoring and modelling initiative for renewable energy targets shows that net employment growth in the EU in green technology jobs across all 27 member states is projected to increase to just under 1 million by 2010 and will rise to 1.5 million by 2015.

Countries with similar economies and populations to ours have also been addressing these issues. The Scottish Parliament has produced useful reports, which Members may wish to consult, on how this potential can be developed. The European wind energy association reports that in Spain — not a country that people will identify as being particularly windy — some 35,000 people are employed in the wind energy industry. The UN Food and Agriculture Organisation reports that organic farming requires additional manpower compared to conventional high-input systems. Studies of organic farms in Ireland and the UK show that such farms employ up to 1.5 times the number of workers found on conventional farms.

The report of the UN environmental programme, Green Jobs, contained a number of key findings. The obvious one is that the emerging green economy could create tens of millions of new green jobs. The global market for environmental products and services is projected to double from just over €1.4 billion at present to €2.8 billion by 2020. In Germany, environmental technology will grow fourfold to 16% of industrial output by 2030, with employment in the sector surpassing that of Germany's big machine tool and automotive industries, which are significant players in that economy.

Sectors that will be particularly important, according to the UN's environmental programme, include energy supply, renewable energy, buildings and conservation, transportation, basic industries, agriculture and forestry. In the United States, clean technologies already comprise the third largest sector for venture capital after information and biotechnology. It is very much the platform of president-elect Obama to increase this further.

Green venture capital in China has more than doubled to 19% of total investment in recent years. Some 2.3 million people have found new jobs in the renewables sector alone and the potential for such job growth is huge. Employment in alternative energies may rise to 2.1 million in wind and 6.3 million worldwide in solar power by 2030. Renewable energy generates more jobs and employment in fossil fuels. Projected investments of \$630 billion by 2030 would translate into 20 million additional jobs in the renewable energy sector. In agriculture, some 12 million jobs could be created in biomass for energy and related industries. In a country like Venezuela, an ethanol blend of 10% in fuels might provide 1 million jobs in the sugar cane sector by 2012. If we were to translate that to Ireland, the potential of our now extinct sugar industry could do something similar.

A worldwide transition to energy-efficient buildings would create millions of jobs, as well as greening existing employment for many of the estimated 111,000 people working in the construction sector. Investment in energy efficiency in buildings could generate 2 million to 3.5 million green jobs in Europe and the United States alone. Considering the difficulties that have arisen in recycling in China, we should ask why we are exporting recyclable materials there. If such materials were to be retained in the economy under a waste management scheme they would provide significant employment here.

The purpose of this debate is to allow everyone to contribute positively towards recognising the reality of green technology and how it is being adopted throughout the world. Ireland needs to be at the forefront of matching the potential that exists in this area.

Senator Déirdre de Búrca: As the second speaker for the Green Party, I second the motion before the House. It is timely for us to debate such a motion, which calls on Seanad Éireann to recognise the importance of the development of green technology for economic growth. Given the current economic conditions we are experiencing, our case is all the more compelling. Even before the crisis became as deep and obvious as it now is, important factors had arisen such as rising energy costs, more environmentally conscious consumers, and our obligations under the Kyoto protocol. All of these combined to create real opportunities for green enterprise, thus promoting significant economic growth. We are all aware of the need to reduce our carbon footprint and to create a low-carbon economy. Rather than considering this as something that will depress or inhibit economic growth, these challenges should be seen as opening doors to new business opportunities for companies across the island of Ireland. We are facing difficult economic times, but it is more important than ever that we should focus on areas of potential where Ireland is well placed to compete, thus winning new markets.

Green enterprise clearly will be a valuable part of the long-term economic development of this country. Towards this end, the Government has established a high-level group to develop

[Senator Déirdre de Búrca.]

an action plan for the development of green enterprise. That is a welcome development because we need a concerted approach to optimise the opportunities in this area.

Co-operation between Irish companies and research institutes across the island will be important in order to deliver technology and process advances that will be key in this sector. A number of studies have indicated that the value of the environmental services sector was in excess of \$600 billion worldwide in 2005. It is likely to exceed \$700 billion by 2010 and \$800 billion by 2015. In Ireland's case, research and development will be an important part of stimulating economic growth in this area. Unfortunately this island has displayed low levels of research and development investment in the environmental services sector and this needs to be addressed. While some companies that become involved in the environmental services-green enterprise-green technology sector will continue to trade locally, there are also opportunities for Irish companies in emerging international markets and this should be encouraged. Our strong information and communications technology base, our green credentials and our past experience in attracting foreign direct investment should be to our advantage in attracting the same investment for this sector. However, it will require a targeted approach focusing on niche areas with the highest potential. The sub-sectors which we regard as having the greatest potential include renewable energy, efficient energy use and management, and eco-construction. The area of waste management recovery and recycling is also very promising, as is water and waste water treatment. Towards this end, public procurement policies will have a very important role to play in stimulating and fostering the development and adoption of new environmental goods and services. The education sector will also be central to developing skills to address the future growth of this sector.

Research will be very important and also the continued implementation of environmental legislation which will provide the regulatory certainty needed for enterprises to invest in this sector. The process of what is known in Europe as environmental fiscal reform will be very important and the carbon levy which the Green Party secured as part of the programme for Government is only one element of a wider programme of environmental fiscal reform which would be very useful in terms of promoting growth opportunities in this area.

There is a need for companies interested in becoming involved in the area of green technology and green enterprise to be able to access start-up and growth finance and this is especially true of small firms. Measures to improve seedcorn financing and remove market failures in the access of finance for these firms will continue to be important and will require attention from Government.

Given the financial crisis, many private venture capitalists who up to now may have been very enthusiastic about investing in huge green technology projects are now becoming more cautious and are scaling back that willingness to become involved. We must regard this sector as having the potential to provide the impetus to pull the global economy out of the slump. The UN Secretary General, Ban Ki-moon, recently referred to what he described as the green New Deal which he believed could rebuild and reshape the global economy in ways reminiscent of President Roosevelt's New Deal to revitalise the economy of the United States during the Great Depression. There could be a green response to this global economic crisis. The world economy needs a new economic driver. In the 1990s, the Internet and the network economy was the economic driver and this was before the dotcom bubble burst. The economic driver for this decade was the financial sector so we now need a new economic driver. The area of green technology and green enterprise provides a potential driver but the role of government will be central and public investment and fiscal incentives will be necessary to lay the groundwork to try to entice the private sector. There is a role for State intervention to redirect the

market. Initiatives such as tax credits, direct Government spending and loan guarantees will be very important.

The Green Party has been stressing the challenge presented by the threat of climate change but it is often difficult to get governments to respond to this challenge. This motion points out the economic growth potential of the green technology sector but also the jobs potential. In 2008 the promise of jobs will be a stronger incentive to governments to go green than the threat of ice caps melting and coastal cities drowning. Unemployment in the eurozone is expected to rise from 11.3 million to 14.5 million by the end of next year, pushing the rate up from 7.5% to 9%. In the US the rate of unemployment is 6.1% but it is expected to push towards 8% by the end of 2009, the highest in 25 years.

In light of the US presidential elections, it is interesting that both presidential candidates strongly stressed green initiatives in their campaigns. The President-elect, Senator Barack Obama, was among the more ambitious of the candidates. He said he will strategically invest \$150 billion over the next ten years in a clean energy economy that will help the private sector to create 5 million new good, green jobs that cannot be outsourced. He also spoke of accelerating the commercialisation of plug-in hybrid cars, promoting renewable energy projects, encouraging energy efficiency, investing in low emission coal plants and advancing the next generation of bio-fuels. He wants to create a programme to train American war veterans to work in green industries and to modernise factories to make green products.

Our motion is very timely and I second the motion and encourage other Senators to support it.

Senator Maurice Cummins: I welcome the Minister of State, Deputy Kelleher, to the House. It is customary that amendments are tabled to a Private Members' motion but we saw no reason in tabling an amendment to this motion which we fully support. I welcome the debate and I look forward to the contributions of many Members. I also welcome the Minister of State, Deputy McGuinness, who has just arrived in the House.

I was clearing out some old files last week and I came across the clár for the Fine Gael Ard-Fheis of 1977. Among all the laudable motions I came across one from the Trinity College branch calling for the establishment of a Department of the Environment to deal with the increasing importance of environmental matters in Ireland and proposing that we could learn from our European colleagues in this area. This was certainly a radical proposal at the time and long before the Green Party was founded. Unfortunately, it was also long before we as a nation seriously embraced the importance of the protection of our environment, the challenges of climate change and other environmental issues or green issues as they are now called. The same clár also contained another motion calling for an immediate improvement in the pupil-teacher ratio. Some things are as relevant in 2008 as they were in 1977.

I welcome the debate on the importance of the development of green technology for economic growth in Ireland and I also welcome the recent excellent report produced by Forfás on the environmental goods and services sector on the island of Ireland and the enterprise opportunities and policy implications arising from this report. Ireland is facing an unemployment crisis and recent figures highlight this. We need an aggressive approach from Government to tackle this problem. The development of green technology will not solve our problem but certainly can go some of the way towards increasing employment significantly in many areas which require urgent attention. The collapse of the construction industry has forced tens of thousands onto the dole queue with bleak prospects of employment in the immediate future and fear and despair for many couples who question what the future holds for them and their children. There is a requirement on the State to retrain and upskill these people and give them hope and confidence to plan for their future and the future of their families.

[Senator Maurice Cummins.]

The building energy rating, which requires energy performance certificate standards for all houses, offers promising future opportunities for the domestic construction sector. There are approximately 1.4 million houses in this country and even assessing these houses should create employment but the training for this assessment should be fast-tracked. There is a need for greater insulation, the replacing of old and draughty windows and doors, and general energy conservation measures. These can create great opportunities but it is imperative that the Government would drive this sector and come up with imaginative ideas and grants, if necessary, to stimulate it into becoming a vibrant driver of economic growth, which is so necessary at this time.

I must compliment the Irish Farmers' Association on its pre-budget submission on achieving a viable farming structure and supporting renewable energy generation on farms, which I read with interest. On-farm renewable electricity production should be encouraged and underpinned by the introduction of smart metering technologies.

To assist with the education and research of micro-energy development in Ireland, the IFA is seeking 100% grant-aid, from funding already allocated for this purpose by Sustainable Energy Ireland, to establish eight wind-micro-energy units, four micro-solar units and two small anaerobic units on farms across the country. As part of this initiative, the IFA has undertaken to locate suitable on-farm sites and discuss terms with owners to ensure that farmers and other interested parties will have free access to the data and information generated. In addition, the IFA will organise an extensive education campaign for farmer groups through its training wing, IFA Skillnets. This proposed initiative by the IFA should be embraced and supported and I would urge the Minister to support and encourage such initiatives which will highlight the need to embrace green technologies which can benefit communities throughout the country.

While the priority to address global warming has taken a back seat after the shock of the recent financial turmoil we have witnessed, it is essential that Ireland and all nations should honour their commitments in this regard — hopefully the broom of change in the US will extend to environmental matters also. I welcome the fact the Government is establishing a high-level group to develop an action plan for the development of green enterprise, which is not before time. We must strive to optimise the opportunities that present in this area.

One of the findings of the Forfás report was that Ireland needed far greater investment in research and development. However, the Government in the budget reduced by 34% spending on energy research programmes. It is great to have reports like the recent Forfás report but they are useless unless the Government takes action to implement them. As I have stated, Ireland faces severe unemployment and economic difficulties in the coming years. The new opportunities in green technology and the green economy are there to be snapped up. However, the Government took the short-sighted view and reduced overall funding in this area at a time when our competitors are sure to be increasing investment.

I commend the motion. My colleague, Senator Coffey, will deal with a number of items, particularly those he raised on the Order of Business only last week in regard to recycling, to which Senator Boyle also referred in his contribution. I look forward to the further contributions. This is an area where we must take the bull by the horns. The Government must be prepared to put its money where its mouth is. Without that, we will lag behind the other European countries in particular and not realise the potential that exists as a result of the development of green technologies.

Senator John Carty: I commend the Green Party on putting down this motion. I welcome the Minister of State, Deputy McGuinness, to the House. It is nice to see the Waterford alliance of Senators Cummins and Coffey so strong on the other side of the House. I am sure the

Minister of State, coming from the sunny south east, is delighted to see them also, although that would not be the case in Croke Park.

Senator Maurice Cummins: We are the ones who do not like to see them in Croke Park.

Senator John Carty: With the increased cost of natural resources such as gas from Russia and the ever-fluctuating price of oil, there has never been a more pressing time to reduce Ireland's reliance on foreign fossil fuels. We must develop our own natural resources such as wind and wave energy and produce the infrastructure we need.

I welcome the Government's target that Ireland will get 40% of its energy from renewable sources by 2020. It is an EU commitment to make a 20% cut in greenhouse gas emissions by 2020 and we are bound to that commitment. We have an opportunity to play a leading role in developing a green economy.

More than \$140 billion was invested worldwide in clean renewable energy sources in 2007. This demand for environmentally friendly and cheap energy sources has created a multi-billion dollar industry worldwide and this is set to increase every year. Ireland, with more than 3,000 km of coastline, is strategically placed to become a world leader in the emerging industries of wind and wave power. At present, we have 35 onshore wind farms and one offshore wind energy farm. This figure will need to increase if Ireland is to become a leader in green technology. I appeal to the planning authorities, particularly in western counties, to put in place a policy in order that planning permission for wind farms can be achieved in a reasonably fast manner. At present, more obstacles than help seem to be put in front of anybody seeking such permission.

The Department of Community, Rural and Gaeltacht Affairs, with Sustainable Energy Ireland, is to fund a pilot study for a 12-month period on the Aran Islands to ascertain if it is possible that electricity, heat and transport needs can be supplied by renewable energy, which is welcome news for the west coast. This will hopefully provide a template to reduce the country's dependence on fossil fuels but, more importantly, it provides valuable technological know-how which Ireland can export throughout the world.

In June of this year, the Minister for Finance, Deputy Brian Lenihan, announced that he, with the IDA, welcomed IBM's — a US multinational — global centre of excellence for water management at its facility in Mulhuddart, County Dublin. To have such a household name known for its computer business moving into the area of green technology shows how important and relevant the area is becoming.

These are just a few examples of how Ireland has begun to move towards green technology and creating a sustainable green section of our economy. An example of an Irish company making serious inroads into international green technology markets is Airtricity. It was sold to Scottish and Southern Energy in a deal worth approximately €1.8 billion to shareholders. That is a good example of how green technologies can be profitable on a large scale for Irish companies.

An area where every citizen has the potential to gain monetarily from green technology relates to the facility to sell electricity back to the grid. This is where those with the capacity to create their own electricity with wind turbines, solar panels or wave power could sell surplus electricity back to the ESB, recouping their investment in green technology and making a profit.

The ESB is only now partaking in trials for smart-metering. It does not expect this to be available to the general public for several years. I call on the ESB to speed up the process and to make it available sooner. If such a scheme were fast-tracked by the ESB it would no doubt encourage people to reduce their reliance on fossil fuels.

[Senator John Carty.]

In the coming weeks several Ministers who have responsibility in the relevant areas will collectively announce the establishment of a high-level action group to advise on the development of Ireland's green economy. The group will report to the Government in four months, setting out an action plan for developing green enterprise in Ireland with a view to contributing to economic growth and providing new and quality employment opportunities in this growing sector. I agree with Senator Cummins's call for on-farm alternative energy development.

Senator Paudie Coffey: I welcome the Minister of State, Deputy John McGuinness, to the House for this important debate. I compliment the Green Party on tabling this motion.

If it is utilised properly, many benefits can accrue from green technology for the economy, business and individuals. It should remain high on all, including the political, agendas. Senators have referred to the current economic climate, oil prices and the current large employment — and unemployment — rates. Where there are dark clouds, there also should be opportunities. Green technology is one economic area in which the Fine Gael party believes there are opportunities for Ireland. If we manage the research and development aspect to it in an appropriate and well-resourced manner, we could take full advantage of this growing sector.

To the general populace, renewables technology is vague and relatively new. I acknowledge the work done by Sustainable Energy Ireland in raising awareness of renewables technology. There has to be, however, local, regional, national and international demand for the technology for this sector to develop.

Other countries have already taken advantage of certain areas in renewables. Energy generation from wind turbines is already a mature and cost effective technology. There are already several global leaders in the development of wind turbine technology. Ireland, unfortunately, missed that boat and does not have a foothold in the development of wind turbines. There could be opportunities in the micro-turbine area. The Government introduced new planning guidelines to make it easier for people to install micro-turbines and I am sure many will be rolled out. The IFA should be consulted on this as it is proactive in trying to develop this area and could encourage increased demand for micro-turbines.

The ability for those with renewable energy generation to export unused energy into the grid needs to be developed. Smart-metering is being rolled out in pilot projects. We need to go one step further and show some vision. We must find ways where unused electricity generated by farms, small businesses and homes can be allowed to be exported to the grid. Currently, there are administrative and technological barriers in place preventing this. These need to be removed. If this is done it will provide an incentive for people to get involved in small-scale renewable energy generation. Once that occurs, demand will increase. Much of it is common sense if the proper policies and resources are put into developing them.

I was fortunate enough to inspect the Marine Institute's pilot projects on wave energy on the Atlantic Ocean. It is an exciting development but very much at an early stage. The two prototypes were capable of producing approximately 30 kw. The Atlantic has much potential as a wave energy source. I accept there are limitations such as ability to connect to the grid and the long-term maintenance and sustainability of the turbines but with proper investment, direction and resources, this area could develop into a large-scale commercial opportunity. Wave energy could be Ireland's niche market allowing it to be at the cutting edge. We must engage with the Marine Institute and assist the entrepreneurs involved to achieve full commercial viability. If this happens, Ireland certainly will be on the renewables technology playing pitch.

Offshore wind farms present another potential source of renewable energy but, again, barriers such as planning issues and relevant licences are hindering its development. The planning and licensing process should be streamlined.

There is an increasing number of solar panels being installed on houses. Unfortunately, we again missed the boat in developing a domestic technology in this area. We certainly can feed into it but other countries have stolen ahead in developing solar technology. The US, Japan and Germany have well-developed products and manufacturing systems. It is still an area that could be developed by Irish entrepreneurs and research and development.

I want to see more development in tidal energy technology. ESB International must be commended on the strides it has made in developing tidal turbine technology with its project on Strangford Lough. There is much potential for development of this technology when one considers the number of tidal estuaries on the island, such as Waterford and Youghal, where the tide constantly ebbs and flows. We need to develop the technology early when other countries may think it is not commercially viable. Using the universities and institutes of technology, we must invest in developing these new technologies to capture a niche market and become a world leader.

When the Siemens hydroelectric project at Ardnacrusha was first proposed, many leading politicians opposed it. One can only guess how much that has paid back in spades to the economy. Turlough Hill in Wicklow is another example. However, there are other smaller places with hydroelectric potential around the country. I come from a place in Waterford called Portlaw, where a Quaker family was generating 300 kW of power from the River Clodiagh in the mid-1800s. Not one kilowatt is being generated from that river now. We are supposed to be leading experts on high technology and renewables. Why not go back to these places where significant generation took place? There were big water mills there at the time. Incentives should be put in place for communities or districts to re-establish previously existing hydroelectric schemes. The Government should consider this.

I will mention a few other items, although I do not have much time. Geothermal energy is a technology used in Nordic countries. They are the people who took that technology and developed it, and are now selling geothermal units into our economy. They are quite expensive in terms of installation but Sustainable Energy Ireland provides grants towards them and they are to be encouraged. Many one-off houses use them for heating. They are not very viable in urban settings because a collection area is required for the heat pump. Certainly, however, it is an area that should be considered. We need to discuss the recycling and reuse of our waste, especially in view of the crisis that has occurred within the last week in the recycling market and the resultant stockpiling of waste. Senator Boyle mentioned earlier that this is an area for development. Rather than exporting our waste we should be examining ways of turning waste to energy.

I mentioned barriers earlier. Research and development, and support for institutes, universities and colleges, are key. We also need to support entrepreneurs, who have already shown vision and used money from their own pockets to try to develop projects in this area. The Government is putting this on the agenda tonight, and we can come up with all the rhetoric we want, but it is about coming up with the money to support research and development. We must give Ireland the opportunity to be a leading country in a niche area of renewable energy.

I welcome this debate and look forward to revisiting the matter in the future.

Senator David Norris: I record the Minister of State's courtesy in yielding to me. I understand he had intended to come in at this point and I am very grateful to him. He may be in a position

[Senator David Norris.]

to respond to one or two of the points I will make, although I may not be here as I have a group of guests coming in. I will read the record.

I welcome this debate. In the last session I handed to the Minister for the Environment, Heritage and Local Government, Deputy Gormley, and his assistant information about a new development of which I was made aware which concerns ignition systems in, for example, car engines. It makes the whole system much more efficient, reduces significantly the consumption of fuel and reduces gaseous emissions. This system has been investigated by a number of firms and governments in Europe. I ask the Minister to find out its status here. Apart from anything else, we could start manufacturing it if other firms are not interested. This is well worth considering as it would have a world-wide market.

I commend the Green Party on putting down this important motion. One of the things that strikes me is that not only might we save resources, energy and money but, because of the ingenuity of some of the bodies in this area — including Airtricity — which have a wonderful dynamic intellectual energy, we might well be able to export some of these inventions. Senator Coffey, who is now, I see, in the Chair, made a most interesting speech. One point I will take up is the problem regarding the recycling plants. It is not that there is an accumulation of rubbish; it is more serious and sinister than that. The plants have done their job in recycling and extracting the materials, and the processed waste is now accumulating as there is no market for it. That is interesting. I ask the Minister of State whether we have a policy or plan to deal with this situation, in which we have a positive innovation which, because of world economic conditions, is reduced in terms of practicability.

I mentioned Airtricity, which brings to mind the question of renewable energy systems, particularly wave power and wind power out in the Atlantic, around the Aran Islands and so on. The Minister with responsibility for the Gaeltacht, Deputy Ó Cuív, was in Inis Meáin for the launch of the new environmentally sustainable harbour but also to consider the development of an integrated wind and ocean powered energy system which, he said, could make the island self-sufficient in terms of energy supply, would create jobs and boost tourism and could even provide models for improved use of natural resources for the whole island of Ireland. Having visited Inis Meáin and Inis Oírr and known their beauty and their cultural relevance, I think it would be a marvellous symbol if we invested in projects of this kind. I know that money is short at the moment, but we need to invest in projects on which we will get a good return.

I look again to another meeting, this time just last month, at which we were told we could in fact help to trigger a new economic boom by investing in this area. This came from leaders of the Irish Venture Capital Association. These are people who have an entrepreneurial spirit and are interested in reality. They are not mad inventors; they are people who are interested not just in assisting the environment, the Government and so on but also in making money. They point out that if they were to install 6,000 MW of wind energy on land and at sea, that would lead to the investment of considerable sums of money, but it would also go a significant way towards making us energy independent and would create 18,000 jobs. We are now hearing that the number of unemployed people has reached a quarter of a million for the first time in about ten years. Would not 18,000 jobs, even over a phased period, be a very remarkable achievement? It would also prevent the emission of 10.8 million tons of carbon dioxide. Thus, not only would it be environmentally friendly but it would also enable us to avoid fines of €324 million per year. There are many reasons we should consider seriously, even in this difficult period, investing in this area. It would also save us from having to import the equivalent of 6 million tonnes of coal at a cost of €671 million. The financial benefits keep stacking up. It is no longer a question of open-toed sandals and tree-hugging — all those phrases that used to

be flung by the Progressive Democrats at our friends in the Green Party. It is now a matter of practicality.

Now we have the Greens in Government and, whatever their difficulties — it cannot be easy — they are beginning to have an impact. For example, the Minister for Communications, Energy and Natural Resources is the Green Party Deputy, Eamon Ryan, who, at the launch of a series of initiatives by Sustainable Energy Ireland, stated:

There is significant potential for the development of a strong sustainable energy industry in Ireland. We need to create a climate where innovative ventures receive the necessary support and assistance required to help them get off the ground. This expansion of SEI's Incubator Programme provides valuable support to start-ups in the sustainable energy sector and I look forward to following the progress of the companies involved.

Then we come back to the things that are so often gayed and mocked by public commentators. In the old days it used to be people running their cars on hen dirt, cows farting in Argentina and all that kind of thing. These were actually supposed to generate methane gas and other materials, which meant they would have been a real hazard for the environment. On the subject of methane gas, housed animals excrete 43 million tonnes of manure every year. I am referring to cattle and sheep.

Acting Chairman (Senator Paudie Coffey): The Senator has one minute.

Senator David Norris: I will just deal with the sheep and cows then. The methane gas, which can be produced through aerobic digestion technology with a dry fermentation process, has the capacity to provide enough energy every year to more than a million homes in Ireland. A Cork-based company, Kedco, is investigating this. These are the kind of things that need to be done.

The universities are also playing a role in innovation, design and technological exploration. There was a conference in Trinity College about a week ago with a green competition. Five green technology businesses among 70 Irish companies were looking at venture capital. There were representatives from Silicon Valley and leading Irish industries. The founders of Irish wave energy, Wavebob, who have already begun to export their technology to Canada, were present. There were also turbine developments from Queen's University, making gas turbine engines targeted at the renewable energy market, and Phive from Dublin City University who are exploiting the invention of Dr. Bert Ellingboe that uses a plasma technology that considerably reduces the cost of manufacturing solar panels. Incidentally, solar panels are abuzz now. I do not have them in Ireland but I have them in Cyprus. They are remarkable, efficient, clean, noiseless and cheap. There are a series of ideas.

I commend this motion and the Government. Can the Minister of State find out if anything has happened regarding the remarkable ignition system? I can get further information for him.

Senator Paul Bradford: I welcome the opportunity to say a few words on this important area of economic development. It is a sign of the times that whereas we would not have had to deal with such a motion five or ten years ago, there is a growing awareness of the necessity for greener technology and that it can play a role, not just from an environmental perspective but also from an economic and developmental one.

Coming from a rural constituency, I see prospects and possibilities every day for advances in energy from an environmental perspective. There is a question of research, development and cost-benefit analysis. We have discussed the forestry sector in Ireland. It is a win-win from farming, energy and carbon emissions perspectives. It is disappointing, therefore, that the

[Senator Paul Bradford.]

national targets for forestry over recent years have not been met. There are difficulties with grant aid, land price and long-term investment returns. While it may not be relevant to our debate, from an energy and environmental perspective, forestry is an area in which we should be a world leader. We are not making best use of our natural advantage. The Minister of State's colleagues in the relevant Departments should tweak the schemes, rules and regulations to bring our forestry plantation programme back on track and reach the minimal planting standards.

Senator Boyle was involved a number of years ago in the debate on the future of the Irish sugar industry. The Minister of State was also involved. There was a belief that the Irish sugar beet industry, rather than being shut down and jobs and farmers' incomes lost, could have been redirected towards the development of bio-fuels. At the time the broad political spectrum bought into the notion of bio-fuels. A different picture of the bio-fuels industry has emerged since and there is a debate on food versus fuel. We can grow urgently required agricultural crops such as sugar beet and we should look at the bio-fuels industry given that oil prices, although falling, are of long-term concern and oil supplies, being a finite resource, will not be available forever. The food versus fuel argument must be considered but there are major advances in food such as genetic modification technology, although that is another debate. The food versus fuel argument, from a bio-fuel perspective, has not been concluded and we should try to invest significant research and development money to try to progress a bio-fuel industry in this country.

Another environmental technology which springs to mind where this country is concerned is wave power. Progress has been made and research is ongoing. From my limited knowledge, I would have to join the body of opinion that no country in the world is better placed geographically to take advantage of wave power than this country. Strong leadership must be shown from Government. Private sector involvement and money is required, but the Government must put it at the top of its alternative energy agenda.

A certain degree of progress has been made in the area of wind power. There are difficulties at local level, especially with individual farming units and small enterprises. They would be willing to invest a certain amount of money in the provision of micro turbines but the rules governing the return of excess electricity to the grid are not working as well as they should, nor is a proper, flexible financial arrangement in place. There is a legislative obligation on the ESB to take excess electricity when it is available but there is a difficulty with the pricing. We need to examine this.

I know one or two farmers who have erected their own micro turbines and generating systems and they seem to work well. These projects should be the norm and commonplace across rural Ireland, generating energy at no environmental and little economic cost for use on the farm, in the local community and in villages. I hope progress can be made in this regard.

Senator Norris concluded his remarks by referring to solar panels. Ten years ago these were seen as futuristic whereas now they are commonplace. The greener homes scheme worked well to get people to think about alternative heat and energy generation systems. It became a victim of its own success and the funding was reduced. If we look at it from a broader environmental perspective, it is a scheme which needs to remain on the departmental books to encourage the maximum number of people to use some of the technologies. The heat pumps, geothermal systems, solar panels and newer insulation systems are not rocket science, are now commonplace and are understood by a majority of householders. We must try to encourage their use through grant aid and other mechanisms.

There is a clear understanding that green technology can work to everybody's advantage from the point of view of protecting our environment and providing us with urgently needed energy resources at limited economic cost and almost no environmental cost. It is one of the few aspects of Government policy and political debate where there is a win-win solution available but it requires further drive and energy, excuse the pun, from all Departments. The mini-oil crisis of two or three months ago has made people realise we must have these systems in place. The future of our economy, our environment and our planet is dependent on progress in what are reasonable technologies, and they are not rocket science. They are technologies already in force and the more support that can be given by the Government for that form of technology, the better. It is something I support and I thank the Green Party for putting it on the agenda for discussion this afternoon.

Senator Paddy Burke: I welcome the Minister of State to the House. I congratulate the Green Party on putting down this motion and allowing us contribute to the debate on it.

I listened with intent to the various issues raised by Senator Coffey, one of which I raised some years ago concerning hydro generation at local authority level. Local authorities, along with the Office of Public Works, own and control the majority of rivers and lakes throughout the country and that presents them with a golden opportunity. There is no doubt that in some cases they would need assistance but many local authorities could use hydro generation, if only to cover the cost of public lighting in the various local authority areas. Some local authorities have access to major waterfalls and rivers in mountainous areas and elsewhere that would allow them do that. This is an area the Minister should examine.

All of the other aspects have been mentioned by various Senators, whether it is geothermal energy, solar panels or whatever. In that regard, we have not grasped the nettle. There is much scope for improvement in the technology and moving forward with pace. We have fallen behind the rest of Europe in many of those areas and while I commend the Green Party on pushing this agenda, its partners in Government said here on a number of occasions it would take a different route, but the Green Party has pulled it back to the middle of the road, so to speak, in regard to this type of technology.

Planning permission exemptions were granted some years ago for windmills for domestic houses but nothing has happened since. I do not see many, if any, windmills erected around the countryside. There is scope for progress in that regard.

I am delighted the Minister of State is present because he is a practical, hands-on Minister. I want to raise an issue concerning a planning application for the erection of a 100 megawatt electricity power generation station and all associated site works and services at the former Asahi site near Killala, outside Ballina. The planning permission was appealed to An Bord Pleanála and was refused mainly because of the interpretation of Government policy. This is an area of Government policy the Minister should examine because the reasons for the refusal were as expressed in the White Paper, *Delivering a Sustainable Energy Future for Ireland — The Energy Policy Framework 2007 — 2020*, which envisages that electricity generation from peat in existing peat burning power stations will reduce over time and, as expressed in the *National Climate Change Strategy 2007-2012*, supports the co-firing of biomass with peat in existing power generation stations in order to reduce greenhouse gas emissions from existing peat stations. I attended a public meeting recently and none of the parties represented is against this application. There were one or two objections but none of the major parties in Mayo is against this move.

One of the main issues concerns bogs. The bogs in north Mayo where this is based are owned by Bord na Mona or Coillte and were drained 40 or 50 years ago. If virgin bogs were to be drained it would create a carbon sink, which would release CO₂ emissions into the atmosphere,

[Senator Paddy Burke.]

but all of the bogs to which I refer have been drained and there is peat in them that will last for the next 100 years. This development, which would cost approximately €200 million, is based on that. The plant would be a mixture of 35% peat and 55% wood. In the long term, most of the wood would come from Coillte as well as being grown locally. Two hundred jobs would be created in the construction of the development and 80 jobs would be retained at the power station. It would use approximately €15 million worth of peat and wood and would entail cheap processing of steam which would be used for local industries. The development has many advantages. They are talking only about the bogs that have been drained already, and not virgin bogs. I beg the Cathaoirleach's indulgence to further the point. These bogs have been drained. Could the peat be extracted from them and burned in the midlands? I believe it could and if that is the case, why can it not be used and processed locally? This is where the conflict arises in the Government policy.

It would be a shame if a project like this were turned down at a time when Mayo or north Mayo is not getting any projects. This is a massive project costing €180 million. Permission has been refused because of conflicts with Government policy but there is no conflict among the political parties within the county. The permission was appealed to An Bord Pleanála by one or two local groups. I hope the Minister will examine the issue.

Senator Joe O'Toole: I welcome the Minister to the House. In his opening statement the proposer of the motion made reference to the lack of representation of some of the groups. He might look at the Government benches, which are not exactly full in terms of its Members taking an interest in this issue. There is a convention that we do not make references to absent Members but, in the interest of balance, I am making reference to absent Members on the Government side. It tends to happen a good deal.

This is an issue on which I have spoken many times in the past ten years in this House. I spent eight years arguing about the lack of Government commitment to the building regulations which were anticipated by Brussels in 1997. We continued to build houses that did not meet the regulations, knowing we should not have done so. Some 250,000 houses in the Dublin city area were built using cavity blocks and these will never meet the standard required, which is a disgrace. Of all the things the building industry did over the years, that was the worst. I do not blame those involved in the industry because they built in accordance with the regulations.

People claim the building industry is concerned with regard to regulations. That is not the case. If developers are required to do something, then they will do it. If, however, there is no requirement, it will not be done. It is impossible to retrofit insulation to houses built using cavity blocks. The Cathaoirleach, who has a background in the industry to which I refer, will understand what I am saying.

I compliment the Green Party on insisting, when it entered Government, that the building regulations be brought into play almost immediately. The advent of those regulations is a welcome development. However, as stated on several occasions, I am of the view that, as happens in certain parts of Spain, it should be a requirement that a method of producing renewable energy be attached to the structure of every house built from this day forward. In that context, I refer in particular to developments involving single houses. The method I would recommend is that which involves photovoltaic solar panels. Such panels are quite sophisticated and are now more efficient than water-heating solar panels. Given that it is hoped to put in place smart meters in people's houses, putting in place photovoltaic panels would be an easy and attractive option.

Photovoltaic panels convert solar energy into electricity in small amounts and this passes straight into the metering system. The introduction of smart meters would mean that people's

bills would be automatically reduced. The amounts of energy involved are very small but people would receive credit for producing them. This electricity is used directly in one's home and, as a result, one is obliged to use less of that provided by the ESB.

I recently drove through the Minister of State's constituency and had occasion to use the Carlow bypass. On each occasion on which I drive on a new bypass, I am struck by the same thought, namely, when will the Government recognise that it would be extremely cheap to make provision for rail lines to run alongside motorways? It would not be very difficult to ensure that enough space was provided adjacent to a motorway to allow a rail line to be laid, perhaps retrospectively. Developments of this nature are the way of the future and they are certainly achievable.

Senator Boyle formerly served as his party's spokesperson on finance in the Lower House. I wish to bring to his attention a point I have raised with various Ministers. There is an ongoing row in respect of energy and waste. If someone erects a couple of wind turbines, people are queuing up to have them knocked down. The position is similar when anyone mentions the creation of incineration facilities to deal with waste. We should consider this matter from the point of view of economics. Any community that is prepared to take full responsibility for dealing independently with its own energy and waste requirements should receive a tax break. The provision of such tax breaks would not be difficult. When considering this matter, I examined the energy requirements of the peninsula on which I was born and raised in west Kerry. It is easy to estimate the amount of electricity the ESB provides to a peninsula in any given year. There are a number of ways the energy requirements of the peninsula in question could be met. For example, it could be done by means of the putting in place of wind generation facilities off the west coast. This might upset some people from the east coast who travel to the west in order to gaze upon the Atlantic and who might see a few wind turbines in the distance. That is their tough luck.

We should also engage in a closer examination of incineration. I am not sure where the Green Party stands in respect of incineration but I sense its members hate discussing it. I am not sure, however, that incineration is the answer. I do not believe it is either as bad or as good as certain individuals state. I am certain, however, that it is a great deal better than landfill, particularly in the context of the difficulties that can arise as a result of leakage into the soil, atmospheric emissions, etc. Consideration certainly should be given to the introduction of incineration.

The previous speaker will be well aware that a new bridge was built to span Achill Sound. I do not know if the Minister of State is familiar with Achill Sound but if one sails a boat into it when the tide is changing, one's craft takes off like a bullet. Why was it not possible to put in place a facility to harness tidal energy at Achill Sound? It is almost as if nature designed Achill Sound in such a way that the water whips through at great speed at a particular time and then comes rushing back in the opposite direction 12 hours later.

When proposing the motion, Senator Boyle inquired as to how we might develop technology. We can develop technology only by literally doing so. There is some involvement from the South in what is being attempted in County Down at present. Those working on the project to harness tidal energy near Carlingford are working in the dark to some extent. It is significant and impressive that they are not sure of all the answers. I am extremely excited by the fact that they have achieved so much, that they will monitor what happens from now on and that they will learn as they go. Why are we not doing something similar at Achill Sound? Who in the Government is responsible for examining proposals of this nature? If I spent a month in one of the relevant Departments, the staff there would be working non-stop for six years

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afterwards and I could go on holiday. There are so many simple steps which could be taken but which we are failing to take.

There is an urgent need to deal with the matter of wind generation. Why is it not possible to include the provision and construction of wind generators under the urgent infrastructure legislation? It is worthwhile and in the national interest that we should become energy independent. It certainly would be attractive to do so at a time when we are at the mercy of oil companies. I cannot understand why sensible people cannot be appointed to indicate areas where it is suitable to construct wind turbines. There always will be some level of interference involved. When one cuts one's lawn, however, one is interfering with nature. We must make compromises as we proceed. I am of the view that we should include wind generators under the relevant legislation.

Senator Boyle also inquired as to what we should do to get ahead. There are two major issues relating to energy in respect of which final development is required. The first involves nuclear fusion as opposed to nuclear fission. I am not in favour of nuclear power but I would like to examine the arguments in favour and against it. I can see how much safer fusion reactors would be when compared to those at Chernobyl and other locations. Nuclear fusion is certainly attractive. A nuclear fusion reactor is being developed in France — at a location adjacent to its nuclear fission reactors — because that country was successful in its bid to host the project. Nuclear fusion will be extremely important for the future.

The second and more important issue — in respect of which, perhaps, greater scientific and intellectual input is required — involves the use of hydrogen. The latter is one of the most useful and easy to use fuels. Hydrogen fuel cells can be transported anywhere and BMW and many of the main car manufacturers have produced prototype hydrogen cars. Hydrogen is one of the most common elements in the world. One need only remove it from water — H₂O — in order to obtain access to a great source of energy. Can it be removed from water? The answer is yes. This is being done by means of a process which means that one can almost get as much out of it as one puts in. The cost and energy required to remove the hydrogen from water almost equates to the amount of hydrogen produced by the process.

There are certain aspects which make the use of hydrogen attractive. If the process relating to its production can be further developed, hydrogen will become a source of energy for the future. In addition, when one burns hydrogen, the only waste product is pure distilled water. There is no dirt. There is also a storage facility aspect to this matter. At present in Ireland all the electricity produced at peak level is used. At the lower level, we use the electricity to do other things. The best example would be what happens at Turlough Hill in County Wicklow, where water is pumped up into an elevated reservoir during the night and then allowed to run down during the day in order to produce electricity. The cost of this is 20%; in other words, we get only an 80% return in respect of the energy we use to pump the water up to the reservoir. It is possible to achieve a better return from hydrogen. It would be a better way of saving fuel, energy and electricity at non-peak times. That is something the Government should support in our universities.

That is three options — nuclear fusion, hydrogen extraction from water and energy generated from waste, which has already been discussed by Government. There is much to be done and I welcome this debate. I hope decisions will be taken by the Government.

Minister of State at the Department of Enterprise, Trade and Employment (Deputy John McGuinness): I thank the Green Party Senators for putting forward this motion and for giving me an opportunity to contribute to this debate. I can assure Senator O'Toole that in his absence

I heard many fine contributions to the debate from both the Government and Opposition benches.

Senator Joe O'Toole: I have a list of the Government speakers, Minister.

Deputy John McGuinness: It was very worthwhile——

Senator Joe O'Toole: There is no point. It is like Croke Park — there is nowhere to hide.

Deputy John McGuinness: ——to be here and to join in the debate. I can only presume that what the Senator said about adding his dynamism to the different Departments will be his contribution to public sector reform.

Senator Joe O'Toole: The Minister can be sure of that, he and I together.

Deputy John McGuinness: Senator Burke raised a particular matter relating to Government policy and the interpretation of that policy. I will bring his remark to the attention of the appropriate Minister. Likewise, Senator Norris raised the issue of ignition systems and his discussion with the Minister, Deputy John Gormley. I will bring his remarks to the Minister's attention and ask him to respond directly to Senator Norris.

I will deal with the other issues raised in the context of what is happening in my Department. The world faces many environmental challenges as we seek to reduce our carbon footprint and to adopt more sustainable ways of developing our economies. These challenges can open doors to new business opportunities for companies in Ireland. In facing difficult economic times, as we are at present, it is more important than ever that we focus on areas of potential where Ireland is well placed to compete and can win new markets. I have seen this regularly on trade missions abroad. What can be won is hugely significant to the companies concerned and to Ireland as we develop new technologies, make them deliverable in the marketplace and embark on research and development.

Senator Norris mentioned that money is short. That is true but it is not a reason, and the evidence confirms, that we cannot exploit the green technology business. A number of speakers mentioned smart meters. The ESB in its pricing and its policy on smart meters needs itself to become smart and engage with the marketplace, where there is a need for significant change in this area. There is significant potential in this sector because of the technologies that are now overtaking everybody. We are catching up with those technologies and trying to build business models around them.

The green technology industry comprises a wide and diverse range of companies. They provide modern solutions for large-scale environmental infrastructural and services projects, and for a growing number of niche and specialised markets which have developed within the industry. While green technology was previously a sector which offered a small range of vital yet basic goods and services such as drinking water supply, wastewater treatment and waste management, the sector has experienced massive growth in recent years. It now encompasses newer industries at the leading edge of technological innovation, such as renewable energy and environmental monitoring.

Today in my constituency the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, and Deputy Mary White opened a new factory which represented a €6 million investment. It will receive a further €15 million from a local firm, which is an indication that despite the economic challenges there are companies that are willing and able to invest in these new technologies. They see its benefits for the future. Perhaps that is the greatest expression of confidence one can have with regard to job creation in this sector. The sector

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has also seen the evolution, re-invention and innovation of its traditional services. This is exemplified by the development of the recycling industry which has evolved from the traditional waste industry model of collection and disposal.

The development of green technology goes hand-in-hand with a transition from an energy-supply system based on fossil fuels, to a more sustainable energy delivery system. This transition is necessary on economic as well as on environmental grounds. As traditional sources of fuel, such as oil, steadily diminish in quantity and increase in price, the economic need to develop alternative and sustainable energy sources becomes ever more pressing.

Climate change, our reliance on fossil fuels and a decline in the abundance of natural resources are just some of the major issues facing the global community. Demand for solutions to these problems has driven the rapid development of the global environmental goods and services industry. In the coming years, fuelled by stricter environmental regulations and a growing demand in developing regions for essential services, the sector is anticipated to continue its strong rate of growth.

The programme for Government includes a commitment to support the development of environmental technologies in Ireland in order to achieve a win-win situation of improved competitiveness and environmental performance. In the programmes funded through my Department, the development and production of environmental goods and services is supported by the mainstream industrial development programmes of the State agencies, notably Enterprise Ireland, IDA Ireland and Science Foundation Ireland.

In their mainstream programmes, which focus on research and development and training as well as on production, Enterprise Ireland and IDA work closely with individual companies and sectoral groups, offering a range of financial and non-financial supports. They aim to assist companies to increase employment, profitability, competitiveness and export growth. These supports are available to companies in the environmental goods and services sector.

In addition, Enterprise Ireland administers direct financial support schemes that help Irish SMEs to increase awareness of and promote eco-efficiency in their operations. As well as financial support schemes, Enterprise Ireland provides a range of “soft” supports to those companies it is mandated to assist, including the Envirocentre website which provides up-to-date information on a range of environmental issues relevant to industry, regional industrial environmental fora aimed at the SME sector and technical advice to client companies from a range of in-house experts in various environmental fields.

The IDA is working closely with Sustainable Energy Ireland, SEI, on a number of fronts to help FDI clients identify ways to improve their energy efficiency and explore the possibilities of adopting a growing range of renewable energy technologies. The IDA also recently launched a study to examine the options to increase the energy efficiency and sustainability of industrial estates and business parks. While these supports have been available, our industrial performance in the environmental goods and services sector has not matched our success in sectors such as biotechnology and information and communications technology. It is felt that more can be achieved with renewed effort.

Both the IDA and Enterprise Ireland have recently established an internal team to identify enterprise opportunities for Ireland in the newly emerging clean-green sectors. Enterprise Ireland has established its environmental goods and services department to support an expanding portfolio of companies covering the waste, water, energy and services sub-sectors. This dedicated team is being resourced to address the needs and challenges of the sector and includes key sectoral, international market and technical experience. Enterprise Ireland currently has more than 130 clients in the sector. It is encouraging strong start-up activity, with

one or two new clients being registered on a weekly basis. Between 2005 and 2007, indigenous exports grew by approximately 250%. Enterprise Ireland believes that by 2020 its clients in the sector have the potential to deliver exports in the region of €650 million and employment of approximately 10,000 people.

The IDA's analysis shows that in 2007 global investment in the green energy industry reached US\$148 billion, an increase of 60% from 2006. By 2012 investment levels are expected to reach US\$450 billion a year and US\$600 billion a year in 2020. Wind and solar have shown the strongest growth, but other technologies such as ocean and second generation biofuels are significant sectors. So far, IDA's work on securing additional foreign direct investment in this rapidly expanding sector has primarily focused on the renewable energy, energy efficiency and the enabling technologies sub-sectors. The IDA's vision is for Ireland to become a leading global location for the design, development and delivery of green energy industry technology, products and services. It is focusing on winning investments from multinational companies, growing an innovative industry cluster with a supporting ecosystem, and developing world class research groups and educational institutes.

Since May of this year, Science Foundation Ireland, another agency under the aegis of my Department, has had its remit extended to sustainable energy and energy-efficient technologies. This change implements a programme for Government commitment. It formally and fittingly recognises the increasing importance of energy in strategic Government policy. The extension effectively adds a third pillar to its existing remit in biotechnology and information and communications technology, ICT. It will ensure that the opportunities and challenges in the energy field are underpinned by the knowledge, understanding and human capital that investment in world-class research can provide.

Energy, in terms of its availability, its uses and the potential it offers, is a vital element of our competitiveness and economic development. A significant increase in the numbers of researchers in the energy sphere, facilitated by the expansion of SFI's remit means that Ireland will be well placed to play a key role in what is both a domestic and international opportunity. Prioritising the field of energy at a research level means we are giving ourselves the best possible chance to strategically plan for the medium and long-term future, tapping into expertise in this field and striving to unearth, as yet, undiscovered possibilities. SFI is already supporting a number of projects in the sustainable energy and energy-efficient technologies sectors. I look forward with confidence to seeing the number and nature of these research activities expand.

To further encourage the development of environmental technologies and services, the Department of Enterprise, Trade and Employment has worked with the relevant agencies to complete an all-island study to identify further enterprise opportunities in the global environmental goods and services sector. The report of the study was published last week by Forfás and InterTradelreland. It concludes that rising energy costs, a more environmentally conscious consumer and increased environmental regulation mean the market for environmental goods and services will experience strong growth in the coming years.

The report found that the value of the environmental goods and services sector to the island of Ireland is growing and is currently estimated at €3.6 billion. It has been estimated that the value of the sector was in excess of \$600 billion worldwide in 2005 and is likely to exceed \$700 billion by 2010 and \$800 billion by 2015. A small number of major players exist in this market on the island of Ireland and the market has a high proportion of small and medium-sized enterprises which have established a substantial business presence in the past ten years. However, the report points out that, with some notable exceptions, the island has so far displayed low levels of research and development investment in the environmental goods and

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services sector. Nevertheless, a growing number of companies have been successful in developing business models which have commercialised research and development-intensive technologies.

The report also found that while a large proportion of environmental goods and services companies are trading locally, some companies have moved to realise opportunities in emerging international markets. Increased participation by indigenous environmental goods and services companies in international activity is considered a priority. On the issue of foreign direct investment, our strong ICT base, green credentials and past experience in attracting FDI should be to our advantage in attracting investment in this sector. However, a targeted approach will need to be taken, focusing on niche areas with the highest potential.

The report found that while a wide range of enterprise opportunities are expected to arise in the growing environmental goods and services sector, the sub-sectors which the report sees as having the greatest potential are renewable energies; efficient energy use and management, including eco-construction; waste management, recovery and recycling; water and waste water treatment; and environmental consultancy and services.

The report includes a number of policy recommendations, which are particularly relevant to today's debate. It argues that public procurement has an important role to play in fostering and promoting the development and adoption of new environmental goods and services. The development of skills through the education and training systems will be central to assisting the future growth of the environmental goods and services sector. In that context, environmental engineering is a critical skill and programmes promoting engineering as a career should be cognisant of the opportunities offered in the environmental engineering discipline.

Environmental research is central to the growth of the environmental goods and services sector. Given that the island of Ireland is starting from a lower base than a number of competitor countries, environmental goods and services-related and applied research, targeted at specific areas of opportunity, should continue to be prioritised for public investment. The report's authors also argue for the continued implementation of environmental legislation which will provide the regulatory certainty needed for enterprises to invest in the sector. They also maintain there is an ongoing role for incentives in developing the environmental goods and services sector.

The environmental goods and services market includes a significant number of specialised start-ups and small companies. These firms face difficulties in accessing start-up and growth finance common to all small firms. Measures to improve seedcorn financing and to remove market failures in access to finance for these firms will continue to be important. Building scale in companies in the environmental goods and services sector has been identified as an issue. Collaborative business networks organised on an all-island basis can play a role in assisting companies to build up scale and capacity. Networks could also prove important in helping indigenous companies to internationalise.

The Government clearly recognises that Ireland has an opportunity to play a leading role in developing a green economy. The Cabinet Sub-Committee on Climate Change and Energy Security is examining how the green economy might best be fostered. Some years ago we harnessed the State's industrial, educational, enterprise and development resources to develop the biotechnology and ICT sectors in Ireland, leading to significant inward investment and highly productive employment. As indicated in the recent carbon budget, the Government intends to take a similar approach to the development of the green technology sector. We have already made significant steps towards embracing this growth area but, to be effective, we must take a whole-of-Government approach. In the coming weeks a number of Ministers who have

responsibility in the relevant areas will collectively announce the establishment of a high-level action group to advise on the development of Ireland's green economy. The group will report to Government within four months, setting out an action plan for developing green enterprise in Ireland with a view to contributing to economic growth and providing new, quality employment opportunities in this growing sector. The Government is determined to guide our economic development and well-being onto a sustainable and low-carbon path. The action plan will build on steps which have been already taken and on the report of the study which I have just outlined.

If we are to develop green technology for economic growth in Ireland, we must recognise that the task requires a co-ordinated approach across a number of Departments and agencies. We must ensure synergy, in particular, between energy, environment and enterprise policy in this sector. I am confident that with a strong whole-of-Government approach we can look forward to the development of the sector and its contribution to economic growth in Ireland.

I thank the Cathaoirleach for the opportunity to participate in this debate and all of the Senators for their interesting contributions.

Senator Fiona O'Malley: I like the way the Minister of State has linked enterprise, energy and the environment together. That would make for an excellent new Department.

The energy sector is one of the major growth areas. When one looks back at our industrial history, one can see how successful the IDA was in attracting new industries to this country. I saw a very interesting television programme recently on the thoroughbred industry in this country. Ireland is a world leader in this area because it took certain fiscal measures, which is a great credit to us. The programme on the thoroughbred industry was very enlightening and I can only hope we can replicate that success in the green energy and technology areas. I acknowledge that this Government is already well under way, but merging energy, enterprise and environment into one Department is a fantastic idea, particularly given the fact that there is tremendous scope for enterprise in the energy sector.

Previous speakers have already referred to research and development opportunities in the environmental goods and services area. Some of the opportunities are legendary. However, I am a member of the Joint Oireachtas Committee on Climate Change and Energy Security. Frequently people appear before that committee and tell us they face hurdle after hurdle in terms of delivering their enterprises or research and development opportunities. It is deeply frustrating for committee members to hear this. Surely, as politicians, we should be facilitating the path to prosperity and opportunity. We must always remember that research and development is also about failure. Not every single project will be a success. However, if we do not take a risk on some of the opportunities presented, how will we ever learn anything?

The Minister of State referred to Science Foundation Ireland. While I welcome some of the changes that have taken place in that organisation, I would like to see much more of an IDA-type bend to it. Often the scope and scale of the grants from SFI are too small, which is a problem. Green technology is cutting edge and requires larger grants such as those provided by the IDA for major projects. I would be pleased to see such a development, because we are somewhat timid in advancing industry in this area. I have taken an interest in this area for the past seven or eight years and this is the main point I wish to highlight. Undoubtedly we have made significant progress and the Government has responded very well to initiatives during that time. However, there is more we could do.

I refer to foreshore licences. I am certain the Minister of State is aware of the issues, although he comes from an inland constituency so he may not be quite so pestered on the matter. The relevant committee hears from people on the matter all the time. There is a commitment to

[Senator Fiona O'Malley.]

change the law relating to the granting of foreshore licences, but it has not happened. Significant investment is at risk of being delayed and I have heard a figure of up to €8 billion mentioned in that regard. We cannot afford to lose such investment. We must facilitate investment by streamlining the process of granting foreshore licences. Responsibility for granting licences lies with the Department of Agriculture, Fisheries and Food, although it will soon move elsewhere. A group from the Department visited the committee last week. I was disappointed to sense a lack of urgency in making this change. Some members of the committee made the point that this may be a reaction to decentralisation. When responsibilities change from one Department to another there can be reluctance and resistance. This is precisely why we need a dynamic public service that will facilitate progress, prosperity and development. Nothing should stand in the way of this potential development.

The Government could improve its procurement policies and perhaps the Minister of State has experience of this. When a contract in a Department for computer services is put out to tender, frequently the cost of the project is the principal criterion. Will the Minister of State examine this practice? The least cost submission is not necessarily the cheapest in the long term and energy efficiency is not rated highly enough in procurement process matrix. Could this somehow be revised so that an added weighting could be assigned to energy efficiency? It may well be more efficient to make such a change over the lifetime of the use of the computer system. An energy efficient item may be more expensive on day one, but over the lifetime this may not be the case. We are now more acutely aware of the effects of carbon emissions and our carbon footprint and we must take cognisance of this. These costs must be factored in and I am not certain that is the case at present, but we must examine the possibility. Will the Minister of State ensure the question of energy efficiency is raised at whatever meetings he attends dealing with public procurement contracts?

I commend the motion to the House. This is a very significant growth area for the country and it is where our new opportunities lie. I hope the Government will do everything it can to ensure these new opportunities are delivered and facilitated.

Senator Dan Boyle: I thank all who contributed to the debate, including the Minister of State at the Department of Communications, Energy and Natural Resources for his lengthy contribution and the many and considered contributions of the Opposition Members, including Senators Cummins, Coffey, Burke, Bradford, Norris and O'Toole. Senator O'Toole is especially keen that I acknowledge as much. I also acknowledge the contribution of my colleagues Senators de Búrca, Carty and O'Malley. I am grateful for the conduct of the debate, which recognised the intent of the motion. The motion recognises the potential that exists and how we can collectively build on it and many contributions reflected this recognition very well.

Senator Norris made the point that we have come some distance from the time when a political debate of this nature would have been derided and largely ignored. That there is such a degree of consensus on the motion gives heart and indicates we are moving in the right direction. Whether we are moving fast enough and devoting sufficient resources is a matter for further legitimate political debates and I believe there will be many such debates in the House.

Senator O'Toole mentioned several possible options. He spoke of nuclear fusion, which he has mentioned previously. I am nowhere near to being a nuclear physicist and I cannot say whether nuclear fusion is likely or possible in the near future. However, current nuclear technology carries a sizable risk of potential disasters and a significant problem in dealing with nuclear waste. Senator O'Toole also asked about the potential of waste-to-energy technology. There is undoubted potential in this area. He concentrated on open funnel incineration. Open stack incineration is the most wasteful technology that exists. Far from representing an alterna-

tive to landfill, it merely delays what eventually ends up in it. There are incinerator based technologies such as closed-loop systems and co-firing which offer potential. I am open, and I believe the House would be open, to such debates in the future. Ultimately, the debate is a useful start to what will follow, namely, the promise of the establishment of an action group, to report within four months, dealing with the potential that exists here and now. The impending announcement is especially welcome because it serves as a recognition of what has been lacking in the past, namely, the clichéd notion of joined-up Government. If there is to be progress in this area it must be on the basis of recognising that it is not the special responsibility of any one Department, but of all Departments working collectively to bring about a desired end.

I thank all Senators for their contributions this evening and I look forward to debates of this type in future where we can assess some of the commitments entered in the record of the House tonight and how the country is progressing in meeting the undoubted potential which exists.

Question put and declared carried.

Adjournment Matters.

Drug Abuse.

Senator Diarmuid Wilson: I raise this issue on the Adjournment of the House tonight in an effort to highlight the fact that the drug BZP, commonly known as “the party pill”, is being openly sold in shops throughout the country. These shops offer a range of products conducive to the use of illegal drugs and legal but unsafe drugs. Most notably they offer the drug known as BZP, or the party pill, which is a recreational drug with euphoric, stimulant properties. There have been many dangerous adverse effects reported following its use, including acute psychosis, renal toxicity and seizures.

BZP is also known as “Legal E”. It is a synthetic stimulant drug with the chemical name benzylpiperazine. It was originally used as a worming treatment for animals. BZP is banned in some countries, including the USA and parts of Australia. A 50-200 mg dose of BZP can lead to a sense of increased alertness, while the sense of taste, sound and colour may be enhanced. Such effects can last between four to eight hours, depending on the amount taken, the user’s mood, metabolism and environment. Users report an inability to sleep for as long as ten hours after the effects have subsided. BZP can leave users with symptoms similar to a hangover, such as headache, fatigue, reduced appetite and nausea. There is also a possibility of slight memory loss. Tolerance to the substance develops, which means the user increasingly needs more to get the same effect. Medical experts have warned that taking BZP can over-stimulate the brain, causing anxiety and convulsions in some cases.

In the UK, any product containing piperazine — a component of BZP — must be classified as a prescription-only medicine. This is a dangerous drug, and is freely available to and targeted at young people, who are the most vulnerable and impressionable people in our communities.

An EU decision this year placed BZP under control measures and criminal provisions across the member states. This decision was based on the findings of a formal risk assessment report on BZP produced in 2007 by the scientific committee of the EU drugs agency, the EMCDDA, with participation of additional experts from the European Commission, Europol and the European Medicines Agency, or EMEA. The Council decision states that, “due to its stimulant properties, risk to health, the lack of medical benefits and following the precautionary principle, there is a need to control BZP.” Eight EU member states, namely, Belgium, Denmark, Estonia, Greece, Italy, Lithuania, Malta and Sweden, already control BZP under drug control or equiv-

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alent legislation, while two other states, Spain and the Netherlands, regulated it under their medicine-related legislation.

I understand from my colleague, Councillor Patricia Walsh, that a shop similar to the head shop in the chain is due to open in Cavan town in a matter of days. I further understand that this shop will be selling items such as those advertised on the website of the head shop. The company website advertises pipes and bongs, vaporisers, scales, grinders and room odourisers. Why would one need these? It advertises legal highs and herbal highs, and products such as “Berry Mashed”, and asks the user to “have a blissfully stoned night”. Another product is “Diablo XXX”, which is described as being “by far the strongest pill” and it contains 500 mg of BZP.

Another product is “E-Blast” and is described as follows:

Like a lightning bolt of pure energy straight to your brain, E-Blast pills are guaranteed to make your jaw clench, your hair stand on end and your feet to want to hit the dance floor. Take that feeling you get when the moon is full, you’re looking good and feeling good and out for a night of carnage, you know, the kind of night where colours seem brighter, music sounds better and you feel unstoppable.

That does not sound like a harmless pill. This is not acceptable to me or to the people and parents of Cavan. It is not acceptable that such shops are all over this country. It is not acceptable that these pills are freely available to young people. I urge the Minister to bring forward, as a matter of urgency, legislation to ban BZP and other such products on sale in these so-called herbal outlets.

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran): I will take this Adjournment matter on behalf of the Minister for Health and Children and I would like to thank the Senator for raising it.

The Misuse of Drugs Act 1977 and regulations made thereunder regulate and control the import, export, production, supply and possession of a range of named narcotic drugs and psychotropic substances listed in the Schedules to the Act. Substances are scheduled under the Act in accordance with Ireland’s obligations under international conventions, or where there is evidence that the substances are causing significant harm to public health in Ireland. The list of scheduled substances is kept under review. In particular, the Department of Health and Children reviews any evidence that substances are being abused and are causing significant harm to public health.

BZP is an example of a substance not currently scheduled under the Misuse of Drugs Act and its subsequent regulations. This means that possession of BZP and its sale in so-called head shops around the country are not illegal. BZP is a synthetic psychotropic substance which may be sold as ecstasy under the street name of ‘Legal E’, ‘Legal X’ ‘XTC’, ‘A2’, ‘piperazine’ or ‘party pills’. Following a risk assessment of BZP carried out at EU level by the European Monitoring Centre for Drugs and Drug Addiction, the Council of Ministers decided on 3 March 2008 to introduce formal regulation of BZP in accordance with the 1971 UN Convention on Psychotropic Substances.

The Council decision noted that while the risk assessment report on BZP revealed a lack of conclusive scientific evidence on the overall risks of the drug, it would be safer to effect controls on the substance, due to its stimulant properties, risk to health, the lack of medical benefits and following the precautionary principle. The control of BZP may also help to avoid problems in international law enforcement and judicial co-operation. However, while there is a need to control BZP, the control measures introduced should be appropriate to the relatively low risks of the substance.

Member states must act as soon as possible, but no later than one year from the date of the Council decision, to introduce control measures and criminal sanctions. For Ireland, the introduction of national measures will involve declaring BZP to be a controlled substance under the Misuse of Drugs Act 1977 and adding it to the list of controlled substances in accordance with the Schedule of that Act. This will make the possession and sale of BZP illegal. The Department of Health and Children is awaiting legal advice on the drafting of the legislation necessary to introduce control measures here, but it expects to have the legislation in place before the deadline of March 2009.

Senator Diarmuid Wilson: I thank the Minister of State for his reply. I welcome the fact that legislation is to be enacted that will make the possession and sale of BZP illegal. It is an addictive substance that is harmful to everybody who uses it, especially young people. I ask the Minister of State to urge the Minister for Health and Children to introduce the legislation to ban the sale of this pill, BZP, as soon as possible because these shops are opening weekly throughout the country. This pill is addictive and once somebody becomes addicted to something it is very difficult to stop them using it, irrespective of whether its sale is banned. Before the end of this year, legislation should be brought forward to outlaw the sale of this dangerous drug. I understand from Senator Keaveney that this pill has caused major problems in New Zealand, where it is banned. Before it was made illegal, much harm was caused by side effects attributed to its use. The relevant legislation should be introduced before the end of the year.

Deputy Michael Finneran: I will convey the Senator's comments to the Minister for Health and Children.

Senator Diarmuid Wilson: I thank the Minister of State.

Budgetary Measures.

Senator Pearse Doherty: Cuirim fáilte roimh an Aire Stáit. Ba mhaith liom an táille ar tithe saoire, tithe atá á ligint ar cíós agus tithe nach bhfuil an úinéir ina chonaí iontu, a thugadh isteach i mbuiséad 2009, a ardú os comhair an Tí. D'fhógair an Aire Airgeadais trí seachtainí ó inné go mbeadh táille de €200 i gceist. Conas a chuirtear an scéim seo i bhfeidhm? Cathain a bheidh an reachtaíocht os comhair an Tí? Conas a oibreoidh an chóras i gcás duine atá ina chónaí taobh amuigh den Stáit? An gcoinneofar an airgead sna ceantair — na comhairlí chontae — ina bhfuil na tithe éagsúla?

This Adjournment matter deals with the budget, which has been a savage attack on the most vulnerable people in society. When I heard the Minister for Finance announce the €200 levy on holiday homes, however, I welcomed it. Earlier this year, I called on the Minister to allow local authorities to impose a levy on holiday homes across the State. The Minister went further than holiday homes, however, dealing with the rental sector and non-principal places of residence. When will the legislation be brought forward? Will the moneys collected within a local authority area remain within that area? How will the levy be applied to people who live outside the State?

When I asked earlier this year that a levy be imposed on holiday homes, I was asking for it to supplement local government funds. Unfortunately, however, three weeks ago the Minister and the Government decided to slash the funds available to local authorities. We now see many local authority projects across the country grinding to a halt because they cannot reach the matching funds. This should not be an either-or situation. As all Senators know, local authorities badly require additional revenue. Widening the scope for additional revenue to local authorities is positive in one regard, but it is deplorable to take it away with the other hand.

The Minister of State will be aware that many local authorities are currently examining their budget estimates. Many of them consider this holiday home levy to be the great white hope to

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bridge the funding gap that exists. The only other solution is to increase rates, but nobody wants to see that happening in the current environment. It is important to bring this legislation before the House, where I will examine it closely.

On budget day, the Minister said all other non-principal places of residence will be levied. However, my county has the highest unemployment rate in the country and many people must travel to Dublin or abroad to find work, thus leaving their houses vacant during the week. Under the Minister's plan, such houses would be subject to a levy. We will deal with these matters when the legislation comes before the House, but I would ask the Minister of State to deal with the questions I posed. When will the legislation be brought forward, will the moneys collected in a local authority area be kept within that area and how will the levy be collected from people who have property in the State but reside outside it?

Deputy Michael Finneran: Os rud é gur thíolacadh an cheist seo don Seanad i mBéarla, freagróidh mé é i mBéarla. Current expenditure by the local government sector is forecast at about €5 billion this year. Clearly, a very significant income stream is required to underpin expenditure of this order. However, the revenue base available to local authorities is relatively narrow. Commercial rates account for just over one quarter of local government revenue, and income from goods and services account for about 28%. The balance of some €2.2 billion is funded by central Government and is almost equally divided between specific grants and subsidies, and general purpose grants from the local government fund. There are significant implications for the Exchequer. Leaving aside central Government grants and subsidies for specific services, the recently published abridged Estimates provide for a grant of €520 million to the local government fund. With income from motor tax also, this fund is used, *inter alia*, to support general purpose grants for local authorities.

Local government services are vital to the well being of our communities — water services, social housing and regional and local roads are good examples. Senators will be aware that the demand for these services increases all the time, but they do not come cheaply. There has been considerable discussion over many years as to how local authorities should be funded. Their current narrow revenue base is one of the reasons the government decided to introduce a €200 annual charge on all non-principal private residences effective from next year. The other reason is the scale of the economic difficulties which we face as a society. The proceeds of the charge will be used to support the provision of local services.

In his recent budget, the Minister for Finance made clear that the €200 charge will apply to all non-principal private residences in the State, with the exception of dwellings that have yet to be sold. Owners of property to which the charge applies will not be exempt simply by virtue of the fact that their main residence is located outside the State. There is nothing especially new in this. Other public and private sector charges, such as charges for waste services, are levied on those who are liable for them, irrespective of whether their main residence is in the State.

I note the point raised concerning the retention by local authorities of the proceeds of the charge. I am at present considering the detailed provisions under which this measure will be operated and I do not wish to pre-empt the outcome. However, non-principal residential properties are not distributed evenly across local authority areas. Some have a high number of rented dwellings, others have many holiday homes and yet others have few non-principal private residences of any kind within their functional areas. This suggests that it would not be equitable simply to provide for local authorities to retain the revenue stream to which the charge will give rise.

It is my intention to bring forward legislation to give effect to this measure as soon as possible, and this will address the detailed parameters under which the charge will operate, including the matters raised by Senator Doherty.

Senator Pearse Doherty: Go raibh maith agat, a Aire. While one of my questions was answered, the other was not. For example, the Donegal county manager said the council will plug the gap in funding from the decrease in the local government fund from central Government through these charges. However, we have no idea when the legislation will be published, introduced or take effect in order that a local authority can start the hard work involved. The Minister of State says it is not equitable to have these charges retained within a local authority area, but I think that decision is wrong. Local authorities apply rates to businesses within their areas. Will the same standard be applied to businesses? That would mean all businesses in the State would be taken together and the revenue would then be divided out equally. For example, in the west, where we do not have many thriving businesses, the rates base is very low. The west also has most of the holiday homes — one quarter of them in County Donegal alone. It would be unfair and would be a case of double standards if the Government were not to allow the local authority charge on holiday homes to be kept within the local authority area. Furthermore, we need clarification, as do the county managers and the councillors across the State who will be holding budget meetings soon, as to when local authorities will be able to levy this charge. I appeal to the Minister of State to ask the Minister for that information for me.

Deputy Michael Finneran: I have stated already that I will be bringing forward legislation on this matter and the county managers and the Houses of the Oireachtas will be informed. On the Senator's argument that the moneys accruing from holiday homes should be held by the local authority, the information and advice available is that smaller counties would lose out drastically because this charge includes all second homes and rented properties. Small counties such as Leitrim, my own county of Roscommon, or Longford would have a very small return on either rented or holiday homes whereas some of the larger counties would have a significant return as well as having a higher rate base. I want to ensure equality and something like the previous equalisation clause. I want to ensure smaller counties with a low return are not penalised or left short of funds.

Museum Projects.

Senator Cecilia Keaveney: I wish to share one minute of my time with Senator Hannigan if that is agreed.

I thank the Cathaoirleach for allowing me to raise this matter on the Adjournment. I also declare an interest in that my grandfather, James Keaveney, spent 13 months in hut 27 of one of the camps in Ballykinlar. As he did not speak to many about his experience afterwards, as is the case with most prisoners, we hold on to the one story he did leave. He had a white handkerchief with a red stain on it. When in later years his son asked him about it he said that one of two men who were in two huts separated by a wire fence had received a package from home. They tried to share information with each other about what was in a letter. The guards watching decided that they were planning an escape and so they shot one of the men but the bullet went through him and also killed the other. My grandfather said he dipped his handkerchief in the blood so that he would never forget what had happened.

I have read in archival sources that this episode is recorded simply that the guards had orders to shoot anyone approaching the wire and no one doubted they were quite prepared to shoot. In January 1921, James Sloan and James Tormey, both from County Westmeath, were shot down in Ballykinlar camp for getting too close to the wire, as it were.

I maintain we should not forget James Keaveney and the many other prisoners of the internment camps of Ballykinlar, Frongoch and the Curragh. As we move into a new phase in Irish history, the ability to look at our history, to understand what brought us to where we are and to explore remembrance is needed as much as ever. There are many people on the island of

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Ireland who had relatives in these camps and who struggle to get any information as to who was there, how long they were there and the reason for their internment.

The websites show the autograph books and the comments made by many of the families and comments made by the prisoners. Many people of my generation do not even know that Ballykinlar existed. I have visited other locations recently as I am currently doing a report for the Council of Europe on how to teach history in areas of recent conflict and the message is clear: to proceed by ignoring history can only lead to problems. Remembrance and viewing history from many perspectives can only enhance the experience for the student. It assists them to develop a critical and analytical mind, which is what all employers want.

I suggest that talks be commenced with our Northern counterparts to develop an interpretative centre at Ballykinlar where all archives can be sourced, collated and put on display. This could link into a larger project in the other two internment camp locations which would thereby link Wales and the North and South of Ireland. I have already had interactions with people who hold significant photo, arrest warrant and death certificate primary source materials. If these types of resources are not collated now they will be gone for good. Already we have lost the primary source of the prisoners and guards themselves; we have no more time to lose.

This may be controversial. Some people say they cannot decide on what to do with the site of the Maze Prison but I do not regard these two issues as being the same. The time factor is significant, as is the historical context. We are approaching the anniversary of the 1916 Rising and the 1920-21 activities evolve from that. It is an opportunity to work to putting the various bits of information in some format that will be accessible for all. Marc Bloch said that history can be a knife to kill or cut meat. In this instance I want history to be useful and just to cut meat. As I search the web pages under Ballykinlar for more information and more understanding of my past, I trust this Adjournment matter may be the beginning of what I call an all-Ireland cultural tourism project similar to those taking place across Europe and beyond. The fact I am sharing my time with a colleague on the Opposition benches shows that this is a consideration worthy of more thought.

Senator Dominic Hannigan: I welcome the Minister of State to the House and thank Senator Keaveney for being so generous with her time. I echo the call she makes for an interpretative centre at Ballykinlar camp.

My grandfather, Patrick Boylan, was a member of the old IRA in County Monaghan. He spent nine months in Ballykinlar in the early 1920s. I remember well the stories he told me as a boy. For him and for many small farmers who took up arms on behalf of their country, this was their first time being away from their homes and families and it was a very frightening period for them. In the words of Michael Collins, it became a university of revolution for them. As a tribute to the efforts they made in the cause of our independence, this interpretative centre would be very fitting. I ask the Minister of State to give serious consideration to progressing such a scheme so that it will be in place in time for the centenary of the War of Independence in 13 short years' time. Go raibh maith agat.

Deputy Michael Finneran: I am taking the Adjournment on behalf of my colleague, the Minister for Arts, Sport and Tourism, Deputy Martin Cullen. I thank Senators Keaveney and Hannigan for raising this matter.

I applaud the well-informed and sincere interest shown by Senators in matters relating to our archival heritage. With regard to the Ballykinlar material and site, I understand that the Department of Culture, Arts and Leisure in Northern Ireland does not have ministerial responsibility for the site in question which is still the property of the United Kingdom Ministry of Defence. In the UK the principal repository for records relating to internment camps and

prisons in Ireland for the 1914 to 1922 period is the UK national archives in Kew, but not all of these records are currently publicly accessible.

In this jurisdiction, the only State collecting agency with any records of significance in relation to Ballykinlar is the National Library of Ireland in the Seán O'Mahony collection. Mr. O'Mahony is a former bank manager who enthusiastically collected republican memorabilia over many years and the National Library purchased his collection some years ago. During the War of Independence, republican prisoners were interned in the camp at Ballykinlar, County Down, controlled by the British garrison in Ballykinlar Barracks. Prisoners within the camp produced arts and crafts, plays, a journal called *The Barbed Wire* and their own money tokens. The O'Mahony collection contains copies of some contemporary items from Ballykinlar as well as letters and notes produced while he was researching his own book on the camp. The list of the collection can be viewed on the National Library website under the heading, Manuscripts Collections. I also understand there is a similar collection of Ballykinlar material in Kilmainham Gaol.

Senators will appreciate the financial limitations placed on Departments in relation to new projects that require buildings. However, the collection and the making available of heritage data such as the Senator has mentioned can be made a reality without the need for buildings by means of digitisation and the Internet. In this regard, I am pleased to report that the digitisation of the 1901 and 1911 census returns undertaken by the National Archives in conjunction with its partner, Library and Archives Canada, is progressing well. The Irish census returns of 1901 and 1911 are an extremely valuable part of Irish documentary heritage. They are the individual household returns completed by each head of household and supplementary records created by the census enumerators. These records are an invaluable resource for family historians, genealogists, local historians and other scholars.

The returns for 1901 and 1911 are arranged by townland or, in urban areas, by street. The 1901 census lists for every member of each household the name, age, sex, relationship to head of the household, religion, occupation, marital status and county or country of birth. The census also records an individual's ability to read or write and ability to speak the Irish language. The same information was recorded in the 1911 census, with one significant addition — married women were required to state the number of years they had been married, the number of their children born alive and the number still living. In addition to returns for every household in the country, both censuses contain returns for police and military barracks, public and private asylums, prisons, hospitals, workhouses, colleges, boarding schools and industrial schools, among other institutions.

The Minister for Arts, Sport and Tourism launched the first live phase of the project in December 2007. The website www.census.nationalarchives.ie contains the 1911 census returns for Dublin city and county and is free to access online. Ireland is the first of the English-speaking countries to make its census records, with an index to every name, available free online. For the first time, the people of Ireland and the Irish diaspora spread across the globe will be able to search for their ancestors by name. The new website also features a wealth of historical and illustrative material to bring alive the Dublin of 1911. Many beautiful photographs from partners in the project, including the National Library, the Royal Society of Antiquaries, Dublin City Archives, the Railway Records Society and others, are available to view on the website.

This is but the first phase of the project, which will be followed in phases with the digitisation of the remainder of the 1911 census and then the 1901 census. Since Dublin city and county for 1911 went live last December on the National Archives' website, it has resulted in phenomenal interest both in Ireland and abroad, with in excess of 2.5 million site visits and in excess of 39 million hits. It has also resulted in members of the public actively visiting the National Archives premises to make family-tree related inquiries.

[Deputy Michael Finneran.]

Senators will also be interested if I mention the military service pensions project. The State holds nearly 300,000 files in the military archives relating to the period from Easter Week 1916 through the War of Independence and the Civil War up to October 1924. The intention behind this project, which was announced by the Taoiseach in 2006 in the context of the 90th anniversary of the Easter Rising, is to make these records publicly available in the run-up to the 1916 centenary in 2016. Already, a specialist steering committee and an advisory board of historians are working on the project. The data and accounts contained within this archive are second to none in relevance for anyone studying family or other histories in the 1916 and War of Independence period and, undoubtedly, Ballykinlar will feature strongly in the personal stories contained in that archive. These records will greatly enhance our understanding of this period and the people who played a direct role in the historic events.

I note the worthy contributions to this debate and I assure this House that the relevant officials will carefully consider these contributions as projects are progressed. I thank Senators for their interest.

Senator Cecilia Keaveney: Following from the Minister of State's comments that the details we need are currently under lock and key in the UK Ministry of Defence, will he take back the message to the Department that the Minister for Arts, Sport and Tourism would talk to his counterpart in the UK — perhaps the Secretary of State, Mr. Shaun Woodward — to encourage the UK to release those archives to us in order that we can display them?

While I accept the budgetary parameters are tight, this project is different given it has a tripartite dimension between the North, the South and Wales. There used to be a soldiers and sailors fund relating to peace and reconciliation in the International Fund for Ireland. With the Ministry of Defence moving out of the North, a fitting tribute would be for it to make some contribution to developing a commemoration.

As far I am concerned, this is the start of the road, not the end. I would like to think the Minister of State will take our suggestions back to the Department. As the report states, much of this is not financially driven. First, it involves a recognition by the Departments of the need to release the information. Second, it does not need to be a massive project because a small commemorative location would bear tribute, as Senator Hannigan said, to those who served many cold, quiet, weary months and dismal days, with very little food.

There are some very interesting pieces of information. I would like to think the Minister of State can reflect what we are saying to the Department on those two points, first, the release of information from the UK to us and, second, that the Department would not take this project on itself as its own individual event but that it would work in collaboration with the many other funding agencies to put in place a commemorative tribute to those who were there, and as a remembrance for those who might have missed out to date on this episode of Irish history.

Deputy Michael Finneran: I will have the comments of the Senator conveyed to the Minister.

The Seanad adjourned at 7.40 p.m. until 10.30 a.m. on Thursday, 6 November 2008.