

SEANAD ÉIREANN

Dé Máirt, 9 Feabhra 2010.
Tuesday, 9 February 2010.

Chuaigh an Cathaoirleach i gceannas ar 2.30 p.m.

Paidir.
Prayer.

Business of Seanad.

An Cathaoirleach: I have received notice from Senator Fidelma Healy Eames that, on the motion for the Adjournment of the House today, she proposes to raise the following matter:

The need for the Minister for Education and Science to verify the timeframe for delivery of the recommended extension to Calasanctius College, Oranmore, County Galway.

I have also received notice from Senator Ciaran Cannon of the following matter:

The need for the Minister for the Environment, Heritage and Local Government to indicate the reason an application dated 25 September 2007 to carry out works at Lorro Gate, Athenry, County Galway has not been responded to.

I have also received notice from Senator Jerry Buttimer of the following matter:

The need for the Minister for Finance to make a statement on the Lee catchment flood risk assessment and management study.

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

The need for the Minister for Education and Science to clarify whether self-awareness programmes on checking for cancer could be piloted in children's profile in school education classes.

I have also received notice from Senator Joe O'Reilly of the following matter:

The need for the Minister for Education and Science to proceed with issuing a roll number for a new second level school for Kingscourt, County Cavan, given that the necessary building and facilities are already in place and there is a prior commitment to the building of the school.

I regard the matters raised by the Senators as suitable for discussion on the Adjournment. I have selected the matters raised by Senators Healy Eames, Cannon and Buttimer and they will be taken at the conclusion of business. The other Senators may give notice on another day of the matters they wish to raise.

Order of Business.

Senator Donie Cassidy: The Order of Business is No. 1, motion re Diseases of Animals Act, to be taken without debate on the conclusion of the Order of Business, and No. 2, Energy (Biofuel Obligation and Miscellaneous Provisions) Bill 2010 — Order for Second Stage and Second Stage, to be taken on the conclusion of No. 1, with spokespersons having 15 minutes, all other Senators ten minutes, and on which Senators may share time by agreement of the House.

Senator Frances Fitzgerald: Although a great deal of media attention is undoubtedly currently focused on the resignation of Mr. George Lee from politics, I agree with our party leader in his comment that the real challenges facing us involve helping those people who are struggling to pay mortgages, getting credit flowing to the businesses in need of it and dealing with ever-growing unemployment. When the Government presented NAMA to the people, it was meant to get credit flowing in the economy and the country. It was meant to get credit flowing to the hard-pressed householders and businesses struggling to keep people employed. We have now heard that all the time members of the Government said this, it was receiving advice at the same time from the IMF that establishing NAMA would not lead to a significant increase in lending by the banks, and this raises major questions about the Government. Were we being misled by the Minister for Finance in this House when he presented the NAMA legislation for debate? We were assured the agency would get credit flowing. *The Irish Times* has stated that in April last year, the Government was warned by the IMF that this would not happen. An article in that newspaper today indicates that the Government played fast and loose with the facts about NAMA and was desperate to sell the policy at any cost. We were told that NAMA was the only show in town and it was not a bailout for bankers. It was meant to be about getting credit flowing.

If the Government was warned that this was not the case and made statements to the opposite effect, it is time we had the Minister for Finance before the House again. We should have a response from the Leader to explain the discrepancy and the Government's current plan if we will not see credit flowing as a result of NAMA. What is the economic and job creation plan? We need the Minister in the House today to talk about job creation, employment and how to address the real issues raised by the comments from the IMF last April. I move an amendment to the Order of Business to discuss these issues.

An Cathaoirleach: Is the Senator moving an amendment to the Order of Business?

Senator Frances Fitzgerald: I move an amendment to the effect that the Minister for Finance should come to the House to discuss recent revelations relating to NAMA.

Senator Joe O'Toole: As with Senator Fitzgerald, I will not raise the obvious issue either except to note it was a very expensive way to lose 15 stone from the weight of the parliamentary party for "Operation Transformation". We must look at one issue very carefully. I hesitate to disagree with Senator Fitzgerald, but it is not true to say the Government came in here and said credit would flow after NAMA. We debated it for a full hour on the night and the issue was raised time and again on these benches. I said repeatedly that it will not allow credit to flow. I pointed out the objective of NAMA in the Bill in respect of this issue and I made it clear the Minister could not insist on credit flowing. It was never going to happen. We said time and again from these benches that it would raise the tier one assets that were required.

There were reasons NAMA was good and reasons why there might be questions about it, but it is not fair to say this was a selling point. It was a selling point for the media and for many on that side of the House. Senator Fitzgerald is correct in so far as the other side of the

House tried to indicate to us that it would lead to increased credit flow, and it might do so in the long term, but not in the short term, which was the real issue.

The respective positions of the trade union movement and the Government were raised here last week, and Senators asked why both sides could not sort things out. I do not know the answer to that question. I know there is a total loss of trust and confidence, and I think Senators on the other side of the House should ask that question in their parliamentary party meetings and not in here. Many of us made serious attempts to look at the Government's need to reduce spending by €3 billion, and to make many other changes. The Government was offered the opportunity to make €3 billion of savings on the basis that those savings would be taken immediately with pay cuts and would be there until such time as they could be maintained permanently, which would be done through a reduction of numbers in the public service by 15,000 to 20,000 through increased productivity, efficiency and a transformation in the public sector.

It was the best deal ever offered to the Government, but it walked away from it for reasons I or the trade unions do not understand. We are now seeing bushfires around the country, which are a reflection of people's anger. People ask me whether trade unions clearly want industrial action at this time, and the answer is clearly "No". It is total madness to be looking for industrial action, but people are attempting to express their anger in all sorts of weird ways. The Government should take a stand on this. Fine Gael is very clear as it thought it was a good deal and it decided that it would enter negotiations. It is a belt and braces job. The Government cannot lose as it gets its €3 billion forever if it does it this way, whereas now it is faced with a situation in which it must look for €3 billion for the following year in the next budget. The only way this could have been done was to change the public sector, reducing the numbers working there and getting associated savings. I would appreciate a debate on this and related matters, but I think they should be discussed internally in the first place.

Senator Alex White: This is an opportunity for us to ask questions of the Leader——

Senator Terry Leyden: Where is my seat?

Senator Alex White: You will not be surprised to hear that there are many questions on my mind today after the events of the last 24 hours. I am sure there are questions on the minds of colleagues in front of me.

(Interruptions).

Senator Eoghan Harris: He cannot stop smiling.

Senator Alex White: I am tempted to ask the Leader when he thinks there might be a by-election held in the other House to fill the seat that was so quickly vacated in the last 24 hours in Dublin South. However, I should pass on that as it is a matter for the other House.

Senator Terry Leyden: Not another ex-RTE man.

Senator Alex White: I may be ex-RTE, but I have passed the eight month test in politics.

(Interruptions).

Senator Alex White: In the course of debates about NAMA, the Minister for Finance was keen to tell us how supportive the IMF was of the project. Why did he not inform the Houses that the IMF was of the solemn view that the NAMA project would not have any impact and would not lead to a significant increase in lending by Irish banks? There have been many

[Senator Alex White.]

references to the quality of the debate in these Houses, so why did he not give us that single, important piece of information?

Senator Ivana Bacik: Hear, hear.

Senator Alex White: Of course, he did not give us that information because it did not suit his purposes to tell us. It is a dereliction of duty to these Houses not to tell us what the IMF has said just because it does not suit the Government's case, especially since the Government is so quick to invoke the IMF in its support. That is wrong. Why is a freedom of information request by a newspaper required to extract what the IMF thinks on these matters? The following statement also had to be extracted by way of a freedom of information request and it will surprise colleagues to hear who the author is:

This legislation does not guarantee that credit required by the economy will be provided. This is a life-support measure for the banking system, ie, a bailout for the banking system and primarily for AIB and Bank of Ireland.

Deputy Seán Fleming, Chairman of an Oireachtas committee, made that statement but it had to be extracted by way of a freedom of information request. We must have all the information available to us when we have a debate in these Houses. There is no point in the Government selecting the information that suits. If it wants to tell us the IMF is in favour of something, let it give us all of the information coming from the IMF and not be selective for its own purposes. I respectfully disagree with Senator O'Toole in what he said, not with the substance because I have done so on other occasions — I do not have time to debate whether NAMA will lead to credit flowing — but he is incorrect when he says the Government side did not make as a central part of its case that NAMA would restore lending to the economy and small businesses in particular

Senator David Norris: He said that.

Senator Alex White: That was the case made over and over again. I do not see why those on the Independent benches are so quick to defend the Minister for Finance.

Senator David Norris: We are not.

Senator Alex White: The case was made as recently as yesterday by the Minister for Finance when he said the purchasing of bad loans by NAMA would increase to ensure the banks could get back to lending. That was the case being made and there is an attempt being made to resile from that position.

Senator Terry Leyden: On 9 May 2009 I stated:

I am asking the Leader if he can invite the Minister for Communications, Energy and Natural Resources to come to this House to draw up protocols and procedures for those in senior positions in RTE whose salaries are paid for by taxpayers' money. I pay my licence fee, but I am not doing so for George Lee to contest the by-election in Dublin South.

Senator Jerry Buttimer: That is a Second Stage speech. Does Senator Leyden have a question?

Senator Terry Leyden: I want a health warning attached to those in RTE. George Lee is on €150,000. When I was elected to the House, I could not go back to my practice. George Lee can go back to RTE. That is the deal. I do not like hypocrisy.

An Cathaoirleach: Questions to the Leader, please.

Senator Terry Leyden: I ask the Minister to come to the House to draw up protocols to prevent Joe Duffy, Marian Finucane, Charlie Bird or Miriam O'Callaghan from running for the Dáil on the basis of their high profiles on television. A television licence costs €160. The amount raised comes to €195 million a year. I hope Senator Alex White has taken leave of absence from RTE because he will be a candidate.

Senator Alex White: That is outrageous. On a point of information, it is 16 years since I was an employee of RTE.

An Cathaoirleach: This has nothing to do with the Order of Business.

Senator Terry Leyden: The Minister has responsibility in this area.

An Cathaoirleach: The Senator should ask a question of the Leader and he will reply.

Senator Terry Leyden: I am also nominating Deputy Olivia Mitchell for an Oscar because Meryl Streep has withdrawn.

An Cathaoirleach: We are not nominating anyone for an Oscar. That is totally wrong — nominating anyone for an Oscar.

Senator Terry Leyden: I am asking the Minister to come to the House. I said this on 9 May 2009 and the Cathaoirleach did not object.

An Cathaoirleach: I do not know why I did not object.

Senator Terry Leyden: I made the same statement in 2009.

Senator Maurice Cummins: What answer did the Senator get in 2009?

An Cathaoirleach: I hope this Parliament is serious; serious questions should be put to the Leader.

Senator Terry Leyden: Of course, it is serious. It is very serious when politics is hijacked by a high profile RTE employee.

An Cathaoirleach: *The Beano* and *The Dandy* are back again; let others follow that.

Senator Liam Twomey: I do not know how to follow those comments. I wish George Lee well in the future. His contribution to politics was brief but it illustrated the hard work done by politicians and the lonely existence many of us experience in politics. That should highlight how difficult a life in politics can be. It is no easy ticket for anyone who gets involved. We should have a good discussion about this issue and perhaps we might receive publicity for the hard work we do.

There is a need for the Minister for Finance and the Taoiseach to come to the House. Speaking on the day of publication of the NAMA legislation last September, the Minister for Finance, Deputy Brian Lenihan, said NAMA would strengthen and improve the funding position of the banks in order that they could lend to viable businesses and households. This means it would get credit flowing. The Taoiseach said the Government's objective in restructuring the banks was to provide access to credit for Irish businesses at a critical time. When both individuals were making these statements, they clearly had evidence to the contrary, that it would not get credit flowing or that there were concerns about whether it would get credit flowing. When

[Senator Liam Twomey.]

we had the discussion in this House it was very much implied that the purpose in the taxpayer taking responsibility for €47 billion worth of junk bonds was to get credit flowing to the rest of the economy. There are also concerns that billions will be required to be poured into the banks in the coming months. We must ask ourselves what is the basis of Government policy as serious concerns about the financial policy of the Government have a knock-on effect not just on those of us currently working but also on our children and grandchildren who will have to pay back this €47 billion and who will own two defunct banks. There is a serious need for the Minister for Finance and the Taoiseach to make statements to both this House and the Lower House to clarify what they knew and the reason they withheld this information from us.

Senator Ned O'Sullivan: This would be a very good time to have a debate on the food and drinks industry in the light of the recent announcement by the Minister of State, Deputy Trevor Sargent, of the third round of horticultural grants — this sector has been hard pressed owing to weather conditions and everything else — whereby young farmers can receive support up to a figure of 50% on eligible investment. This is greatly to be welcomed. Today Bord Bia organised an event at Croke Park to launch 166 new Irish food and drink products. This important business conference is being attended by more than 300 foreign buyers and can only benefit the food and drinks industry. This House could play its part by highlighting the good work being carried out. On a day when many Members of the House are feeling gloomy, especially those on the other side, I would like to cheer Members up with some good news. This could be the subject of a useful debate at this time.

Senator David Norris: Last week I mentioned that I was of the view that people in this country were beginning to rend and savage each other in a very unattractive way. In that context, I referred to the attention being given to the issue of travelling spouses. What I said was repeated on a radio programme and there was some support for my views. One of the correspondents asked how I knew what the public felt. I know because I have had nothing but congratulations from ordinary members of the public in Dublin and elsewhere in the country. I was down the country at the weekend. I received one telephone call from a very pleasant woman, a retired civil servant. She said she was feeling the pinch and that her medical card had been removed. She also said the only pleasure she had was in seeing others taken down a bit.

That leads to my second point. We need to have a balanced debate on the media. I refer to a very interesting article in *The Irish Times* on foot of another issue I raised — the treatment of the Lillis murder trial. It is stated in the article that the Constitution dictates that justice must be done in public, as is the case. It also states the unappealing aspect is that it facilitates the unappealing human instinct to wallow in the sins and misery of others. However, limits could be set because justice is administered in public in a courtroom, not on the street. I think people have a right to have their privacy protected. There is a very weak argument in favour of journalists being allowed to take photographs wherever they please of witnesses who are innocent people and not up on a charge; it states custom and practice dictate that photographs will be taken of most witnesses. The reference to custom and practice amounts to a very weak argument to be set against the constitutional rights of the citizen and respect for his or her good name and privacy. I suggest the privacy of innocent people and witnesses, in particular, should continue to be protected. I have no problem with the Garda giving mugshots of convicted criminals to the press — that is fine — but it is a very bad day when the press are attacking the Garda. I strongly support what the Garda did and will continue to support the force. I call on the people to stand up and stop this rending of each other and this disgraceful invasion of a person's right to a private life.

Senator John Hanafin: I ask the Leader to arrange a debate on NAMA. One does not have to be an economist, a banker or an IMF director to know that if one takes the bad non-performing loans from the banks, there will be money in the residue for lending. It is self-evident. That is what the whole purpose of the exercise was.

Senator Fidelma Healy Eames: Where is it?

Senator John Hanafin: Changes are taking place internationally. The Basel requirement makes it more difficult and leads to a higher reserve ratio but that does not mean there will be no lending. I was fortunate enough to undertake a rapporteur report for the Joint Committee on Finance and the Public Service. The report made it clear that in Japan the failure to take action had led to the development of zombie banks which were unable to lend for 15 years. The action we took was right and appropriate at the time.

I also ask the Leader to arrange a debate on jobs.

Senator Fidelma Healy Eames: We will have such a debate tomorrow evening.

Senator John Hanafin: Given that a great deal of money is being saved in this country, rather than being spent on consumer products, perhaps it is time for us to discuss the introduction of a national development bond. The Government should issue such a bond with a view to undertaking necessary and useful works such as the development of roads and other infrastructure to ensure we will be in the right position for the upturn which is expected at the end of this year.

Senator Donie Cassidy: Correct.

Senator John Hanafin: I ask the Leader when we will have live television coverage of our debates. Many of the guests I have brought to this building have met Senators for whom they would not vote if they had 1,000 votes. When such people are asked whom they have met, they are pleased to have met Senators with whom they might not necessarily agree such as Senator Norris or some of the other Independent Senators. The standard of debate in this House is very high. Our message should be going out on the national media.

Senator Nicky McFadden: The cut of €27 million in the transport budget last year is having a knock-on effect on the ordinary poor people of the midlands. I raise this issue because the bus service in Athlone and its environs is being cut by half. Eleven of the 21 drivers in Athlone will lose their jobs. Bus Éireann has stated there is a reduction in the number of services provided. I challenge members of the Government parties, Fianna Fáil and the Green Party, to come to Athlone to prove that the numbers have dropped. That is not the case. Old people use these services to get to mass or go to the doctor. Young people use them to go to college or do their shopping, etc. They should be asked how valuable these services are for them. It is another example of the insidious and negative gnawing away at the poor and honest people of Ireland, some of whom will be affected by the loss of these services. I understand why I could not raise this matter on the Adjournment. It is a matter for the Minister for Transport. I want the Minister to come to this House to defend his appalling record.

Senator Geraldine Feeney: Senator Fitzgerald is right to say there are more important stories than the George Lee story. I ask the Leader to organise a debate on mental health services. I have asked for such a debate on several occasions. The George Lee story was captured by the media all day yesterday. Perhaps one eighth of that time could have been devoted to mental health issues such as obesity, eating disorders and, in particular, the stigma attached to mental illness. Other Senators spoke passionately about this matter on the Order of Business previously when we looked for a debate on the subject. It would be an achievement if the media

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were to devote one eighth of its time to the stigma attached to mental illness. Last Sunday week Marian Finucane interviewed the Minister of State at the Department of Health and Children, Deputy John Moloney, who spoke about his mental health. People who called the show described the Minister of State as brave which is the wrong word to use as it will ensure the stigma will continue. It is about time legislators made a conscious and forceful effort to try to remove the stigma associated with mental illness. This would loosen the chains that tie down hundreds of thousands of people, especially those in the workforce who are afraid to tell anyone about their mental health or that they have been treated for a mental illness.

Senator Ivana Bacik: Some of my colleagues commented on George Lee's resignation from the other House. It will be a shame if his decision results in an increase in cynicism about politics. It is a shame he did not give politics longer than eight months. If a week is a long time in politics, eight months is a short time in which to make an impact. The question that must be asked is why he chose this course of action at this time.

I echo the calls of other Senators for a debate on the National Asset Management Agency in the light of news reports on the International Monetary Fund's view of the agency. On the night the House debated the National Asset Management Agency Bill in the presence of the Minister for Finance Senators considered amendments and went through the legislation section by section. Colleagues will recall that I tabled an amendment aimed at introducing a mechanism along the lines of the French independent ombudsman or mediator. Under the French system, small businesses refused credit by banks on unreasonable and unjustifiable grounds can appeal to an independent mechanism to have the decision overturned. I was reminded of this by news reports on the IMF's view of NAMA and a newspaper report yesterday on a small bakery business in Dublin city centre which was refused credit by a major bank on what appear to be most unreasonable grounds. This is the type of real human story which should give impetus to calls for the Minister for Finance to come to the House to explain the reason he indicated the establishment of the National Asset Management Agency would result in an increase in credit when the IMF clearly took a different view. Even with the enactment of the legislation and with plans under way for the transfer of assets, small businesses are still being unreasonably refused credit and we still do not have the independent mechanism of an ombudsman or a mediator which I urged the Minister to adopt in my amendment.

I again ask for a debate on the treatment of unaccompanied minors in care. Mr. Philip Garland, the new assistant national director for children and families in the Health Service Executive, made an important point yesterday when he criticised the past policy of the HSE towards such children and suggested the policy towards them may even be regarded as racist. He also accepted that the hostel accommodation provided for such children was inadequate. Having raised this issue previously, I ask for an urgent debate on the matter. More than 500 unaccompanied children have gone missing from HSE care in the past ten years, which is a national disgrace.

Senator Ivor Callely: Will the Leader indicate what progress has been made on my request for a structured debate on matters relating to the economy and the country's financial position? Will he arrange a debate on the Health Service Executive's service plan for 2010 which was launched the other day with an allocation of more than €14 billion? I note the HSE intends to deliver its services through a combination of continued reform through measures such as minimising the length of stay in hospital and providing alternatives for those admitted to hospital through accident and emergency units.

I read with interest the aspect of the service plan on older people and note additional home help hours and home care packages will be provided. In the light of demographic changes, these additional hours and the decision to allocate only €97 million to the fair deal scheme suggest there is a vacuum in an area of great importance to older people, namely, safe and effective rehabilitation and intermediate care beds. These services which gear people up for a return to the community appear to be missing from the plan. I, therefore, ask for a debate on the issue.

Senator Eugene Regan: I second Senator Fitzgerald's amendment to the Order of Business to include a discussion on NAMA. Last week, I spoke about Ministers lying and it is very serious that these Houses were misled on this €54 billion project by the Taoiseach and the Minister for Finance. It is summed up in the financial pages of *The Irish Times* today in the article headlined "Nowhere for Cowen to hide on IMF advice on Nama". The IMF raised the issue of getting credit flowing, which is the fundamental objective of NAMA and of the guidelines from the European Union on the treatment of toxic loans and impaired assets. The Government knew this but, as *The Irish Times* states, "kept on putting forward the argument. Both the Minister for Finance and Taoiseach are on record in this regard." The article also states that the Government has known since April of last year that there were serious doubts about this.

The Government killed debate on NAMA by suggesting it was the only game in town and no alternatives were provided. My party provided an alternative which was worthy of debate and consideration in light of the information we know now. However, the Taoiseach and the Minister did not just mislead these Houses on the IMF report, they misled the Houses on European Central Bank approval of NAMA, which was highly qualified on the pricing of assets and burden sharing. We were also misled on European Commission approval of NAMA, which was presented as a formality at all stages but we now know that at present the Commission is examining the notification of the NAMA scheme issued in December. Is there any sanction for the Taoiseach or the Minister for Finance for misleading the Houses or for any parliamentarian for misleading the Houses of the Oireachtas?

Senator Ann Ormonde: The resignation yesterday of George Lee made me think about what is the essence and definition of a politician. Do we require letters after our names? This seems to be the projection as a result of this. George Lee felt he was so highly qualified that his talent was not used, and he used the word "talent".

An Cathaoirleach: Questions to the Leader.

Senator Ann Ormonde: What about those very fine politicians who do not have letters after their names? Do they not have talent? The Seanad could debate the politician's role in making a contribution, no matter what it is, in either House of the Oireachtas. We should discuss people's personalities as well as their having or not having qualifications. Everyone elected to these Houses is very well qualified to take on any issue because, God knows, fighting to get elected to these Houses is the best qualification one could have. This proves the point again that catapulting does not work. Everyone should serve their apprenticeship and those who do are the best politicians. All of these points could be brought into a broad debate on this issue.

I also wish to raise the issue of private cosmetic clinics which have mushroomed throughout Ireland. Recently, complaints have been made about questionable practices in many of these clinics. There is a total lack of regulation and proposals to regulate these clinics.

Senator Rónán Mullen: Hear, hear. It is a load of botox.

Senator Ann Ormonde: People come from abroad who are not properly trained to carry out these operations. The Minister, Deputy Harney, when she has an opportunity, should come to the House to discuss this very important issue. I call for regulation and licensing of such clinics.

Senator Feargal Quinn: Senator O'Toole called for a debate on the actions taken to avoid strike action because of the cuts in the budget.

A newspaper article last week stated: "The Health Service Executive (HSE) has said that it is 'seriously concerned' that industrial action in the radiotherapy services, which forms part of the campaign currently under way across the public service, has the potential to compromise patient safety." Irrespective of the industrial action being planned or the purpose thereof, it must not target the weakest in our community or permit those who are undergoing cancer treatment to be hindered or put in any form of danger. If we are to take industrial action, although I hope we are not and I support Senator O'Toole's belief that we have to find a way of avoiding it, let us consider what has happened in the country in recent weeks. The European Central Bank and the IMF have expressed serious concerns about Greece, Spain and Portugal but Ireland is not included in this list because of the steps we have taken. We should not throw away our advantage.

Senators: Hear, hear.

Senator Feargal Quinn: Almost every year for the 16 years I have been in the Seanad, I have made the point that we should have an extra hour of daylight in the evening. I was delighted that, even if I have not been heeded in this House, the British Prime Minister, Mr. Gordon Brown, has been listening to somebody like me. He is now giving serious consideration to the proposal that Britain should add an extra hour of daylight year round. We could do this by joining central European time. We would have an extra hour in the evening year round and, while I acknowledge the concomitant loss of an hour in the morning would not be pleasant in mid-winter, it would bring huge benefits in terms of road traffic safety, tourism and other areas. I have said in the past that we should be willing to leave the nursery even if nanny does not come with us. The argument against change has been that we do not want a time difference between Dublin and Belfast but perhaps we should act alongside the British to join central European time.

Senator Labhrás Ó Murchú: I agree with Senator Norris. It was very important that the Garda defended its action in assisting a witness in a recent court case to uphold her privacy. Some sections of the media got particularly animated about that as if in some way a right was being taken from them. The position is clear. The witness was a co-operative witness and at the same time that witness had been paraded through sections of the media for a long time before the trial. The witness was entitled to privacy and to her rights.

Senators: Hear, hear.

Senator Labhrás Ó Murchú: If that action had not been taken, can one imagine the media crush outside the court? That unfortunate person has lost her privacy anyway for a long time to come. We should have a debate in this House. I was glad to hear the Garda say it may not be the last time this will happen. This was an exceptional case, but the Garda also said that it was possible in future that the same would apply. We should help the Garda and the judicial system by showing we, as legislators, want to debate this issue and see if it can be expanded further. The Garda was right to come out and defend its decision in the manner in which it did.

Senator Paul Coghlan: I am sure the Leader is concerned about the all too frequent over-charging by banks. I am glad the Financial Regulator has said it is urgently reviewing how to

strengthen enforcement against the banks. Every few months we learn of incidents of overcharging. This could be combined with a debate requested by Senator Fitzgerald and others regarding NAMA, as we are entitled to hear the differences between NAMA then and now. Senator Regan has often referred to the fact that NAMA is not in its final format as it has yet to be sanctioned by the Commission. We can go nowhere without that sanction. As I understood it, the original purpose of NAMA was to restore proper capital ratios to the banks, which was necessary as a first step in so-called tier 1, as laid down in the Basel requirements. However, we now know a further step is required. We will need further recapitalisation following the injection of €54 billion which will nearly restore equilibrium to the system. We cannot get the economy going or get credit flowing unless the banks are stabilised. We must realise we are not even up to the plate. We have not even taken the first step. A debate such as the one sought is vital. The Government will have to be much more assertive in ensuring the necessary capital flows to businesses throughout the land to regenerate the economy. We are not there yet. Can we please have the Minister in the House to give us that necessary update on where we stand *vis-à-vis* the Commission and what he sees happening in the future?

An Cathaoirleach: Point made.

Senator Paul Coghlan: He should spell it out for us.

Senator Niall Ó Brolcháin: I support the call by Senator O'Sullivan for a debate on the food industry and horticulture. The way he put it was fantastic. He is talking about having a positive debate on something which is important to everyone. There are so many things going on around us. Everyone is talking about certain things such as George Lee and NAMA, as well as other dreadful things.

Senator Fidelma Healy Eames: NAMA was dreadful.

Senator Terry Leyden: He is not so dreadful.

Senator Niall Ó Brolcháin: It is important for us to have debates in the House on positive issues such as food and water. We will have a debate on biofuels later this afternoon. If we dwell on the positives, we will not become self-obsessed or obsessed by the media. We should be leading the people by having debates on important and positive issues.

Senator Nicky McFadden: Such as public transport.

Senator Niall Ó Brolcháin: I echo the call by Senator O'Sullivan.

Senator Eoghan Harris: Two debates are going ahead today, one on NAMA, while the other is an attempt, not to discuss the George Lee issue, to discuss the serious issues that arise in regard to politics and political life. On a personal level, the George Lee issue is the equivalent of that of the mayfly. It is like a butterfly in the sun but there are deeper issues. I call on the Leader to find a way to extend the deliberations on the Constitution to examine the issues that arise in political life. What has been really worrying in recent days is how the discourse on the George Lee issue has become a general rejection of the notion that there should be no apprenticeship in politics. That is only one point in a bigger debate on political life. There is a cadet grade in some branches of life, namely, the police and the Army. Even in the Army one puts in two years hard training under NCOs. It is important to say this today. I have heard a great deal in the media about how Fine Gael muzzled and stifled George Lee and how the political parties all muzzle and stifle the lost leaders, the geniuses and those who would dazzle us if they

[Senator Eoghan Harris.]

were allowed to do so, but the truth is that the apprenticeship served in politics is important preparation in terms of character.

Senator Joe O'Toole: Hear, hear.

Senator Eoghan Harris: Listening to cranky people or those who are annoying or boring is a test of character.

Senator Paul Coghlan: There are a few of those around.

Senator Eoghan Harris: It teaches people how to deal with the public. Politics is about the rule of states and peoples. It starts with people. It is not an abstract issue. I accept there is a delusion among college students and certain of the younger sections of the political correspondents, not the old guard, that all one has to do is assemble people with first class honours degrees, involve them in politics and the country will be a land flowing with milk and honey. That is not how the real world works.

Senators: Hear, hear.

Senator Terry Leyden: Words of wisdom.

Senator Camillus Glynn: I support the call by Senator Feeney for a debate on mental health. I would warmly welcome such a debate which would not pertain to a particular category. I have dealt with nurses, doctors, counsellors, farmers, lawyers and teachers. Anyone anywhere can suffer from mental illness and that is what makes it all the more important. I never could see why a stigma should be associated with it but that is the reality. Under the old health board system, there were regular visiting committees for residents in long-stay institutions. They have ceased since the advent of the HSE and I strongly disagree with this. The committees comprised professionals and councillors from the various areas and they provided contact with the outside world for residents. I regret that they have ceased because the people concerned are not being served well in their absence. Will the Leader also include the recent report from the Inspector of Mental Hospitals in the debate? It poses more questions than it answers and I would like to air my views on the report because it does not reflect the situation as it should be reflected.

We had a useful debate for a few hours on head shops. There are two such shops in Mullingar. Every day I meet people who express concern about these outlets and the potential harm they may cause to young people. I was told by a taxi driver recently that two 13 year old boys were seen exiting one of the head shops late at night.

Senator Nicky McFadden: They are open 24 hours.

Senator Camillus Glynn: Where were their parents?

An Cathaoirleach: There are approximately six minutes left officially and seven Members are indicating. I ask them to be brief. Members will have to edit what they have to say. They are running over the two minutes allowed and I will have to cut them off more quickly.

Senator Terry Leyden: Perhaps the Cathaoirleach could increase the time allowed to four minutes.

An Cathaoirleach: I would appreciate if Members were as brief as possible.

Senator Fidelma Healy Eames: Yesterday the nation was shocked, as was I, by George Lee's quick exit from politics but it was no less a shock than that felt by the 175 people who lost their jobs in Boston Scientific, Galway, yesterday. The company is a wonderful employer with more than 3,000 workers but another 175 people have been hurt, their homes are under threat and they will have huge money worries, given the personal indebtedness we all face. In addition, it is feared the banks will become aggressive once their bad loans have been off-loaded to NAMA. This is why I support Senator Fitzgerald and others who called for the Minister for Finance to come to the House to address and to evaluate how well the Government's economic plan is progressing.

Senator Maurice Cummins: It has not got one.

Senator Fidelma Healy Eames: How is it serving the country? Please tell me because I do not see it. People in Galway are saying politicians should forget about imposing a 30 kph speed limit in Dublin, for example, and they should get on with fixing the country. What is the Government doing about the real issues? Can the Leader bring the Minister for Finance to the House to give, as Senator Coghlan called for, an interim report on where our country is going? Money is the greatest concern of people in Galway and, in particular, how they will meet their debts and, above all, their mortgage repayments when their jobs are threatened. Let us look at that as a real issue today.

Senator Maria Corrigan: I wish to raise the plight of a number of small and medium-sized businesses. I accept all businesses are under pressure but a number are experiencing difficulty being paid. This is not the result of a lack of credit from banks. These businesses are victims of opportunism on the part of other businesses. There are some businesses that have money to pay but are taking advantage of the economic climate and holding out on payment for as long as they can. The result is that a number of businesses are finding it hard to survive and are in danger of closing and their employees — whether five or 15 — will lose their jobs.

Another practice that is taking place is the setting up of shelf companies by companies that seek to undertake work. The work is contracted out to other operators under the shelf company, but when the job is done the shelf company states it has no assets and cannot pay the subcontractor, which has supplied and paid for labour and materials. The parent company that obtained the work reaps the benefit of the materials and labour, but nobody has paid for it. A number of companies have reported this to me and are in danger of closing as a result of such practices. It is immoral, it is thievery and gangsterism but, unfortunately, it is not illegal. I ask the Leader to consult with the Minister and seek changes to the relevant legislation to cater for people who have bills that are larger than those dealt with in the small claims court but not as large as those dealt with in the commercial courts, i.e. with less than €1 million outstanding. In addition, the practice of setting up shelf companies to subcontract work should be outlawed.

Senator Jerry Buttimer: An important debate which we need as a matter of urgency is on the availability of credit. Does the Leader have any understanding of the number of people who are being hounded by banks — and by the Revenue Commissioners, on behalf of the Government — seeking payment? There is also a need for a debate on mental health. The number of people who are under pressure is frightening. I will not go into details, but those two debates are imperative.

Senator Joe O'Reilly: I begin by following on the last point made by Senator Buttimer. I endorse the words of Senator Feeny earlier about the interview with the Minister of State at the Department of Health and Children, Deputy Moloney, on the "Marian Finucane" show. It

[Senator Joe O'Reilly.]

was an excellent interview and will bring great solace and comfort to many families and individuals across the land. I salute the Minister of State for this, as should the House.

Senator Frances Fitzgerald: Hear, hear.

Senator Joe O'Reilly: I refer in passing to the words spoken by Senators Norris and Ó Murchú about the Lillis trial. It is my conviction that woman should not have been brought out and exposed to ghoulish voyeurism. The Garda was right to protect her and her privacy as far as possible. It is a disgrace that her picture was run in the newspapers to the degree it was. It is the worst and most sinister form of journalism.

I will raise briefly a matter about which I intended to speak at more length. In light of the fact that 437,000 people, or 13 in every hundred, are unemployed, I ask the Leader for a debate on green energy as a method of job creation, for which we should set aside a day. I wish to focus on the entire spectrum of possibilities for job creation in the area of green energy, but most particularly on micro-generation. Small wind turbines could be set up on farms and on-site at businesses across the country, and this should be supported. Communities could come together, as the co-operative movement did in the past, and have a community generator. Rivers and streams could also be used to drive turbines and create energy as the mills of old did. I ask the Leader for a debate in the House on green energy, micro-generation and the Fine Gael proposition to establish an economic recovery agency to create 100,000 jobs in the area of green energy.

Senator Paddy Burke: Listening to Senator Harris was interesting. A few Ministers have left their mark during the century since this State was formed, such as Donogh O'Malley in respect of education. A neighbour of mine, former Deputy Joseph Blowick, was leader of Clann na Talmhan and the Minister for Lands. He set up the forestry system despite only having national school education. In those times, Ministers were in charge, but the free education introduced by Donogh O'Malley has led to Departments and the Civil Service running the country. This is a part of our current problem.

I raised with the Leader the issue of regional planning guidelines. Will he arrange for a debate in the House? Since those involved in putting regional planning guidelines together are the electorate of the majority of Senators, holding a debate on the matter would be important. It affects county development plans and regional authorities. The Minister for the Environment, Heritage and Local Government is very much in favour of the latter and they will have a significant effect on local authorities, particularly in terms of how their county development plans will be varied after the regional plans are agreed. I ask for an urgent debate on this issue.

Senator Rónán Mullen: I wish to comment on the George Lee matter, as I support Senator Harris's remarks. This situation sends out a bad message about the need for perseverance. If there is one quality that we all need as we deal with our challenges, it is perseverance.

Tá an-bhrón orm go bhfuil cosc ar chraoladh an aifreann ach uair amháin sa mhí ar Raidió na Gaeltachta. It is disappointing Raidió na Gaeltachta has taken the decision to reduce the broadcasting of masses to one per month. It will affect fishermen, people in nursing homes and the sick at home and I sincerely hope that it can be reversed. Financial reasons are being given, but the broadcasting of a mass on radio is not a Broadway production.

Senators: Hear, hear.

Senator Rónán Mullen: It can be done. It is not a luxury, but a necessity for many. Tá súil agam go ndéanfaí athbhreithniú ar an cheist seo agus go ndéanfaidh Raidió na Gaeltachta cinneadh eile ar leas na ndaoine ar fad.

Senator Michael McCarthy: During the past 24 hours, much has been stated about the profession of politics. From my perspective, it is a fine, honourable profession. It was a man with Tipperary connections and who occupied the White House in the 1980s who stated that politics was the second oldest profession in the world and bore a strong resemblance to the oldest profession. That to one side——

Senator Paddy Burke: He was an actor.

Senator Michael McCarthy: That comment from someone who was on Broadway.

Senator Camillus Glynn: Very colourful.

Senator Michael McCarthy: I want to pay tribute to the strong, firm and unambiguous defence of the political system and the body politic on last night's RTE "The Frontline" programme by Noel Whelan. It was outstanding.

Senator Nicky McFadden: Excellent.

Senator Michael McCarthy: He has always written and commented on politics in a fair and balanced manner. We must be careful not to allow ourselves to be sucked in by some elements of the media who——

An Cathaoirleach: Point made.

Senator Michael McCarthy: ——wish to debase politics and its practitioners.

Senators: Hear, hear.

An Cathaoirleach: I do not want names. He is a private individual.

Senator Donie Cassidy: Senators Fitzgerald, O'Toole, Alex White, Twomey, O'Sullivan, Hanafin, Feeney, Bacik, Regan, Ormonde, Quinn, Harris, Healy Eames, Corrigan, Buttimer and McCarthy were concerned by the events of the past 24 hours. As Leader of the House, I wish George Lee, his wife and their family every success for the future. He tried, did not like it and left.

The question of helping people in terms of mortgage repayments has been outlined to the House today, as have many matters that relate to NAMA. Credit flow for small businesses is an urgent issue. The Finance Bill will be before the House in two weeks' time, but will be on Second Stage in the Dáil today and tomorrow. The Minister will deal with the Bill in the Lower House. It is to be hoped he will attend this House during the last week in February. I will allow additional time to discuss all matters pertaining to NAMA, small business and mortgages, as I stated during an Order of Business debate last week, so as that colleagues can make their views on the Bill known to the Minister during these difficult times.

Last Thursday two weeks ago, we held a long debate on job creation with the Tánaiste and Minister for Enterprise, Trade and Employment. I was disappointed that it concluded 30 minutes ahead of the allocated time. If more time is needed in the near future, I will endeavour to have the Tánaiste return to the House to discuss the up-to-date position of this serious challenge. The House wants to be updated regularly in this regard and I agree with colleagues' requests.

[Senator Donie Cassidy.]

Senators O'Toole and Quinn referred to the challenge presented by the €4 billion in last year's budget and the €3 billion in each of the budgets for this year and next year. They also discussed the Government, trade unions and social partners getting together again. I understand there is a willingness on all sides that this should occur. If a debate is required, I hope we could have it soon in order that we can plan for what is necessary in the next three budgets.

Senator Alex White inquired as to when by-elections will be held in Donegal and Dublin. As he knows, these are matters for the Taoiseach. I once again wish the Senator well.

Senator Leyden referred to his statements of 9 May 2009 regarding RTE and the drawing up of protocols. I will pass his strong opinions on to the Minister after the Order of Business.

Senators O'Sullivan and Ó Brolcháin called for a debate on the food and drink industry. They also wished the more than 160 products launched in Croke Park today well. This timely launch speaks volumes about the Irish food and drink industry. I strongly suggest that the Green Party avail of the Private Members' time it is due soon to hold this debate.

Senators Norris, Ó Murchú, O'Reilly and Mullen expressed strong opinions on the events of the Lillis case, especially that of the Garda Síochána protecting witnesses in order that they can help in court cases. I support fully the sentiments expressed by colleagues and we should hold a debate on the media's responsibility in this regard. I would have no difficulty in setting time aside.

Senator Hanafin called for a debate on live broadcasting of Seanad proceedings. This matter is before the Joint Administration Committee. I congratulate its new chairman, Deputy Edward O'Keeffe, and wish him well. RTE will appear before the committee at our meeting on Wednesday next week as the first of the three television broadcasters. We will pursue the possibility of live broadcasting of one hour of Seanad Éireann's Order of Business. I will update the House on the committee's deliberations as they continue.

Senator McFadden called for a debate on the Minister for Transport's budget in respect of the issues outlined. The success of a rural bus link in her constituency must be recognised. I will make the request and determine how to arrange the debate.

Senator Nicky McFadden: What about the town service?

Senator Donie Cassidy: Senators Feeney, Glynn, Buttimer and O'Reilly called for a debate on mental health. I have outlined to the House that this debate will be held during the next two weeks. I have complimented the Minister of State, Deputy Moloney, on his Trojan work in his portfolio. I agree with Senator Glynn concerning long-stay institutions and the visiting committees, which used to be the order of the day. Indeed, Senator McFadden's father was on a committee with us all. We did good work on behalf of the Midland Health Board and other health boards.

Senator Nicky McFadden: The institutions are archaic and draconian and should be closed down.

Senator Donie Cassidy: Her dad always listened to my points——

Senator Nicky McFadden: They are inhumane.

Senator Donie Cassidy: ——and she follows in his footsteps.

(Interruptions).

Senator Nicky McFadden: People should not need to live in such situations.

A Senator: Daddy's girl.

Senator Donie Cassidy: Senator Bacik discussed the treatment of unaccompanied minors under the care of the HSE. Last week, I stated that we would debate this matter.

Senator Callely called for a debate on the economy. This can take place during the debate on the Finance Bill in the last week in February. The Senator has always championed the causes of older people, including the provision of home care packages, the fair deal scheme and safeguards to ensure their effective care. I will have no difficulty in arranging a debate on all of the serious proposals he made.

Senators Ormonde, Harris and Burke raised the issue of guidelines for those involved in public life, the training necessary and the experience required. This is most important for anyone being considered for promotion to serve as a public representative. I fully share their sentiments. We have heard words of wisdom from Senators, including those in the Independent ranks, who have served their country and parties. We should discuss this matter once every year, as it would be greatly help new and younger Members of the Dáil and Seanad.

Senator Quinn raised an old chestnut of his. He called for a provision to ensure an extra hour of daylight in the evening. To the best of my recollection, this was tried previously but the arrangement was reversed quickly because at the time a large number of students were waiting at bus stops from 7 a.m. and it was dark up to 9 a.m. The view was that while it would be okay for secondary school students aged 14, 15 or 16 years to have to wait in the dark at bus stops in rural Ireland, there was a safety concern about primary school students having to wait in the dark at bus stops from 8.30 a.m. onwards and so the provision was reversed. However, I will have no difficulty in allowing the issue to be reconsidered. We will check to see why the original provision was reversed.

Senator Terry Leyden: School starting times could be changed.

Senator Donie Cassidy: It is never the wrong time to do the right thing. We should seriously consider Senator Quinn's proposal.

Senator Coghlan called for a debate on overcharging by the banks. This issue could be dealt with during the debate on the Finance Bill. I will discuss with the leaders next week the time to be allowed for each Senator to make a contribution on the Bill to enable them to include all of the issues they want to address.

Senator Glynn highlighted the dangers posed by head shops. I know Ministers are taking this issue very seriously and I hope they will deal with it speedily. We have discussed the issue in the House during the past two weeks. I fully support the Senator's call that it be brought to a speedy conclusion and dealt with in legislation in the next few weeks.

Senator Healy Eames has informed the House that 175 jobs are to go at Boston Scientific. The company currently employs 3,000 workers and is a wonderful employer. I hope those who will lose their jobs will be retrained and that there will be jobs for them in the future.

Senator O'Reilly called for a debate on green energy opportunities, including the development of wind and river turbines. Such a debate would be worthwhile. The Senator might talk to his leader about bringing forward a motion on the matter the next time Fine Gael has an opportunity to avail of Private Members' time. Consideration of this matter would be worthwhile.

Senator Burke called for a debate on regional planning guidelines and the upgrading of the regional authorities. We can have a debate on this matter.

[Senator Donie Cassidy.]

Senator Mullen abhors the fact that Raidió na Gaeltachta is to stop broadcasting Sunday mass. With this change, we have hit a new low in broadcasting in Ireland. This is shameful and appalling. As we were all taught at school, the most important hour of the week is the hour spent in church on a Sunday. Considering that the station broadcasts for 167 hours, it has hit a really low pitch in deciding that it will not broadcast Sunday mass. This will impact on those who are not able to move from their homes and for whom Sunday mass is part and parcel of their lives. It is probably the most important hour in their week's activities.

An Cathaoirleach: Senator Fitzgerald has proposed an amendment to the Order of Business: "That statements on the recent revelations in relation to NAMA be taken today." Is the amendment being pressed?

Senator Frances Fitzgerald: Yes.

Amendment put.

The Seanad divided: Tá, 22; Níl, 26.

Tá

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Fitzgerald, Frances.
Hannigan, Dominic.
Healy Eames, Fidelma.
McCarthy, Michael.

McFadden, Nicky.
Mullen, Rónán.
Norris, David.
O'Reilly, Joe.
O'Toole, Joe.
Phelan, John Paul.
Quinn, Feargal.
Regan, Eugene.
Ross, Shane.
Twomey, Liam.
White, Alex.

Níl

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Callely, Ivor.
Carroll, James.
Carty, John.
Cassidy, Donie.
Corrigan, Maria.
Daly, Mark.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.
Harris, Eoghan.

Keaveney, Cecilia.
Leyden, Terry.
Mooney, Paschal.
Ó Brolcháin, Niall.
Ó Domhnaill, Brian.
Ó Murchú, Labhrás.
O'Brien, Francis.
O'Donovan, Denis.
O'Malley, Fiona.
O'Sullivan, Ned.
Ormonde, Ann.
Phelan, Kieran.
Wilson, Diarmuid.

Tellers: Tá, Senators Maurice Cummins and Joe O'Reilly; Níl, Senators Camillus Glynn and Diarmuid Wilson.

Amendment declared lost.

Question, "That the Order of Business be agreed to," put and declared carried.

Diseases of Animals Act: Motion.

Senator Donie Cassidy: I move:

That the proposal that Seanad Éireann resolves that section 17A (inserted by section 2(1) of the Diseases of Animals (Amendment) Act 2001 (No. 3 of 2001)) of the Diseases of Animals Act 1966 (No. 6 of 1966) shall continue in force for the period ending on 8th March, 2011, be referred to the Joint Committee on Agriculture, Fisheries and Food in accordance with paragraph (1) (Seanad) of the Orders of Reference of that Committee, which, not later than 23rd February, 2010, shall send a message to the Seanad in the manner prescribed in Standing Order 72, and Standing Order 74(2) shall accordingly apply.

Question put and agreed to.

Energy (Biofuel Obligation and Miscellaneous Provisions) Bill 2010: Order for Second Stage.

Bill entitled an Act to further promote the use of biofuel in the State and for that purpose to provide for the increased supply of biofuel in the State by means of a biofuel obligation requiring that a specified amount of road transport fuel is biofuel; to impose a levy on relevant disposals of biofuel; to confer additional functions on the National Oil Reserves Agency to administer the biofuel obligation; to give effect to certain provisions of Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC; to amend and extend the National Oil Reserves Agency Act 2007; to amend the Fuels (Control of Supplies) Act 1971, the Electricity Regulation Act 1999 and the Energy (Miscellaneous Provisions) Act 2006 and to provide for related matters.

Senator Donie Cassidy: I move: "That Second Stage be taken today."

Question put and agreed to.

Energy (Biofuel Obligation and Miscellaneous Provisions) Bill 2010: Second Stage.

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

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): I am very pleased to return to the Seanad to present the Energy (Biofuel Obligation and Miscellaneous Provisions) Bill 2010 for its consideration. The main purpose of the Bill is to introduce a bio-fuel obligation in Ireland to underpin the achievement of a number of important national and EU targets around renewable energy and transport in an affordable and environmentally sustainable manner. With all other member states, Ireland is required under the 2009 renewable energy directive to have a 10% penetration rate of renewable energy in transport by 2020. The Government programme and White Paper on energy policy also commit to the introduction of the bio-fuel obligation for similar reasons.

Bio-fuels offer a real, immediate and cost-effective way of simultaneously meeting a number of energy policy aims. Replacing fossil fuels with sustainable bio-fuels results in immediate and noticeable reductions in carbon emissions and an improvement in security of supply. It also opens up new opportunities for existing industries.

Ensuring the cost-effective and sustainable integration of bio-fuels into the fuel supply chain is not an easy task because of the difficulty in balancing the need to keep costs to the consumer to a minimum with the need to ensure a consistent supply of fuels. Therefore, it is imperative

[Deputy Eamon Ryan.]

we put the right policy in place now to set a clear and transparent framework to facilitate progressive increases in volumes used and to give industry and investors the certainty they need to commit funds. Experience in this country and elsewhere has shown that short-term fiscal measures cannot provide this type of certainty and that only a system of obligation can ensure Ireland seizes the opportunity, takes advantage of bio-fuel and exploits the opportunities for its indigenous production.

It is important to note that policy for bio-fuel use in the future is ambitious but is tempered by a determination, shared among all European governments, to ensure there are no adverse consequences for consumers, the environment or those living where the products needed are grown or extracted. This is critical, given that it seems likely that bio-fuel penetrations of up to 8.5% by energy will be required by 2020, with the remainder coming from renewable energy used in electric vehicles. This determination is reflected in two central aspects of national policy, as reflected in this Bill, and in the 2009 renewable energy directive. The first of these relates to the sustainability criteria regime set out in the directive and incorporated in this Bill. This set of rules, which will come into force across the EU this year, will compel suppliers to ensure every unit of bio-fuel counted towards national targets meets a stringent series of criteria, including life cycle greenhouse gas emissions savings versus fossil fuels, the type of land from which bio-fuel crops can be taken, and ecosystem preservation. This desire to mitigate any additional adverse effects is also reflected by means of a number of review clauses built into the Bill and the directive. These involve scheduled reviews of the effect increased bio-fuel use may have in terms of the market and any environmental and social consequences. In the case of this Bill, it includes the requirement for a review of the ongoing impact of bio-fuel use before any change in the suggested penetration rate.

This is not the first initiative in the bio-fuels sector in Ireland. The mineral oil tax relief schemes, which were introduced to incentivise the production of bio-fuel in Ireland as an interim measure, have proven very successful in getting initial volumes to the market. The market penetration rate for bio-fuels as a percentage of road transport fuels was 0.0003% prior to the schemes being introduced. The figure rose to 1.6% market penetration in 2008 and although final figures for 2009 are not yet available, we expect the figure to be approximately 2.5%. The schemes were designed as an interim measure to increase the level of bio-fuels in the fuel mix and to encourage the development of an indigenous bio-fuels industry in advance of the introduction of the national bio-fuel obligation. There is considerable potential for growth and we can now build on a base we did not have prior to the introduction of the schemes in 2005.

The National Oil Reserves Agency, NORA, will be the administrator of the scheme. I have chosen NORA because the agency has an existing business relationship with the obligated parties, namely, suppliers of transport fuels to the Irish market. NORA is responsible for ensuring Ireland complies with its EU and international requirements for emergency oil supplies. The agency is funded by a levy on mineral fuel which it collects from oil suppliers. It also enters into contracts with oil suppliers for the purposes of leasing oil storage. On that basis, it was deemed that NORA was by far the most appropriate administrator for the bio-fuel obligation. The cost of administering the obligation will be met by a bio-fuels levy on oil suppliers to cover bio-fuels, which are currently exempt. This will ensure the smooth operation of the obligation.

The principal role of NORA will be to administer the bio-fuel obligation on behalf of my Department. The administrator will be responsible for the opening of accounts for obligated parties and bio-fuel producers and suppliers who wish to be part of the scheme. The adminis-

trator will have the power to ask for evidence to support all the conditions of the scheme. If the administrator deems that the evidence does not support the information provided, it will have the power to reject the application for certificates for some or all of the fuel in a submission. The administrator will also have the power to revoke a certificate that has been issued if the information or evidence on which the certificate was issued is subsequently found to be false. The administrator will also have the power to certify trading of certificates among account holders. This means obligated parties who have not been able to meet their obligation fully by supplying bio-fuel themselves can purchase certificates from other obligated parties or from bio-fuels suppliers who have registered with the administrator. An obligated party who has a shortfall in the number of certificates at the end of a defined period — the calendar year — will be required to pay a non-compliance fee, calculated on the basis of the number of certificates short multiplied by the established amount of 45 cent per certificate. All of the transactions on accounts will be in electronic format to reduce the administrative burden on those participating in the scheme.

The Bill also has a number of other provisions that do not relate to bio-fuel. It amends the National Oil Reserves Agency Act 2007 to provide for some changes in respect of strategic oil stocks policy. These include provisions on consultation on the rate of the NORA levy, management of NORA's funds, procedures in respect of levy overpayments and increased penalties for non-compliance with legislation in the event of an emergency.

The Bill also proposes to assign additional functions to the Commission for Energy Regulation, which is the independent body responsible for regulating and overseeing the liberalisation of Ireland's energy sector. These new responsibilities relate to the safety regulation of the activities of liquid petroleum gas installers. Established as the independent regulatory body with responsibility for electricity under the Electricity Regulation Act 1999, the CER's powers and responsibilities were extended under the Gas (Interim) (Regulation) Act 2002 to cover regulation of the natural gas market. As the independent regulator for the electricity market, the CER has a range of statutory functions including the licensing and authorisation of electricity undertakings and infrastructure and the regulation of certain tariffs. Within the gas sector, the CER has a similar regulatory role and also has the power to regulate prices charged to BGE's residential and SME gas customers. The Energy (Miscellaneous Provisions) Act 2006 amended the Electricity Regulation Act 1999 to extend further the functions of the CER to provide for electrical and gas safety, including LPG safety. The gas safety regime is now fully operational. However, following legal advice to the Department, it is necessary to address identified gaps in the 2006 amending legislation so that the LPG provisions adequately address the regulation of LPG safety. Given its statutory responsibility to carry out gas safety functions, the CER is evidently best placed to take on the LPG safety functions and responsibilities as provided for in the 2006 Act.

The amending provisions of this Bill represent phase 1 of a two-phase approach to LPG safety. The focus of the phase 1 proposals as set out in the Bill is on LPG installer safety provisions. The second phase will require the undertaking of a detailed consultation by the CER on the appropriate options available for the safety regulation of LPG distribution networks, LPG appliance related incidents reporting in a domestic setting and LPG promotion by the CER. I understand that the CER published the phase 2 consultation document on 4 February. The outcome of that process will inform thinking on phase 2 legislation requirements which will need to ensure there are no regulatory overlaps with the role of agencies such as the Health and Safety Authority. The overall objective is the achievement of first-rate safety standards for the LPG sector.

To place the phase 1 provisions in context, it is important to note there is also legislation outside the scope of my Department which relates to the transportation and storage of LPG.

[Deputy Eamon Ryan.]

The regulation of the transportation of LPG by sea is a matter for the maritime safety directorate under maritime safety legislation. Transportation over land and the safety regulation of storage facilities are covered by regulations governing the transportation and storage of dangerous substances and by the Safety, Health and Welfare at Work Act 2005.

The safety provisions of the Bill will deliver benefits to LPG consumers and to the public in general. I look forward to working closely with the CER on ensuring the speedy implementation of the Bill's provisions, following enactment. There are no Exchequer costs associated with this Bill.

I now propose to outline the main provisions of the Bill. For the convenience of the House, a detailed explanatory memorandum has been published and this provides a synopsis of the provisions of the Bill. The Bill consists of 27 sections and four Parts. It establishes that a bio-fuel obligation will be introduced in Ireland which will compel road transport fuel suppliers to have an average of 4% bio-fuel included in their fuel sales each year. The obligation will be administered by the National Oil Reserves Agency, NORA, as an additional function to its current remit. Part 1 contains standard provisions concerning Short Title, commencement, definitions and making of orders connected with the Bill.

Part 2 sets out how the bio-fuel obligation will work. Section 3 outlines how the National Oil Reserves Agency Act 2007 will be amended by the insertion of an additional Part to the Act to allow for the introduction of the bio-fuel obligation. The section sets out the manner in which the scheme will operate, to whom it will apply, and the definitions to be used in respect of the bio-fuel obligation. It also details penalties which will be enforced relating to non-compliance. The section also sets out the accountability of NORA and the account holders relating to the obligation, along with the powers and functions of NORA relating to said obligation.

Part 3 of the Bill sets out the amendments required to the principal Act to ensure that all powers conferred on NORA in the existing Act are extended to include administration of the bio-fuel obligation. Sections 4 and 5 provide for amendment of specific sections of the principal Act to allow NORA to administer and operate the bio-fuels obligation as an additional function to the current remit. Section 6 provides that directors appointed to the board of NORA have knowledge of the bio-fuel area and that the directors, including the chairperson and chief executive, shall be paid by NORA out of the levy and bio-fuel levy such remuneration and allowances for expenses as the Minister, with the consent of the Minister for Finance, may decide. Sections 7 to 10 provide that the bio-fuel levy collected can be used by NORA to pay for consultants' fees or expenses incurred by a subsidiary of NORA if required and that the bio-fuel levy can be used to pay for staff and the chief executive of NORA.

Section 11 provides that the National Treasury Management Agency, with the consent of the Minister for Finance, may act on behalf of NORA in respect of investments, borrowings and related financial transactions. Section 12 provides that reference to expenses shall also include any costs incurred by NORA in administering the obligation or in collecting the bio-fuel levy. Section 13 provides that the Minister for Communications, Energy and Natural Resources shall consult with the Minister for Finance in setting the rate of the NORA levy.

Sections 14 and 15 provide for the amendment of the enforcement and penalties provisions in the principal Act in order that the bio-fuel obligation is also covered. Section 16 provides for the procedures in respect of reclaiming overpayments of the bio-fuel and NORA levies and specifies that claims for overpayment must be made within 18 months of the end of the year in which the overpayment was made. Section 17 provides that should a dispute arise with an

account holder over whether the payment of the bio-fuel levy is appropriate, the onus is on the account holder to prove otherwise, as is currently the case for the NORA levy.

Section 18 provides that NORA or the Minister for Communications, Energy and Natural Resources may prosecute offences that relate to the bio-fuel obligation and that a court may order a person convicted of an offence to recompense NORA for its costs in investigating, detecting and prosecuting the offence. Section 19 amends the principal Act to clarify that notices may be served by electronic means.

Part 4 deals with miscellaneous amendments to three Acts, namely the Fuels (Control of Supplies) Act 1971, the Electricity Regulation Act 1999 and the Energy (Miscellaneous Provisions) Act 2006. Section 20 updates the fines on summary conviction and on conviction on indictment for offences under section 4 of the Fuels (Control of Supplies) Act 1971.

Safety is, and must remain, a matter of highest priority. The phase 1 proposals contained in this Bill propose to provide for the extension to LPG installers of the existing natural gas installers safety regime. These provisions are addressed under sections 21 to 27 of the Bill. Section 21 of the Bill provides that references in the Bill to “the Act of 1999” mean “the Electricity Regulation Act 1999”, described as the 1999 Act. Section 22 amends section 2(1) of the 1999 Act by inserting definitions in regard to LPG and LPG fittings. It also extends the definition of “gas installer” to include LPG installers. Section 23 amends section 9 of the 1999 Act to extend the functions of the CER to include regulation of the activities of LPG installers with regard to safety. It also provides for the establishment by the CER of an LPG safety framework. Section 24 provides a definition of LPG works.

Section 25 amends section 9H of the 1999 Act to extend the functions of the CER to the making of regulations relating to LPG safety. Such regulations may provide for specifications regarding the installation or maintenance of LPG fittings, the conditions to be fulfilled before LPG may be connected or re-connected to a premises following installation, maintenance or repair of an LPG fitting. The penalty provision set out in the 1999 Act, which applies in regard to non-compliance by a person with the natural gas regulations, is to be extended to LPG. In the case of domestic dwellings, an amendment is provided to extend responsibility to the landlord for ensuring an LPG fitting is safely maintained. In the case of a premises used as a place of business similar responsibilities are set out.

Section 26 of the Bill amends section 9J of the 1999 Act. This provision relates to the appointment of gas safety officers. The amendment proposes to extend the powers of gas safety officers appointed by the CER to the inspection of LPG fittings, to the issue of directions, to the taking of measures for the protection of the public from any danger arising from LPG and to the disconnection of LPG supply. Section 27 of the Bill provides for the repeal of section 14 of the Energy (Miscellaneous Provisions) Act 2006.

This Bill is an important measure in delivering on our targets for renewable energy in transport. Furthermore, the safety provisions of the Bill will deliver benefits to LPG consumers and to the public in general. I look forward to working closely with the CER on ensuring the speedy implementation of the Bill’s provisions following enactment. I commend the Energy (Biofuel Obligation and Miscellaneous Provisions) Bill 2010 to the House.

Senator Joe O’Reilly: The objective of the Bill is to amend the National Oil Reserves Agency Act to ensure 4% of transport fuels will contain bio-fuel. Apart from any efficacy of policy, this is necessitated by the EU target of 10% of transport energy coming from renewables by 2020. Both climate change policy and the EU directive necessitate the legislation. In that context my party has no objection in principle to the legislation. However we have concerns, the first of which centres on the fact that there is insufficient commitment in the legislation or in

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the Minister's speech on Second Stage to the principle that we must produce bio-fuels domestically. We must achieve much higher levels domestically rather than importing bio-fuel. This is the critical weakness in the Minister's presentation and in the legislation.

At present, 90% of Ireland's energy requirements are imported. Some 70% of our requirements in bio-fuels are imported and we spend €6 billion per year on imported fuel. We do this at a time when farm incomes are on the floor and farmers could do with second incomes, when some 437,000 people or 13 in every 100 people are without work and when the potential for green energy jobs in this country is enormous. There should be a system of much greater incentivisation of farmers to grow raw materials for bio-fuels. This is a first step. There have been tax incentives for the manufacture of bio-fuels and I accept these have had a modest level of success initially in getting us onto the pitch but they are inadequate for the future.

Given that the obligation will increase the price of petrol and diesel by 1 cent per litre, it makes it more imperative that there be a large domestic element to the production. The Irish Bioenergy Association estimates that meeting the bio-fuel obligation from Irish production will lead to €170 million in direct economic activity and create 1,700 jobs. The option of domestically producing bio-fuels is becoming more attractive as fossil fuel prices increase. Fine Gael set out a roadmap for domestic production of bio-fuels in its job creation strategy. We propose that Bord na Móna, Coillte and the National Council for Forest Research and Development should be brought under the same umbrella to create a new State energy company called BioEnergy Ireland which would invest €800 million between 2010 and 2013 in next generation bioenergy technology such as biomass, combined heat and power generation and transport. We would develop five new production plants to produce an additional 150,000 tonnes of biodiesel, a reforestation programme on an estimated 20,000 hectares and biomass combined heat and power plants at high energy demand locations such as hospitals, industrial estates and hotels. The return on this investment would come from diverting the resources we currently spend on imported fuels in these sectors and this would be the bonus.

It is worthy of mention that Teagasc has carried out considerable empirical and academic research on this matter. In a recent Teagasc report it was stated that 100,000 hectares of Irish land could reasonably be set aside for producing the ingredients for bio-fuel without interfering with food production and I will deal later with the national and international sense. A total of 100,000 hectares could be committed to the production of bio-fuels and this would provide a very significant injection to the economy and to hard-pressed farmers.

If our distinguished Acting Chairman, Senator Paul Bradford, makes a contribution later I presume he will draw the attention of the House to the sugar beet industry in his area of County Cork and in the south of Ireland which has gone by the wayside and to the great potential to replace that industry with bio-fuel production and growing crops for bio-fuel. I refer to incentives for the growing of willow and maize. I suggest the Minister goes to Cabinet to obtain a package to match this legislation in order to create a domestic bio-fuel industry for the production and processing of the raw materials. I refer to the need for tax incentivisation to be expanded and this is an important dimension.

The legislation contains a commitment to ensure sustainability but I ask the Minister in his reply to give the House the necessary assurances on where the imported bio-fuels will come from and the sustainability criteria applicable. EU law provides mechanisms for the measurement of sustainability and also for monitoring processes but I ask the Minister to assure the House these will be transparent and will work. I have the privilege of succeeding our distinguished Acting Chairman as a member of the Council of Europe. The issue is raised constantly in discussion of bio-fuel, biomass and bio-energy, that in many instances the production of bio-fuel raw materials has displaced food production and is a source of inflation of food

prices. This was notably the case in 2008. While there are other factors in the acceleration of food prices, such as harvests and inflation, the displacement of food production by the production of bio-fuel raw materials is an ongoing issue and has caused a major problem. The FAO, the agricultural food organisation of the UN, has established this as a cause of the increased price of food. Oxfam and a number of non-governmental agencies have issued appeals to restrict the growing of bio-fuels in some areas.

The cutting down of the rain forests has been a significant issue in Brazil and this is another consideration. I ask the Minister to comment further on where material will be sourced internationally and what controls and transparency will be put in place. In fairness to the Minister I know he accepts we cannot tolerate a situation where we would be importing bio-fuels from countries where there was a lack of sustainability measures in the production process and I am concerned this should still be the case. It is the concerned view of the few people I spoke to who have a relative level of expertise that we cannot import the level we require without causing a lack of sustainability in areas and I ask for the Minister's comments.

The importation of raw material for bio-fuels incurs not only transport costs but also carbon emissions as a result of the ferrying of this material so in a perverse way, the overall climate change objective is being defeated. There are also the issues of the effects on indigenous populations in the countries from which they come, particularly in developing countries, and the effect on international food prices to be considered.

This serves to make my original point that the entire thrust of Government policy should be on domestic production of bio-fuels and on developing a micro-generation of wind energy for farms and the co-operative movement. The traditional co-operative movement organised creameries and was founded by Horace Plunkett and I refer to co-ops such as the Dromcollogher co-op. There is a new co-operative movement where communities come together to acquire a local generator to manufacture their own energy and to sell the excess on to the grid. The same would apply in the growing of maize, willow and other raw materials for bio-fuel production.

There are compelling arguments regarding employment needs, the needs of the domestic economy and best international practice and climate change policy to focus on domestic production. I refer to my constituency which is very proud of Senator Martin Brady who is one of our emigrés to Dublin. The constituency has no internal railway system, a limited bus service outside of the N3 and therefore cars are a necessary part of going to work. Any increase in the price of petrol or diesel is of significant economic importance in those areas and is a disincentive to employment and economic recovery and activity. Consequently, anything that would cause that should have a corresponding beneficial impact and hence the compelling need to develop domestic bio-fuels.

I acknowledge the legislation proposes to deal with this but there are questions about the level of carbon emissions to be prevented by bio-fuels. It is said that the carbon absorbed in the growth of the raw materials is then burned out at processing and is carbon-neutral in that sense. There is also an assertion that the level of efficiency is just 35%. I am aware that there are mechanisms in the legislation. I would like the Minister to comment on that point. It is important for us to achieve that. I am pleased that it will be possible to sell the certificates. They will be a marketable quantity. A company that produces extra bio-fuel will be able to trade its surplus in a reasonable manner to a company that is producing less bio-fuel. That is a good proposition. I am reasonably satisfied with the policing mechanisms in the legislation. We will examine that further on Committee Stage.

I will conclude by setting out my essential view of the legislation. In principle, it is correct that we provide for the 4% obligation. In practice, however, we are putting the cart before the

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horse. We are not placing a sufficient focus on the indigenous production of raw materials for bio-fuels. It should not be beyond the genius of the Government to ensure it becomes a native industry. It is an indictment of the Government that it has acquiesced in importing to such a degree. That is my essential concern. My secondary concern is to ensure we do not import to the detriment of vulnerable people, as we did over 100 years ago.

Senator Martin Brady: I welcome the Minister, Deputy Ryan, and his officials. I am glad that my colleague, Senator O'Reilly, is present for this debate. He mentioned that there used to be many train stations in County Cavan. Some time ago, the Senator and I discussed the possibility of reopening the railway line to Kingscourt. We might revisit the matter now that the Senator has raised it again.

Senator Joe O'Reilly: Yes.

Senator Martin Brady: Senator O'Reilly has covered many of the issues I wanted to raise. I will make a few general points. The potential gains associated with bio-fuels were recognised by the Minister for Communications, Energy and Natural Resources in November 2009 when he announced the bio-fuels obligation for the industry. When the Minister made the reduced reliance on fossil fuels argument, he said that over €6 billion is sent overseas each year to import fossil fuels. As Senator O'Reilly said, that figure is likely to increase in the future. The Minister said at that time that access to an alternative energy supply is vital to provide security, particularly in light of Ireland's vulnerable position. He advocated the bio-fuels obligation approach that is being taken in this Bill. He argued that this measure will provide a guaranteed market for the bioenergy sector. He also said that our forests and farms will be able to provide the fuel of the future through the new scheme. That will help us to reduce our carbon emissions and thereby tackle climate change. These goals have been echoed by an EU Commissioner, who has said the growth in greenhouse gas emissions from the transport sector, which was mentioned by Senator O'Reilly, threatens to cancel out savings made elsewhere. He has contended that increased vehicle efficiency, coupled with the move towards vehicles powered by renewable energy including bio-fuels, has the capacity to make a big difference. He has also referred to the potential of bio-fuels to contribute to employment in rural areas and to the scope for research and development, in terms of second generation bio-fuels. As Senator O'Reilly said, it is important to be conscious of the importance of domestic bio-fuels production too.

I would like to speak about the food versus fuel argument. In January 2008, maize prices increased by 300%, wheat prices increased by 127%, rice prices increased by 170%, and vegetable oil prices increased by 200%. It needs to be recognised that such price increases were caused by various factors. The World Bank has argued that the most important factor was the large increase in bio-fuel production from food stocks in the European Union and the United States. When considered alongside the depletion of stocks as a result of the production of bio-fuels, the contribution of other factors, such as poor yields and bad crops due to drought, to price increases would have been moderate. In the US, the increase in fossil fuel energy costs, which feed into agriculture production costs, accounted for between 15% and 20% of crop prices. The food versus fuel debate was to the fore in a recent Seanad motion on the proposed bio-fuels obligation scheme. Senator O'Reilly mentioned Teagasc's estimate that up to 100,000 hectares of land could be used for bioenergy crops without damaging, interfering with or putting at risk our food production targets. Even if Ireland could produce bio-fuels without damaging food production, it is important to remember that this is a global issue. It is possible that some of the imported bio-fuels will come from areas where food production is displaced.

The European Union's energy import dependency is forecast to reach 64% in 2020. That is why the Commission is doing all it can to improve EU levels of energy-efficient renewables, including bio-fuels. Energy efficiency is one of the least costly ways of reducing our impact on the environment. The use of renewables, including bio-fuels, is seen as an important means of increasing energy security, diversifying our energy mix and using locally available clean sources of energy. Greenhouse gas emissions from the transport sector are increasing rapidly. This growth threatens to cancel out the savings being made elsewhere. On present trends, transport will account for more than 60% of the Union's increase in carbon dioxide emissions between 2005 and 2020. At EU level, there are just two policies with the capacity to make a difference to this trend. We must strongly and simultaneously promote both improvements in vehicle efficiency and vehicles powered by renewable energy, most importantly bio-fuels. Such developments can contribute to employment in rural areas in the EU and in developing countries. They can offer scope for technological developments, for example in second generation bio-fuels. A renewable transport fuel obligation has been in operation in the UK since April 2008. The Irish Bioenergy Association has cited evidence that the UK scheme has led to the importation of 89% of bio-fuels used in the UK. It further claims that the certificates issued in the first year are now worth just 6p per litre. The conclusion reached is that there is a future for sustainable bio-fuel production. However, feed stock production must avoid exploiting land which otherwise would be used for food production. If the land use change is not checked, there is a concern that it will reduce biodiversity. It has been suggested that it even has the potential to cause, rather than reduce, greenhouse gas emissions. Irish farmers will not grow bio-fuels unless it is financially attractive for them. I am glad a scheme of grant assistance along those lines has been announced in recent days. That is very good news.

I am sure the Minister will clarify the various points, as he always does. This Bill is necessary, as Senator O'Reilly said. If the points for clarification are taken on board, the Bill will satisfy and meet the requirements of all concerned.

Senator Feargal Quinn: I welcome the Minister to the House for this interesting debate. I mentioned to him previously that when I was interviewed on television three years ago, I was asked what business I would go into if I was going into business now, and I said I would go into sustainable energy. After that interview, I was impressed to receive many letters and a great deal of information from enthusiastic people throughout the country who have all sorts of ideas in respect of sustainable energy. Since then, I have been approached by people involved in nuclear energy who believe that sustainable energy should include nuclear energy. While that is not the subject of our discussion, it is a topic of interest.

It strikes me that there is insufficient debate on the many side effects of growing bio-fuels. Enthusiasts, including those in the green movement, are quick to advocate the purported great benefits of such fuels. The green movement uses fear as one of its main offensives as it seeks to have governments change their policies, even in cases where the theory behind their initiatives is flawed.

I note the Minister's claim that "the obligation [for bio-fuels] will be on the companies in question and at no cost to the taxpayer". While his statement is correct, the cost will be borne by the consumer, specifically the person who is travelling. This cost is in addition to the carbon tax which will be introduced next month. While these green ideas look good on paper, we cannot accept as fact the arguments used to promote the green agenda. We should consider, for example, the numerous ways in which a person who is travelling by bus to collect his or her social welfare payment will be taxed.

Although the carbon from bio-fuels does not contribute directly to global warming when such fuels are burned, there are several well known side effects such as competition with food

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crops, the need to clear virgin land to grow them and the energy costs of processing them. An interesting study was published recently by Dr. Jerry Melillo of the Marine Biological Laboratory in Woods Hole on how bio-fuels could change world agriculture during the 21st century. It is worth noting that 53 scientists affiliated to the laboratory have been awarded the Nobel Prize. Dr. Melillo's study concentrates on the likelihood that bio-fuels will be made from whole plants such as fast growing grasses, rather than the food cum bio-fuel crops used today. The study shows that the widespread growth of bio-fuel crops is likely to cause a net global release of greenhouse gases during the first half of the century, as land is cleared and fertilisers are scattered liberally. I had not heard this theory previously. According to Dr. Melillo, in the correct circumstances the CO₂ account could move into profit by mid-century, whereas the nitrous oxide account will never do so. He also believes Africa is the best place to grow bio-fuels and were this to occur, it would lead to the greatest carbon capture in the long run.

A recent United Nations report states the use of maize for bio-fuel in the United States can also be inefficient. Properly planted and processed, maize for bio-fuel contributes to the cutting of emissions but, done poorly, this form of bio-fuel is more polluting than petrol. The report also found that the use of bio-diesel from palm oil plantations grown on deforested peatlands resulted in greenhouse gas emissions up to 2,000% greater than those generated from fossil fuels. These observations must be taken into account in the long term.

Two papers published last year in the journal *Science* show that carbon released by ploughing new farmland to grow bio-fuels takes many years to repay. As the green movement argues, preventing climate change requires immediate and significant cuts in emissions. On that basis, the current policy does not make sense.

When one considers the other greenhouse gases produced by growing crops, the position appears to be even more futile. Nobel laureate Paul Crutzen has estimated that emissions of nitrous oxide, a greenhouse gas arising from the use of nitrogen fertilisers, wipe out all the carbon savings produced by bio-fuels. This finding is not taken into account in overall calculations. Many experts calculate that the gross energy input in bio-fuels, including fertilisers and so forth, is greater than the energy produced. If that is the case, bio-fuel production does not make sense. Dr. Tim Searchinger of Princeton University has made the point that the rules for assessing compliance with the Kyoto Protocol are biased in favour of bio-fuels because they fail to account for emissions from land cleared to grow such fuels.

Last year food riots occurred in Morocco, Mexico, Mauritania, Senegal, Uzbekistan and Yemen, among other countries. Mr. Jean Ziegler, the United Nations special rapporteur on the right to food, has called for a five year moratorium on bio-fuel production. His call is based on the view that a moratorium would also protect the interests of some of the world's most vulnerable citizens.

At the start of this month the World Bank, the United Nations and politicians from a number of countries met in London to discuss food security. Considerable concern was expressed that global population growth, climate change, pressure on water supplies and increasing use of bio-fuel crops would spark a new wave of food shortages and rising prices in the developing world. This view is supported by figures from the United Nations Food and Agriculture Organization which indicate that the number of starving people has risen from 830 million to 1 billion in the past two years. I recall citing in a previous debate the figure that 830 million people go to bed hungry every night. The World Bank is stepping up its investment in agriculture after decades of largely ignoring the sector. In other words, it has decided action must be taken on this issue.

I question whether the Minister's initiative will spur domestic production of bio-fuels. Perhaps instead of stimulating domestic production of bio-fuels, businesses will source these prod-

ucts from where it is cheapest. If we end up importing all our bio-fuel needs from South America, the carbon footprint from transport will surely increase. Visiting Brazil three years ago I was astounded to discover that every petrol station sold both fossil fuels and bio-fuels. When I asked about the issue, I learned that bio-fuels accounted for approximately half of fuel consumption. As has been noted, however, the generation of bio-fuels in Brazil is causing significant damage to rainforests.

A recent report by the United Nations environment programme states categorically that bio-fuel adoption targets in developed countries such as Ireland are contributing to land use changes in developing countries. This argument has been made by environmental groups which state bio-fuel demand is indirectly contributing to deforestation in countries such as Brazil and Indonesia.

I question whether the crops used to make bio-fuels are an emerging market and inexpensive. Figures published by the International Monetary Fund show that oilseed rape cost \$398 per tonne in October 1999. By September 2009, however, the average price had increased to \$857 per tonne. Are bio-fuels as cheap as the Government contends or will prices continue to rise? Their price appears to be increasing much faster than prices for other commodities.

The national bio-fuels strategy has been a disaster. Having set a target of achieving a 2% bio-fuels penetration rate by 2008, it had only reached a figure of 0.5% in 2007. On what basis will the new strategy be different?

We must consider the massive impact of bio-fuels on water consumption, which is a major challenge. It is estimated that it takes more than 9,000 litres of water to grow sufficient soy to produce one litre of bio-diesel and up to 4,000 litres for corn to be transformed into bio-ethanol. While bio-fuels have been strongly criticised for their role in causing food shortages, the strain they place on water resources should also be acknowledged. The figures I have, which I hope are correct, suggest the production of beef does not make sense as it takes 10,000 litres of water to produce a certain number of kilograms of beef. The world has not faced up to the water shortage. I know it is of concern to the Minister and I have heard such concern expressed by members of the Green Party. We must seriously examine it. We are not giving enough attention to the water problem. We have a different problem in the west with water.

Should we not examine producing electricity at local power stations using wood, straw, seed oils and other crop or waste materials which the United Nations says “is generally more energy efficient than converting biomass to liquid fuels”? Going green is all very admirable but we must seriously question whether bio-fuels will make things worse rather than better. Friends of the Earth states that bio-fuels often lead to more emissions than the petrol and diesel they replace. There is a real danger that the current fixation on bio-fuels could be misplaced and we should not be bullied into supporting something which lacks much crucial scientific support. Doing so could have serious consequences in the future.

I understand from where the Minister is coming and what he is trying to achieve but I question in general whether this is the right direction to go. Are there other solutions by which we could achieve what we are setting out to do? The Minister’s heart is in the right place and all of us are aiming at the right direction but I question whether this is the right thing to do.

Debate adjourned.

Ninth Report of the Committee of Selection: Motion.

An Leas-Chathaoirleach: The Committee of Selection reports that it has nominated Senator Eugene Regan to serve on the Joint Committee on European Scrutiny.

[An Leas-Chathaoirleach.]

The Committee of Selection reports that it has nominated Senator Ciaran Cannon to serve on the Joint Committee on Justice, Equality, Defence and Women's Rights.

The Committee of Selection reports that it has nominated Senator Ivana Bacik to serve on the Joint Committee on Arts, Sports, Tourism, Community, Rural and Gaeltacht Affairs to fill the vacancy caused by the election of Senator Alan Kelly to the European Parliament.

I move: "That the report be laid before the Seanad."

Question put and agreed to.

Energy (Biofuel Obligation and Miscellaneous Provisions) Bill 2010: Second Stage (Resumed).

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

Senator Niall Ó Brolcháin: I welcome the Minister. This is a good Bill and the Minister is going about this in the right way. I note the target is to have 10% renewable by 2020 which would include renewable electricity in terms of electric cars for transport in Ireland. I was disappointed to hear Senator Quinn state the green movement uses fear. Neither the Minister nor I is involved in that. We are not about fear. I note the Minister repeatedly——

Senator Feargal Quinn: I did not say the Green Party, I said the green movement.

Senator Niall Ó Brolcháin: The Minister constantly asks for all sides of the House to come together on energy policy because it is so important for the nation. Transport policy in particular is a very difficult issue for us to resolve from the point of view of energy security for transport. It is great to discuss the free availability of diesel and petrol. In the 1970s, when I first got interested in politics, the issue which first drew me into the Green Party was that of peak oil. I remember the oil crisis of the 1970s when we could not go to school by car because we did not have fuel. This was to do with OPEC and other countries refusing to give us oil. There was an embargo on oil and I have spoken to various people in Cuba about the embargoes they have suffered and they have had to come up with interesting ideas. Senator Quinn mentioned Brazil, which has a deliberate policy of using ethanol. Brazil has large tracts of land where bio-fuels can be easily produced, and they have been doing so for a long time.

Our transport fuel is not secure. Almost all of our transport fuel is imported and there is no guarantee that this will continue forever. In fact, there is a guarantee that it will not continue forever. The need for transport fuel will become increasingly difficult. Quite often, people confuse the issue of climate change with that of peak oil. The peak oil issue is about future energy security. If the oil tap was turned off tomorrow, I do not know exactly how long the country's existing economic structures would survive but it would not be very long. This is a possibility. I may be using fear now, but this is a very real situation.

Senator Michael McCarthy: Senator Quinn was fearing that you would.

Senator Niall Ó Brolcháin: We do not have control——

Deputy Eamon Ryan: Senator Quinn terrified me.

Senator Niall Ó Brolcháin: He is terrified of the Minister also.

Senator Michael McCarthy: He is very spooky.

Senator Niall Ó Brolcháin: We do not have control over our own fuel sources. It is important that we find alternative fuel sources to help us in emergency situations to be able to provide a certain level of security, in particular for transport. If we considered it strategically, indigenously produced bio-fuels would help us to have a certain level of transport in difficult times.

When I first became a member of Galway City Council, somebody mentioned that vegetable oil was blocking up the sewage pipes because various chip shops were pouring the waste vegetable oil down the drain. I proposed the solution of creating a market for it, turning it into fuel and running our council vehicles on it. The response I got from almost every councillor was guffaws and that it was an absolutely ludicrous solution.

Senator Rónán Mullen: I suggest they all had a chip on their shoulder.

Senator Niall Ó Brolcháin: I thank the Senator for his kind interjection. It is now a few years later and Galway City Council vehicles have 5% bio-fuel. Waste vegetable oil in the city has been converted into bio-fuel. A waste product has become a bio-fuel and is useful. It is hoped that it will be increased to 10%, which is in line with the Minister's target. I hope we exceed that target before 2020.

I received a very interesting policy document from Fine Gael entitled Rebuilding Ireland A "NewERA" for the Irish Economy. I could consider this from a party political point of view but, like the Minister, I believe it is important that we welcome what is in the document. It is a good document and one which Deputy Enda Kenny constantly quotes with regard to 100,000 new jobs. One of its key points is on bio-fuels and a large section of the document is on this issue. This is a document from an Opposition party so it is not only the Government that is pushing this forward. The 100,000 jobs would come from bio-fuels and other areas such as smart meters, wind generators, broadband, renewable energy, water and greener homes. What is startling is that this is the green agenda and the Minister, Deputy Ryan, is leading the way on all of these matters.

I have a difficult with one area of the document which states: "From 2013 to 2015 we would phase out the sale of regular diesel from Irish forecourts with an aim of having only biodiesel available for purchase from 2015." That is very laudable but in this Fine Gael suggests replacing 2.3 million tonnes of diesel with 150,000 tonnes of biodiesel and this is obviously an impossibility. In the short term we cannot replace all of the diesel in the country with biodiesel and, unfortunately, the document contains a mistake in this regard. However, the general sentiment is that we need to move towards a decent level of bio-fuels and renewable energy.

The green agenda is very important. When I was growing up in the 1970s we spoke about the Hubbert peak, which is now known as peak oil. This country has eminent people who are experts on peak oil. Peak oil means that worldwide demand for oil exceeds the amount that can be produced and there is not enough oil to meet demands.

The worldwide economic crisis was not due to the collapse of Lehman Brothers but the price of oil. It is clear to me that the price of oil shot up to more than \$100 per barrel because demand was increasing exponentially to the point at which it could no longer be met, with the result that we experienced a great economic collapse. Economics works according to the simple law of supply and demand. People do not realise how the price of oil penetrates society and economy. I have spoken to schoolchildren as part of the green flag programme. The fleeces they wear are made from recycled oil-based plastic bottles. Until recently, they were produced in Ireland. Fertilisers are also produced from oil. I would not be surprised if many of the materials used in this Chamber were produced from oil. All plastics and most chemicals are oil-based.

5 o'clock

[Senator Niall Ó Brolcháin.]

This country does not have an indigenous supply of oil and, while it is possible we will discover one, it will be a non-renewable resource. I cannot understand why we spend all our time discussing people like George Lee when we should be jumping up and down in alarm at the small proportion of our energy supply which comes from indigenous and renewable resources. We have great potential in that regard.

I commend Fine Gael on its document, *Rebuilding Ireland: A “NewERA” for the Irish Economy*. An all-party approach would help to bring about the certainty we need in our energy policy. It is incumbent on us to work together because the future of the economy depends on it. I do not claim bio-fuels alone will bring us out of recession but energy security will be one of the key ingredients in our recovery. I commend the Minister on his efforts in this regard. He is getting on with the job Fine Gael proposes to take up. He is in the House on a regular basis to debate the Bills he has introduced.

Senator Michael McCarthy: I welcome the Minister. In recent times we have held a number of debates on aspects of environmental policy, the pros and cons of governmental proposals and, as Senator Ó Brolcháin noted, submissions from Opposition parties. However, the Bill before us deserves closer scrutiny. We rely on expert advice on most issues. In researching material for my contribution I studied a submission from the Irish Bioenergy Association. I imagine the Minister has already considered that association’s recommendations but I wish to outline them for benefit of the House.

There is no doubt we are overly dependent on fossil fuels and need to encourage bio-fuel production, not least in the light of the employment generated in rural areas. The production of bio-fuels can help to kick start economic activity in rural areas. With insight and strong support from the Government, we can rebuild the rural economy by this and other means, including marine activity.

Noting the resemblance of the scheme provided for in the Bill with the one in place in the United Kingdom, the association expressed its concern that it might not be workable. According to its submission, 89% of the bio-fuels used in the UK market are imported, primarily from Brazil and Argentina. I have previously discussed, in the context of overseas development assistance, the impact of bio-fuel imports on developing countries.

We must also be mindful of the scheme’s impact on the consumer. We saw the immediate effect of the carbon tax in terms of the price at the petrol pump for petrol and diesel. This is a very car dependent country because, unfortunately, our public transport system is not at the level where one could, for example, take the train from Cork city to the Beara Peninsula. In terms of further carbon taxes and levies, we must be mindful of people in rural areas who are on lower incomes or without jobs and who continue to rely on their cars for transport. The cost of any further obligations will be shared by everybody, although some sections of society have more disposable income and can take more of a hit than those already struggling to meet rent payments, mortgages and household bills. On the Order of Business last Thursday I raised the issue of the increases announced by permanent tsb to its interest rates. An increase of 0.5% means an extra €60 on a mortgage of €200,000. We need to be mindful that families are already struggling to meet utility bills, put food on the table and negotiate out of high mortgage repayments.

Road transport services depend on imported fuels for 99% of their needs. Some 70% of the bio-fuels used here to date have been imported.

When the Minister of State at the Department of Foreign Affairs, Deputy Peter Power, was in the House recently to debate overseas development assistance, we spoke about the impact

of bio-fuels on developing countries. Too often an issue comes across as being straightforward at first but complications soon become apparent when it is addressed in more depth. An example concerns bio-fuels and climate change. Oxfam has produced a report on Tanzania, where vulnerable groups are being forced aside to make way for bio-fuel plantations. Mtamba is one of several Tanzanian villages which skirt the 9,000 hectares of land in respect of which Sun Bio-fuels Tanzania Limited, a subsidiary of the British company, Sun Bio-fuels, is finalising an investment deal. The 11,000 people who live in the area use the land to produce charcoal, firewood and herbs for food and medicines. Significantly, the land allocated for bio-fuel production includes the swamp that offers the only source of water for the villages in question. It is unclear what will happen to this water supply as a result of the bio-fuel development. Will businesses making commercial investments in such schemes consider the implications for the people who depend on the land they plan to use? The evidence in every other developed country would suggest differently. Even in poor countries where bio-fuels may offer a new commodity and increased employment, the potential costs, including environmental damage, land displacement and diminished food and water supplies, are severe. That is an issue that will never be too far from a debate such as this. I urge the Minister to be mindful of the hard-pressed consumer, especially in today's climate when any proposed scheme with an obvious cost implication is being introduced.

Senator Fiona O'Malley: I welcome the Minister and the Bill. We have had a useful debate. Senator Quinn, in particular, has highlighted many of the concerns people have. I sought a similar measure to the current one in an Adjournment debate in 2004. This measure was mooted in previous Finance Acts but now it is being put into legislative form. Since that time, there have been changes in the bio-fuel sector. I was extremely enthusiastic about starting up an indigenous bio-fuel industry. The potential was evident, especially in rural areas. However, at that time we did not see the downside, which has been alluded to by several speakers in the context of developing countries, for example Brazil, where the rush to provide space to grow the crops has had a detrimental effect on the environment and climate. That is why we need to be careful. It is not reason enough to stop progress in this area but it is reason to cause us to reflect. That is why I was glad of Senator Quinn's contribution in particular. I understand why the Minister said the subject terrified him somewhat in that there was much alarmist talk. When one is not an expert one can rely heavily and quickly on any scientific information to back up one's opinion. However, Senator Quinn made a fair point about some reservations. As we move towards growing a bio-fuel sector, we need to be cognisant of the lessons we can learn from the first generation bio-fuels to the more functional second generation bio-fuels.

Senator Quinn made a valid point about the absolute or true costs, environmental and otherwise, of producing bio-fuels. We should also be mindful of the additional cost of having bio-fuels transported to this country. That is something that is sometimes overlooked and of which we need to be cognisant. Other speakers referred to the development of an indigenous bio-fuel industry. We would all prefer to see that. Previous speakers spoke about the difficulty of ensuring that the benefit will accrue to the industry in this country and provide opportunities for farmers, whom I see as being agricultural or environmental entrepreneurs. There is great scope for diversifying the traditional agricultural sector. We should not be in the business of protectionism and I accept it is not easy to build certain mechanisms into legislation so as to ensure the benefits might accrue to the indigenous sector.

Senator Quinn made an interesting point about biomass and energy efficiency in terms of turning it into liquid fuel. He suggested we should focus on how to use biomass to generate electricity in power stations. As Senator Ó Brolcháin indicated, 10% of transport fuels are to come from renewable sources. Everyone thinks of electric cars as being environmentally sound, but they are not. It depends on how the electricity is generated. If it is generated through

[Senator Fiona O'Malley.]

energy efficient means, not through the burning of fossil fuels, then it is greener fuel. He also referred to nuclear power, its sustainability and whether it is environmentally sound. We should have a debate on nuclear energy. The Minister is keen to have it. I am interested in seeing more power stations being fuelled by biomass. If we choose that option we will arrive at a greener target. I speak in the context of the whole cost of producing the energy.

By 2020, a total of 20% of electricity generation will come from renewable energy. Much of that will come from electric sources, such as electric cars, but we should ensure that the electricity is produced in a green way, such as wind or the burning of biomass. We tend to overlook certain issues when we all jump on a bandwagon because we think something is a good idea. Senator Quinn in particular mentioned that the burning of biomass for liquid fuels is not the most energy efficient way to produce energy. We should be careful to ensure that whatever incentives are provided to help us achieve our targets on renewable energy, that they do not end up having unforeseen negative consequences. I welcome the Bill.

I am often surprised that people have not taken to dimethyl ether, DME. I am pleased the Minister, Deputy Ryan, is nodding. I have spoken to him previously about the matter. DME has not reached the mainstream yet. In five years we will all be talking about it and we will all see it as a new, cleaner, energy efficient source of power. It presents enormous potential in this country. I hope we do not end up putting into legislation something which we will no longer need in the future. DME will become far more mainstream in a way that bio-fuels were approximately ten years ago. DME will provide us with a green, energy-efficient way of sourcing fuel. It would be regrettable if we ended up tying ourselves in knots because of legislation we have enacted. The green economy is in good hands in the hands of the Minister, Deputy Ryan. I welcome the Bill and look forward to what I hope will be its swift passage.

Senator Paul Bradford: I ask the Minister to excuse my hoarse voice as I make my contribution. I hope he can understand what I am saying. The contributions to date have been interesting and wide ranging. I listened with interest to the Minister's party colleague, Senator Ó Brocháin — I hope my pronunciation is correct — give us the example of the oil being used as a fuel by Galway City Council. The Leas-Chathaoirleach will be aware that possibly the first person to use a waste oil product in a vehicle was the former Cathaoirleach and Leas-Chathaoirleach of Seanad Éireann, Charles McDonald. Another former Senator who owned a number of chip shops in Cork city was thought to be one of the suppliers of the waste oil to Senator McDonald in the late 1980s and early 1990s. Most of Senator McDonald's colleagues thought his proposal for running his second-hand Mercedes on chip oil was daft but the vehicle brought him regularly and safely from County Laois to the House and, therefore, he was a pioneer in that respect. The legislation is welcome, and as Senator O'Reilly said, in his usual fashion of fine prose, Fine Gael supports the legislation but we have a number of questions. The most significant issue relating to the Bill is how to generate the maximum volume of bio-fuels from domestic resources. In other words, how can it be ensured available land will provide the maximum volume of bio-fuel? When the former Fine Gael leader, James Dillon, served as Minister for Agriculture he recalled a famous saying about the expansion of agriculture production in the 1940s: "One more cow, one more sow and one more acre under the plough". It was a simple slogan that worked. We must ask how we can put more acreage into bio-fuel production.

Senators Quinn, O'Malley and others highlighted the food versus fuel debate, which is interesting. Fine land is available for agriculture production. However, as a result of set aside policies imposed by the EU or farming practices in some parts of the country that are not as good as in others, a substantial amount of land is not fully utilised and it could be diverted to

bio-fuel production without affecting food production. It will be necessary for the Minister to engage in a detailed dialogue with his colleague, the Minister for Agriculture, Fisheries and Food, in advance of the serious negotiations that will shortly commence about the future funding of Irish agriculture via the Common Agricultural Policy and related programmes and to try to ensure maximum assistance will be available to encourage farmers to grow energy crops.

The excellent document, which all of us received from the Oireachtas library and research service, outlines the background to the Bill, various ideas and interesting statistics on elephant grass and other energy crops. However, solutions are available and they can be applied to lands in Ireland provided the Government can get the financial equation right. The sugar beet industry was shut down a number of years ago. Ireland produced sugar from the early part of the previous century and, tragically, five years ago the Government made a decision in conjunction with the European Commission to shut down the sugar industry. There was a great deal of hope, expectation and optimism that sugar beet could be used effectively as an alternative crop to produce bioethanol. The people of Mallow and Carlow had hoped the disused sugar factories could be used for the production of energy. Sadly, that did not come to pass but a number of people have ideas and proposals. I presume they have been in contact with the Minister and his Department but we must try to encourage them. Ireland was able to grow top class sugar better and other fodder crops which can be used for bio-fuel production.

The Government has not given sufficient attention to this option over the past two or three years and it is important the Minister liaises with the Minister for Agriculture, Fisheries and Food to see what options exist. The domestic agriculture industry faces enormous challenges. Farm incomes have reduced significantly, dairy prices have almost fallen through the floor while tillage prices have been disastrous. Huge challenges face Irish farmers but, at the same time, there is a need to produce energy crops. It would be nice if these two problems could be examined to marry them into a solution. Significant funding is available and I make this point regularly when speaking to farming groups. The EU continues to be the best friend of Irish agriculture. It has a significant funding commitment to Ireland, which will be maintained into the future. There may be adjustments but we must ask ourselves how we can use the funding to keep farmers farming and the land productive. We must observe our food obligations from a food security perspective but a significant proportion of our land could be used for energy crop production and the Minister will have to give a lead in this regard.

I welcome the Bill in that it will not only serve as a stark reminder to energy providers but it will also place a stark obligation on them to produce bio-fuels, which is a positive first step. The second step from a domestic and rural perspective is to ensure energy crops are produced on our land. The technology, land, farmers and machinery and history of bio-fuel production are in place but a further push is needed. It would be disappointing, as previous speakers said, if the 4% obligation was entirely met by imports. Some years ago, a biodiesel plant was proposed for north Cork and one of the major objections was the fear that the vast majority of product required to refine the biodiesel would be imported and not produced locally. The challenge we face in the legislation is to ensure maximum domestic production.

We will debate these issues further on Committee Stage. The Minister's key challenge is his work with the Minister for Agriculture, Fisheries and Food to put the grant structure in place and I look forward to that debate. I wish him well with this important and necessary legislation. It is doable but domestic production must be kept at the top of the agenda and if we manage to do that, we can turn this legislation into a win win. Not many Bills like this come before the House. Generally one side wins while the other is defeated or makes concessions. This legislation is win win if the Minister strikes the correct balance to meet our obligation while maximising bio-fuel production on the land, which will be good for the consumer, the farmer and the environment. I look forward to the Minister's work in advancing that set of aspirations.

Senator Cecilia Keaveney: I welcome the Minister. I am not an expert on bio-fuels but a group of us on the British-Irish Interparliamentary Body examined energy issues and the opportunities that are there for Ireland which is so dependent on new ideas for enterprise and employment. There is great potential to retain and create jobs in the agriculture and energy industries through the green agenda. Toyota is having difficulty with new technology in the Prius car. Such new hybrid cars and the drive for new ideas in the car industry is counteracted by small glitches that have nothing to do with the technology. In the case of the Prius, I heard someone earlier say the issue was a sensitive brake pad as opposed to anything structural in the car. It is not a vote of no confidence in the new technologies. It is important for us to keep saying this to give people the confidence to think about the new alternatives and try to ensure they are moving to cars that are more sustainable in environmental terms.

A few years ago we were up at Gilliland's farm in Derry, a place I have driven past and been driven past since I was tiny. My grandfather lived about 200 yards across from that farm. However, it took a committee visit of the British-Irish Parliamentary Assembly for me to realise exactly what was happening there. Human effluent is taken from Derry City Council, or the wider region, and injected into the soil to grow willow and miscanthus. To be there physically and watch is interesting because one would assume the process involved smells and so on. The young willows absorb the effluent and grow very high, around nine feet in a year, after which they are cut down and the plants begin to grow more like bamboo. Thus, one can see them evolving into the material that will become woodchip pellets. When I left the place after an hour and a half, I considered the process. The willow, which is a very slight plant, goes through the process of this field versus that field and is then taken into the barn, in which the energy to power the house and the visitors' centre is generated.

The point that was made by the experts at that meeting, when we asked how we could persuade people to move away from oil, peat and coal to energy sources such as wood pellets, was that it was not very economical. If there is no market one cannot sell to the market. In the absence of a critical mass, costs are high. However, I welcome the announcement yesterday by the Minister for Agriculture, Fisheries and Food, Deputy Brendan Smith, of a new bioenergy scheme under which grants would be available for the planting of willow and miscanthus over the period 2010 to 2012. There was a scheme in 2007 which supported 2,500 hectares. It is welcome that we are now in a position to put another thousand hectares under the scheme in 2010. The establishment grant is €1,300 per hectare to cover 50% of the cost of establishing the crops.

The message we got when we went to Gilliland's was that this was the only way forward. The area needs help and subvention. However, a constant learning curve is also required. We keep saying that schools are the places where everyone will learn everything. However, we must continue to make people aware that there are new ways of doing things and new opportunities.

There was talk recently about the development of wind energy. Nobody knows better than the Minister that there is plenty of air — and hot air — in County Donegal. We heard the recent announcement about Killybegs. From the moment the group concerned came together with the concept of pairing windmills with reservoirs — the windmills will have reservoirs for storing electricity — many people have been coming to me asking how they can get planning permission for windmills. Some people like them and some do not; there are those who do not mind them on land and those who would rather have them out at sea.

There are people in my area, of whom I am one, who objected to the concept of developing the Tunes Plateau as a wind farm at the time it was suggested, although the project seems to have gone to Neverland. If it arrives on the Minister's desk, which it probably will not because even though the Foyle is under joint jurisdiction it seems the Crown Estate can do what it

wants when it comes to giving out leases, I ask him to remember that there are other good locations. We do not need to stick any windmill into the middle of the Foyle. I asked what would happen to the greatest salmon fishery in Europe if it was allowed to proceed and I was told the smolts could have great sport swimming around the bases of the windmills. There is many a true word spoken in jest, but although the people concerned thought it was funny, very few of us thought it was funny at the time.

There are many people who are interested in driving change and we should be encouraging them. A large conglomerate of interests have met with the Minister for Communications, Energy and Natural Resources and the Minister for the Environment, Heritage and Local Government, as well as many members of our parliamentary party, in this regard. We should be doing as much as we can to support them. However, the question is raised of the current status of the grid. We are trying to drive new thinking in the area of bioenergy. A person might come to me saying he or she intends to build a new house with a wood pellet boiler and avail of the supports available, but there is also a river beside the house and he or she wishes to set up a mini-hydroelectric facility. However, when one asks how this can be connected to the grid and whether credits can be given to the householder, the situation is unclear.

We considered this at the British Irish Parliamentary Assembly. Ireland is an island, but there are two different jurisdictions from an energy point of view. The electricity interconnector might go North to South in some respects but more needs to happen. We need a single grid or two mutually compatible grids. My understanding is that the two grids are currently not compatible. I was led to believe, in addition, that there was a strong need for an upgrade of the national grid so it can adapt to the new opportunities that are presenting themselves and that people are more than happy to take up.

Education is important if we are to persuade people to buy into this. The Bill before us is about obligations, which are seen by many as a negative concept. Until it is explained to people that renewable energy is ultimately in their economic interest as well as the interest of the environment, they will not be convinced. It is important that we provide as many facilities as possible as quickly as possible. An example is the idea of the electric car, which is no longer new. If I were in Dublin I would probably consider it on the basis that I would not be travelling many miles, but people from my region do not have a train service — there is no reason we could not have a Dublin-Derry train service because the line is there — and we need our cars. We must have confidence that if we leave Donegal to go to Dublin in our electric cars, there will be four or five recharging points in case we need them. We must know our electric cars have the same capacity as a diesel or petrol-driven car.

I wish the Minister well in his endeavour. As I said, there are good employment opportunities involved in making the country more economical and more environmentally friendly. There are many people who want to rise to the challenge. It is a question of awareness. The people who are becoming aware are energised and excited about the issue. I hope we can spread that excitement and enthusiasm around the country.

Senator Rónán Mullen: Cuirim fáilte roimh an Aire. I have remained in the House for many of the contributions on this debate and I read the Minister's speech, although I am sorry I was not able to be present when he was speaking. I found it a fascinating discussion and the issue is an important one.

I must confess I was scared by what Senator Quinn had to say. It seems there are no easy solutions in this world, even when one is trying to do good. Undoubtedly, the creation of a domestic bio-fuel industry is a desirable objective. The creation of this obligation will help us to move down that route. As I listened to Senator Quinn, I was glad that a man of integrity and someone from the Green Party was leading the Bill through the House. I do not doubt

[Senator Rónán Mullen.]

that the Minister takes seriously his commitments in terms of the need to protect the environment, source energy resources and work towards energy security. He also cares about global solidarity and would be careful in considering any possible unintended consequences. I will comment further in this respect. Senator Quinn's speech was stimulating. To some extent, most Senators must trust the Government in an area such as this, as it has research resources at its disposal to ensure unintended consequences are avoided, inasmuch as Ireland, a small country, can have an influence on the world stage.

My song writing talent was set in motion as I reflected on the strange acronym NORA, National Oil Reserves Agency. I thought of my late grandfather who used to sing the song "Nora", also known as "Maggie". I remembered one verse, in particular: "The violets were scenting the woods Nora, displaying their charms to the bees". It would be sad were that verse to end with the line, "But the woods were all cut down for biomass Nora, causing environmental degradation and food scarcity". As the Minister can see, I will not win any prizes for song writing, but this is the moral consideration raised by Senator Quinn, namely, that there could be unintended consequences in terms of environmental degradation, no net carbon emissions benefits, food scarcity and damage to indigenous populations. The Minister will answer these concerns in his summation.

I am happy to support the Bill which is a long overdue step in beginning to create a market for bio-fuels. If produced in a sustainable manner, bio-fuels have a role to play in reducing our dependence on fossil fuels, increasing our fuel security and, last but far from least, providing an income for farm families and employment opportunities for rural communities. This is not simply a matter of fashionable economic policy. Since the dawn of agriculture, farmers have grown crops to produce not only food, but also fuel and clothing from flax to cotton. The use of crops to power our transport systems is not new. The horse and humble donkey were powered by crops grown in Ireland for centuries. In this sense, we are reverting to a pre-fossil fuel age.

We all know that Ireland's current fuel use is unsustainable in the long term and highly risky in the short to medium term. We import almost €6 billion worth of fossil fuels a year. We are the last link in the long gas pipeline that brings gas from Siberia to Santry. Our use of fuel grew dramatically during the boom and transport accounts for a significant and ever increasing proportion of overall energy use. According to the Environmental Protection Agency, EPA, fuel consumption accounted for 27.8% of energy use in 1990 and rose to over 40% in 2005. The transport sector is dependent on fossil fuels. The 99% consumption ratio has been mentioned. According to the EPA, this has resultant impacts on the security of fuel supplies and exposure to oil price fluctuations. When we consider all of these matters, there is a powerful case to be made. CO₂ emissions from the transport sector represented more than one third of total energy-related CO₂ emissions in 2005, a figure sourced from the EPA. All of these facts make a compelling case for Government action.

We must act to enhance Ireland's energy security, reduce our dependence on carbon emitting fossil fuels and move towards a sustainable future. I fully agree with the Minister that our forests and farms can help to provide the fuel of the future, reducing our carbon emissions at the same time. However, the Bill on its own will not achieve that objective. It will help to create a market but, without urgent action, that market will be supplied not by Irish produced bio-fuels but by imported stocks. Senator Quinn also raised this point. The benefits to the economy would be marginal at best. We should note that this has already occurred in the case of a similar scheme in the United Kingdom. According to the Irish Bioenergy Association, the scheme led to the importation of 89% of the bio-fuels used in the United Kingdom.

Importing bio-fuels means any benefit from reduced carbon emissions in Ireland would necessarily be negated by the increased carbon footprint generated in transporting the bio-fuels half way across the world. To quote my father, I am cutting stubbles, if the House will pardon the agricultural metaphor, in revisiting points raised by others. The importation of bio-fuels would do little or nothing to enhance Ireland's energy security. If the seas are unsafe for oil tankers, they would be no safer for bio-fuel tankers.

Having raised these caveats, I have no major problem with the Bill. I support it fully, as I do a mandatory obligation to create a market for bio-fuels. However, unless the Government also puts in place measures to encourage a significant increase in the production of domestic bio-fuels, the Bill will fail in its policy objectives. I am not considering the woodlands quoted in the song "Nora" so much as I am the significant areas of land not properly farmed or used. The hope is we could develop an indigenous source of bio-fuel in these areas.

The question will arise as to whether the Government has engaged in sufficient joined-up thinking and action, if the House will excuse these hackneyed phrases, to achieve what is required. We live on an island with one of the best climates in the world for producing biomass. We have strong competitive advantages in the production of winter wheat, trees and grass. The question is whether we will have a Government with the imagination and the will to focus not just on the PR dimension of the issues but to create a real bio-fuels industry.

Let me give an example of joined-up thinking. We know that hundreds of millions of euro are being pumped into research to convert cellulose into bio-fuels. Most experts agree that we should see a breakthrough to a commercial solution within the next five to ten years or so. Why not take steps now to encourage the large-scale production of willow and miscanthus-elephant grass in the midlands for burning in the area's power plants? In doing so, we would create critical mass — pardon the awful pun — of growers and supply such that when a commercial process is developed to convert the cellulose in miscanthus and willow to biodiesel, we would be ready to make the leap towards a new domestic fuel for transport.

If we are to have a sustainable bio-fuels sector, action will be required at European level to ensure the European Union's commitment to tackling climate change does not result in ecological and human devastation in poorer areas of the planet. I trust the Minister and his civil servants to think globally. I am not convinced that the measures contained in the Bill to ensure the sourcing of sustainable bio-fuels are enforceable. Ireland is so small as a market that we will have little impact on the global market. I hope our national tradition of solidarity with the developing world will influence European policy. The European Union is impressive as the greatest donor of overseas aid, but we need to ensure our vision permeates EU consideration of these measures in order that we can shape the world market to the point where it is sustainable and ecologically beneficial through united action.

Mar fhocal scoir, ba mhór an íoróin í agus ba mhór scanall é dá dtugfadh muid faoi cheist an fhuinneamh ghlan agus ghlas gan a chinntiú nach dtiocfadh sin salach ar na daoine is boichte ar domhan. Dá ndéanfaí damáiste don timpeallacht go háitiúil nó dá ndéanfaí damáiste do foinsí beatha, ba mhór an éagóir é sin. Ar scáth a chéile a mhaireann na daoine. Is fíor sin ar an leibhéal domhanda chomh maith le ar an leibhéal áitiúil.

Senator Liam Twomey: The concept of the green agenda is fine until it is tested and it is in legislation such as this that we will test it. Interestingly, the Minister has said one of the objectives of the Government and other EU member state governments is to ensure there will be no adverse consequences for consumers, the environment or those living where the products needed will be grown or extracted. In reality, there will always be a clash somewhere along the line. Satisfying the green agenda may not satisfy the economic agenda and, in turn, how we produce bio-fuels. We even find that the Government has got involved in this issue because it

[Senator Liam Twomey.]

often has had to forfeit revenue to drive the green agenda in terms of the use of bio-fuels. This was the experience of a plant in New Ross which makes biodiesel from waste products. As we know from the recent Finance Bill, the Minister wants to slap a carbon tax on biodiesel such as that produced in this plant in New Ross. In slapping a carbon tax on biodiesel produced here one will reduce the economic viability of plants such as this one. We can see, therefore, how measures taken in this area can clash. I am sure the Minister is aware of instances where major objections have been raised to the construction of plants which use biowaste to manufacture bio-fuels because the process involved creates its own difficulties. The process often involves the transportation of animal waste into a locality to make bio-fuels. One cannot keep everybody happy if one wants to improve energy security by using bio-fuel processes.

The issue highlighted by previous speakers of whether the production of bio-fuels is contributing to food scarcity is an international one. I do not know how much of an issue it is at national level. We have a large landmass that is not being farmed and would be available for growing elephant grass or willow trees that could be used in the bio-fuels sector. Therefore, we do not have a problem in that regard. Bio-fuel production is not displacing food production here such that it might contribute to an increase in world hunger. There is a lack of a clear Government commitment and policy on how to make the sector work. That is what is required, not the interim provisions we have had up to this point, which illustrate the *ad-hoc* way in which the sector works.

Those who have been involved in the production of green fuels have often found themselves bogged down in regulations. In some respects we are over-regulated. In framing this legislation I hope the Minister will not make that problem worse. I have had experience of this in County Wexford where a company has been producing bio-fuel from rapeseed oil for the past five years. The fuel is produced from an agricultural product and can be mixed or used on its own for transportation purposes. There were issues around the imposition of excise tax on this product from the beginning of the process which made it difficult to get production up and running. The plant I mentioned in New Ross does not use rapeseed oil, rather it uses waste material to make biodiesel. In that respect it is different but the end product is the same. It is a fuel produced in County Wexford either from agricultural products or waste material. In framing this legislation the Minister should consider its primary purpose — whether this is about energy security for Ireland, getting the sector up and running and minimising the number of regulations and volume of red tape to enable those who want to get involved in the sector to do so. That must be the primary purpose of the legislation.

We dress up this sector as being part of the green agenda but many say there are many reasons this may or may not be part of that agenda. In the overall context, there is an element of the green agenda and energy security about it, but if we really want to make the sector work, we should not kill it by over-regulation or the imposition of taxes at too high a level. The Minister should give us his opinion on this issue and indicate how he is trying within the Cabinet to influence the issue of taxation on these products. Carbon tax does not apply to oil produced from rapeseed but it will apply to biodiesel produced from waste biomass. They should be treated in the same way. We should consider not only the green agenda aspect of such production but also the energy security aspect. If we reach the target percentage where biodiesel and bio-fuels supply 8.5% of our energy needs, we could revisit that figure. The current production level is still very low.

The Minister should examine how we can produce not only bio-fuels from indigenous products but how we can mix fuels at local level. Very few companies are involved in this process. Initially, they encountered great difficulty in having their fuels mixed. They were competing with others who were supplying the same product outside the country.

We talk about air miles when it comes to destroying the environment but we should also consider fuel miles. It appears to be counter-productive to ship biodiesel and bio-fuels half way across the world as part of the green agenda when it is clear it is not part of it. We should try to produce these fuels as close as possible to the locations where they are used and the legislation should try to reflect this. I realise we are compelled by European legislation in terms of the way the process works but we should try to make it as easy as possible for these products to be produced, processed and used close to where they are produced. That may be somewhat more difficult for the Minister to achieve but it is the objective we should set.

I will be interested to hear the Minister's response to my comments. I have had a long association with the bio-fuels sector and the way bio-fuels are taking hold within the economy and the environmental agenda about which we are all talking, but I am also aware of significant problems encountered by producers. The first Minister of State with whom I discussed the issue was the former Minister of State, Tom Parlon, when he was responsible for the Office of Public Works. That is going back a long time. A number of difficulties remain within the sector, in terms of regulation and Government policy, which the Minister might help to address to make this a viable industry in the future.

Senator Joe O'Toole: I welcome the Minister and congratulate him and his staff on producing this very important legislation which I am delighted to see before the House. It confirms my view that, if the Green Party continues to push its own agenda, there will be recognition for and an acknowledgement of it at some stage, although I accept the electorate are not quick to do so.

Previous speakers asked if this legislation was any longer part of the green agenda. It is. The better that agenda, the more it will be grabbed by other parties. The Green Party has done a great deal in advancing this kind of legislation. While this is important legislation, as previous speakers said, we must examine the complete picture. In fairness, there is a trilemma involving the tension surrounding food production, energy security and the environment. Getting it right globally will be very difficult. I do not know all the answers.

I support this legislation, although I do not believe it is the most pressing of the environment issues with which we must deal but it is nonetheless important. With building regulations and other issues, there should be a requirement for every home in the country to have some form of renewable resource. There is a very vague requirement in current building regulations which allows people to get in under the net.

We are dealing with the replacement of fossil fuel energy with renewable energy, which as a starting position must be welcomed. Nobody can speak against that. How does that relate to other issues? Such action should also be welcomed with regard to dealing with emissions. The various plants or vegetation used to create bio-fuels are completely carbon neutral. This means the amount of carbon dioxide they release to the air is equal to the amount collected during their period of growth. Therefore, the process does not worsen in any way the balance in the atmosphere.

I would like to hear the answer to the following issue, which is a technical one. Recently, questions have been raised about nitrous oxide and the concern that nitrous oxide is being created by the use of bio-fuels. We need to know about that. I am slow to raise the matter because when we do not know the background of the people raising these issues, we could wonder if they are the same as climate change doubters. We need to deal with the issue effectively. These issues can gain legs if they are not dealt with early.

The Minister mentioned in his speech the mineral oil tax relief schemes and referred to them as interim measures. That is a significant problem. I have spoken to farmers and people in the

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fuel industry who have been dealing with the issue. They need certainty over a period of time. They must be sure that the tax or excise reliefs will be available for a certain number of years in order that a farmer can plan growth of the vegetation over that time in various parts of his or her farm. Similarly, suppliers can be set up to do exactly the same for extraction, mixing, selling, etc. That is an important financial matter that must be done right.

I heard Members speak earlier about electric cars, etc. I know the Minister's views, which are very solid. In the same way as this legislation is welcome, if the Minister came to the House next week with balanced requirements on a proportion of the nation's car fleet being electrically powered by a certain time, it would immediately provide incentive to an industry. There would be full support in the House and we could weed out those who did not give such support. We must explain to people how well this can work on an island. There is no better place in the globe than Ireland to test and prove the effectiveness of electric cars. Considering the distance north, south, east and west, the refuelling or recharging opportunities could make the process very easy.

There are always issues going in the other way. I have an example of a small matter which is counter-intuitive to the Minister's actions. Beside where I live there has been a bus service since 1920 and it existed before CIE was established. It was a small bus service that came from Cavan via a back road in north Dublin. It came from Kingscourt through the back roads of north Dublin and places like Ardcaith, Clonalvy, Garristown and Ballyboughal. The Minister has perhaps never heard of these places but there was a bus service going through them, which has now been culled. This is for reasons we can well understand as only 20 or 25 people were using it every day. Nevertheless, this puts 25 more people back into cars or off the road. Hand-in-hand with what we are doing tonight, we should be insisting that the Green Party policy on public transport be delivered. The question of public transport is not only economic and financial, it relates to social infrastructure and how we see ourselves in our community and environment. The Minister should take a personal interest in these small bus routes which are being lost for reasons we all understand. I do not want to blame CIE or make a simple or cheap political point. I know the reasons but I ask the Minister to take a sincere and serious interest in some of the issues.

Many of these issues should be green proofed, as it were, by the Minister as they go through. There is equality proofing of issues and this should apply to issues in the context of the green agenda as well. If we are losing routes, we should initiate such a process. There are parts of public transport which are working really well and there is the exciting prospect of the western rail link finally coming into play shortly. I would like to hear the Government say that it wants to bring it to Sligo. We can hear from IBEC and those who would say what a bad idea that would be. This would create and force the debate. It is the only way to do it.

Part of this should be tied to the issue of carbon tax. There can be no argument against such a tax, which is a fair and progressive way forward. People may speak about the quantum and we can argue about that. Related to this is the issue of water charges. We should kill one idea stone dead. Nobody is proposing water charges because water is free. Anybody can get as much as they want with a bucket. Every time the Minister is on the radio and somebody mentions water charges, he should tell that person that nobody is proposing a charge for water. There is a proposal that considers the cost of water treatment and delivery as something that should be paid for by those who can afford it. A person with a swimming pool should not get the same amount of water for free as the person who does not. The same applies to people with four cars against those with one car.

We must keep the issues simple because they do not relate to principle. I had a mentor many years ago who told me that when he heard a person talking about principles, he felt for his

wallet. When I hear people talking about the principles of issues such as water charges, I feel for my wallet. If the matter can be reduced to a quantum of money, it is not an issue of principle. That is a good rule of thumb.

I ask the Minister to consider wider legislation and think about the farmer who may be planning for the next ten years. Can he be sure that the mineral oil tax relief or excise measures will be maintained? People doing the extraction, mixing, selling and delivering can ask the same question. We discussed the most crucial aspect of the green economy in the Minister's absence last week. His colleague was not aware of some proposals on issues such as a national water authority, etc. As these ideas are good, they must be sold and argued. They should not be advocated apologetically.

The Green Party has a fine agenda which it should stand behind. We will sort out the irrelevant issues like hunting but we must keep with the core issues of the green economy. We must do everything we can to push it forward and have a cleaner environment. We should resolve the trilemma between food, energy and the environment. It can be done and I look forward to supporting the Minister as he does this.

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): Having listened to Senator O'Toole, I agree with his comments. The trilemma he mentioned actually has another element — society.

Senator Joe O'Toole: I accept that.

Deputy Eamon Ryan: The train to Sligo and the bus from Cavan mentioned by the Senator are social gains. We will not forget that in the support we will give to that type of progressive action.

I thank the Senators for their contributions to what has been an excellent and useful debate. This shows the complexities of progressing the green agenda. A number of Senators mentioned that the UK jurisdiction had similar legislation. In the European mandatory obligation systems we work under, there is much similar legislation coming from the European Union. However, the concept behind this obligation system was created in 2004 in an analysis presented by Sustainable Energy Ireland; therefore, we have been working on this for some time. It is not on the hoof or short-term thinking. There must be long-term thinking in what we do in the energy sector because in that way we can avoid some of the pitfalls in acting on a short-term basis.

Senator Reilly spoke about the possible to the consumer, an important consideration. Nobody knows for sure how much it will cost until we get down to doing it. As this is a market related obligation system, the cost it will vary. The Department estimates that the cost to the consumer should be less than half of one cent per litre of fuel. We should be willing to support this for the security benefits we may receive in the creation of this additional supply. There are carbon reduction benefits, but there is also a security issue in having diversity in the supply of oil for the delivery of our food, the movement of our people and everything we do daily. There are mechanisms in the Bill that will protect the consumer against an excessive fuel price rise such as the buy-out clause.

Senator Reilly stated that in developing these fuels, it would be preferable if they could benefit agriculture by providing for as much indigenous supply as possible. We all agree on that aspect. We should also agree that we must live within World Trade Organisation rules. Unless we unwind GATT, the Uruguay Round and the Doha Round negotiations, we are constrained by world trade rules. Therefore, we must develop Irish agricultural opportunities. I would be very attentive to the specific proposals of any party in that respect. This obligation

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system provides for a stable and consistent market for the sale and use of bio-fuels. This market has been bedevilled by the huge variability of support schemes; therefore, its consistency is the first means by which we can help Irish farmers. They have enough variables to deal with, be it the weather, the cost of seeds and other inputs. They at least want to know that there is a consistent market into which they can sell if they are to develop business opportunities. As this new obligation system is rolled out, there will be an opportunity for the European Union's sustainability criteria to benefit Irish farmers. We will have to see how this works because this is the first time these criteria will be rolled out. However, they provide an opportunity for Irish farmers. The criteria will include the crucial issues of land use and land use effect. We must make sure we are not buying fuel from land where forest had to be cleared, especially tropical rainforest. This will be contained in the EU criteria and is a crucial aspect.

There are specific reductions in respect of greenhouse gas reductions required in any bio-fuels traded under WTO rules. There is an immediate 35% carbon reduction, or CO₂ equivalent, with the objective of raising this figure to 50%. As I understand it, that immediately rules out trade in maize ethanol based products imported from the US market in recent years, which flattened and destroyed the global market for bio-fuels in a perverse support measure the US Government had put in place. That 35% carbon reduction means these products will not be fed into the Irish market and will give Irish farmers an opportunity to guarantee the emissions reductions targets that have been set.

The sustainability criteria have to be based on a full life cycle analysis. They will include the area of transport emissions in terms of the overall greenhouse gas effect if we are importing bio-fuel products. Transport emissions are not necessarily a huge component of greenhouse gas emissions, but they come in under the full "wheel to wheel" analysis and extend from end-use carbon to the transport component in the full life cycle analysis.

Senator Joe O'Toole: That is fine as long as we can agree on the method of auditing to be used, an issue we have not dealt with yet.

Deputy Eamon Ryan: We cannot do this on our own. Senator O'Toole is absolutely right. It must be a policy that is transparent and reported on in a sustainable way. This is only the starting point; we must see how it works. I am reassured by the fact that it was agreed by the Council of Ministers that it would be reviewed every two years from 2012, beginning with a report to the European Parliament on the sustainability criteria. We must be very sensitive to the effect of the development of bio-fuels, especially in developing countries. However, we have the opportunity to put in place measures that will support Irish farming and allow farmers to grow crops.

Senator Brady spoke about the recent announcement by the Minister for Agriculture, Fisheries and Food on the bioenergy support scheme. That scheme is clearly directed at the growing of miscanthus and willow, biomass energy crops, rather than crops for bio-fuels. While there will be connections down the line as we begin to turn organic waste crops into second generation bio-fuels, there is no connection as yet.

Several Senators spoke about NOX, nitrous oxide. The European measure of the greenhouse gas effect follows the standard UN definition; therefore, it includes the ratio of NOX, methane or carbon dioxide in the assessment.

Senator Joe O'Toole: Is there an argument about the quantification of these amounts?

Deputy Eamon Ryan: They work according to a standard UN formula when figuring out the life cycle. I am confident that as we establish these criteria in the European Union, there will be a clear analysis of the proper greenhouse gas effect.

I listened to Senator Ó Brocháin with real interest. Like him, I am a child of the 1970s and also remember pushing the car to the petrol station. For me, this is the instigation behind these measures. I agree with his analysis about the impending peak in global oil production. We are not going to run out of oil immediately, but we will eventually. We need a small percentage of bio-fuels in the event of a very serious crash. We need something to guarantee our bus transport system or our agriculture system in a worst case scenario. Having a 5%-10% bio-fuel component or an alternative supply means that if the Middle East tap is turned off, we can at least run essential services. That has always been my instinct behind the support of the use of bio-fuels, even though there are environmental complexities to the matter. We should proceed on that security basis.

Senator Ó Brocháin spoke about the potential to be achieved in respect of waste oil facilities to deal with the waste oil from the chippers in Galway. That presents a very significant opportunity for us. We can get up to a figure of about 2%-3% of our fuel supply from waste materials alone. The carbon reduction to be achieved from this is huge because we are dealing with a waste problem in respect of tallow, waste vegetable oil and other materials.

Regarding second generation bio-fuels, we have already started research via the Charles Parson energy research awards in the Department and an INTERREG BioMara analysis programme to examine where second generation fuel can be sourced from non-food supplies. That provides us with real potential. We need to do this owing to the possible effect on food markets. A few years ago I heard that instead of producing the the corn-based ethanol fuel required to fill an SUV one could provide sufficient corn to feed someone for a year. We must think about that trade-off. The slightly terrifying analysis of Senator Quinn is worth listening to in order to ensure we get the balance right. For security reasons, it is right for us to invest in this technology and have the obligation to allow it to be delivered.

Senator O'Malley's contribution, particularly in respect of the transport fleet switchover, was interesting. She asked if we could do it using biomass to produce electricity to run electric cars. A crucial component of what we are doing is the integration of the use of electric vehicles with bio-fuel strategy. If we get electric fleets up and running, it will reduce our vulnerability in terms of security and the level of bio-fuel obligations we must set. If we have a very high electricity component, that will count towards the achievement of our 10% European target. It will reduce the mandatory element in respect of bio-fuel production. Senator O'Toole raised the same question and asked whether we could set an obligation in terms of the use of electric cars. This is one of the leading countries in rolling out the new electric car technology.

Senator Joe O'Toole: Let us get to the top.

Senator Niall Ó Brocháin: Agreed.

Deputy Eamon Ryan: We are. We have a memorandum of understanding with Renault-Nissan and the ESB is introducing parking slots with plug-in facilities. The first vehicles will be rolled out this year and there will be 10,000 within the next three years.

Senator Joe O'Toole: They have not been prepared to agree conventional systems that will work across the board.

Deputy Eamon Ryan: Those involved in the industry say this is one of the leading countries and that we are ready to go. The ESB is committed to this, while the car companies are committed to providing cars here. The latter was the first possible constraint but we will receive the cars ahead of other countries. A Government commitment is given in the Budget Statement of the Minister for Finance to provide grant aid towards the battery cost to make the vehicles

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viable. We did this on the understanding that we would derive economic benefit from international ICT companies and Irish companies that would develop software required for the deployment of these vehicles. There is integration between the electric vehicle issue and the bio-fuel obligation. We should recognise that it will take time to do. A very good study at the US Department of Energy was carried out by Bob Hirsh in 2005 which showed that the average life of a vehicle was ten years in the United States. The figure is similar in Ireland. The study also shows that it takes 17 years to change half the vehicle fleet. In that time we must consider a range of options to cope with the peak in global oil production.

Senator Keaveney made an interesting point about Gilliland's farm and how this technology was developing. With new technology, particularly post-fossil fuel technology, we must recognise that we have had 100 years of oil-based technology. We must now start to support the alternative system in order that we can get the supply chain running and wean ourselves off the fossil fuel industry. That is the green agenda.

Senator Twomey made some interesting points. He referred to taxation and carbon. My Department is in continuous discussions with the Department of Finance about the upcoming Finance Bill. I am keen to ensure we will have a system that will recognise carbon reductions through the use of bio-fuels. We must see if we can develop this system within the Finance Bill as it progresses.

The Senator referred to the work undertaken in County Wexford. In the plants in New Ross waste material is used, while growers in the county took the risk at an early stage and planted rapeseed, using it for oil and fodder. These are the dual benefits. I commend those who were pioneers in this regard.

Senator Quinn and others referred to energy input and energy output. That is the crux of the matter. I heard Professor Charles Hall from the University of New York speak on this matter. He engages in an analysis of the energy return on energy investments based on natural systems analysis. It is perturbing. The energy return we get from oil discovered through offshore oil exploration is 20:1. Some 20 units of energy is the result of the input of one energy unit. In the case of bio-fuels, it would be a fraction of that figure. We will be lucky if it is two or three times the energy input. It is not easy. We will never have anything like oil, the most transportable, energy dense, marketable energy product we will ever have. Three tablespoons of oil represents eight man hours of labour. It is a remarkable material which will not be easy to replace. We must be hyper energy efficient and ensure diversity of supply, including our indigenous renewable resources. Bio-fuels are one of these resources which we are trying to develop.

I welcome the supportive comments of the Senators. I am aware of their concerns with regard to the requirement for us to be careful about using this developing technology in order that it will not lead to problems on far distant shores. I look forward to this being an opportunity for Irish farming, a view we all share.

Question put and agreed to.

An Cathaoirleach: When is it proposed to take Committee Stage?

Senator Diarmuid Wilson: On Wednesday, 17 February.

Committee Stage ordered for Wednesday, 17 February 2010.

An Cathaoirleach: When is it proposed to sit again?

Senator Diarmuid Wilson: At 10.30 a.m. tomorrow.

Adjournment Matters.

Schools Building Projects.

Senator Fidelma Healy Eames: I welcome the Minister of State and I am pleased he has an official with him. Am I correct?

Deputy Seán Haughey: No, he is leaving.

Senator Fidelma Healy Eames: This is a major issue which concerns the lack of school places at Calasactius College, Oranmore, which is causing major upset among parents in the parish and the wider catchment area the school serves. On behalf of the Minister for Education and Science, will the Minister of State verify the timeframe for delivery of the recommended Department of Education and Science extension for Calasactius College? This was recommended in a 2007 report compiled by the Commission on School Accommodation on requirements in south Galway for the Department. The purpose of the extension is to accommodate the applicant pupils included in category 1 of the school's admission policy from the local primary schools in 2010 and 2011.

I will paint a picture for the Minister of State. In December 2009 I became aware that at the close of the enrolment period for September 2010, there were 283 applications — 190 in category 1, 15 in category 2 and 78 in category 3. The school could only offer 140 places. Immediately, 50 pupils in the most deserving category, according to the school's policy, were excluded. The school board of management reviewed the situation and offered a further ten places. Forty pupils from category 1 were then without school places. I spoke to the principal today, given that some pupils will apply to other schools. As of today, 9 February, 23 category 1 pupils still have no place for September 2010. Some of these pupils are from Oranmore boys' national school, while others are from Carnmore national school, only about two or three miles away, and Clarinbridge national school, about another two miles away.

The problem is there is a burgeoning population as a result of extensive housing development and no forward planning for the provision of secondary school places. However, a warning shot was fired. In 2007 the Minister of State's Department saw a need for this extension when it stated Calasactius College should grow to be an 800-pupil school. The college was opened in 2006 as a state-of-the-art, beautiful 625 pupil school. The day it was opened it was under-capacity but who would blame any board of management for proceeding and advise that the school should not have been delivered because, as the Minister of State well knows, otherwise it might never have been provided? There are currently 733 pupils being housed in the school.

The most significant issue now is that there is not an adequate number of places for the most deserving pupils from the local parish and local feeder schools. The board of management is due to meet officials from the Department on 22 February. I have also requested a meeting with the Minister as soon as possible for the parents of pupils in the local parish and the local feeder schools. I ask the Minister of State to sanction, as a matter of urgency, the provision of extra accommodation immediately. Ideally, it should be permanent accommodation. Prior to the provision of the new building in 2006, the school was housed in decrepit prefabs and it is loath to see a repeat. I am speaking on behalf of the entire school community when I ask the Minister of State to sanction the provision of temporary accommodation with the proviso that permanent accommodation will be provided within two years, by September 2012 at the latest.

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I will give some further background information to show how pressing the problem has become. In 2010 the seven feeder schools will have in excess of 200 pupils. According to school policy, they will deserve places but the school will only be able to accommodate 150 of them. In both 2011 and 2012 the numbers in the feeder schools will be in excess of 200. Pupils and parents have already been informed that the school is over-subscribed for enrolment in September 2011. The school has not yet had a chance to classify all of the applicants into categories 1, 2 and 3.

I ask the Minister of State to consider this serious problem. I am advising parents in the area that children in category 1 who are now being denied a place should expect to given a place by 1 September. I am sure, like me, the Minister of State wants to prevent a queue of parents outside Calasactius College in Oranmore on 1 September looking for places for entry the following year; it could be a case of dog eat dog. I look forward to hearing the Minister of State's reply.

Minister of State at the Department of Education and Science (Deputy Seán Haughey): I am taking this Adjournment Matter on behalf of my colleague, the Minister for Education and Science, Deputy Batt O'Keeffe.

I thank the Senator for giving me the opportunity of outlining to the Seanad the Department's position on the provision of an extension at Calasactius College, County Galway. As she will be aware, a new building for the college was opened in 2006 to cater for a long-term projected enrolment of 625 pupils. A further major capital project application was received from the school in 2007. The application is for an extension and major refurbishment on the basis of increasing enrolments. The proposed project is to include the following: new practical rooms; student canteen; general purpose area; guidance counsellor's room; general classrooms to replace existing prefabs and appropriate ancillary accommodation.

As the Senator will be aware, all applications for capital funding are assessed in the planning and building unit of the Department. The assessment process determines the extent and type of need presenting, based on the demographics of an area, proposed housing developments, condition of buildings, site capacity, etc., leading ultimately to an appropriate accommodation solution. As part of this process, a project is assigned a band rating under published prioritisation criteria for large-scale building projects. These criteria were devised following consultation with the education partners. Projects are selected for inclusion in the school building and modernisation programme on the basis of priority of need. This is reflected in the band rating assigned to a project. In other words, a proposed building project moves through the system commensurate with the band rating assigned to it.

There are four band ratings overall, of which band 1 is the highest and band 4, the lowest. Band 1 projects, for example, include the provision of buildings where there is none currently but there is a high demand for pupil places, while a band 4 project makes provision for desirable but not necessarily urgent or essential facilities. Each band rating has a number of sub-categories which more specifically describe the type of works needed and the urgency attaching to them. Documents explaining the band rating system are also available on my Department's website. The Calasactius College application was assessed in accordance with the published prioritisation criteria and assigned a band rating of 2.5.

The progression of all large-scale building projects, including this project, from initial design stage through to construction will be considered in the context of the school building and modernisation programme. However, in view of the level of demand on the Department's capital budget, it is not possible to give an indicative timeframe for the progression of the project in question at this time. It is noted, however, that Scoil Mhuire, Oranmore, has agreed

to extend the existing temporary accommodation arrangements with Calasanctius College for another three years. In the meantime, it is open to the school authorities to apply for temporary accommodation to meet any immediate accommodation needs that might arise. All applications for such additional accommodation are subject to a full and thorough assessment process. As part of the assessment process, the rental of a prefabricated classroom, the purchase of a prefabricated classroom and the building of a permanent structure are all considered as possible solutions in addressing a school's accommodation issues. Furthermore, last week officials in the planning and building unit of the Department arranged to meet the representatives of the school.

I again thank the Senator for giving me the opportunity to outline to the Seanad the current position on the proposed extension for Calasanctius College.

An Cathaoirleach: I will allow just one supplementary question.

Senator Fidelma Healy Eames: I am very concerned about the band rating of 2.5 assigned to the school, as clearly this is wrong. The Minister of State is denying the recommendations made in the Department's own report on school accommodation needs in south Galway, including Calasanctius College. Not only does it state capacity at Calasanctius College should grow to 800 pupils by 2012, it also states it needs this accommodation in 2010. It further recommends that there should be another school in Kinvara serving the areas of Clarinbridge and Oranmore. How can we have the band rating of 2.5 changed to band 1? The priority of need is pressing in this case. Calasanctius College is unable to meet the needs of either the parish, the catchment area or its feeder schools. Therefore, it is in crisis.

Deputy Seán Haughey: The application from the college was assessed in accordance with the published prioritisation criteria and assigned a band rating of 2.5. The band rating was awarded, having regard to the published prioritisation criteria which were agreed with the education partners. These matters are kept under review on an ongoing basis.

Flood Relief.

Senator Jerry Buttimer: Ba mhaith liom buíochas a ghabháil leis an gCathaoirleach as ucht deis a thabhairt dom an ábhar seo a ardú sa Teach. Cuirim fáilte roimh an Aire Stáit, an Teachta Mansergh. In welcoming the publication of the catchment flood risk assessment and management study — the CFRAM study — I have to say I accept that the Minister of State has shown an interest and involvement in this matter since the floods in Cork last year. I appreciate that the CFRAM study is still at the public consultation stage. The Joint Committee on the Environment, Heritage and Local Government had a positive experience when it visited Cork last Friday. The members of the committee spoke to residents of the Middle Parish, travelled to parts of north and west Cork and met the city and county managers. The contents of the report are interesting, as are the matters to which the Government and its intermediaries have refused to commit. It is clear that a scheme needs to be put in place to protect Cork city from flooding. We need an early flood warning system. We also need joined-up thinking between the city and county councils, the ESB and the other relevant authorities.

The Minister of State is aware that Cork is prone to tidal and fluvial flooding. That is also alluded to in the report. Cork needs a flood defence system to be put in place. I am disappointed that the Government seems to have ruled out investing in the proposed €100 million flood defence system in favour of a smaller scale version of the system. I do not get any satisfaction from saying the Government has been reluctant to commit to the investment of the €100 million needed. When the Taoiseach addressed the chamber of commerce dinner in Cork last Friday night, he spoke about the flooding in a roundabout fashion. He referred to

[Senator Jerry Buttimer.]

the Government commitment to provide funding. It is critical and imperative that we invest properly in the long-term defence of Cork city. Having met flood victims, the Minister of State is familiar with the stories they tell. When we met the residents last Friday, they said their nightmares continued to wake them up at 4 a.m. They panic and get upset when rain is forecast, or when it is announced on radio that Cork is likely to experience flooding. They get flashbacks of their memories. Many residents have not yet returned to their homes. I hope the Minister of State will agree that €100 million is very small change in that context.

The CFRAM study suggests the ESB should have a greater role in water management, etc. As far as public representatives and local residents are concerned, the ESB has not yet answered questions posed legitimately. Although its representatives have been very amenable in meeting residents, members of the joint committee and other public representatives, they have refused to answer direct questions. When will they answer these questions in an up-front manner? While I welcome the sections of the report dealing with the management of water, I have serious questions about the role of the ESB in that regard. It is time for an independent water authority to be established. Proper funding is needed if the 15-year strategy mentioned in the CFRAM study is to be implemented. If that does not happen, the people and the city of Cork will be abandoned. In the light of the realities of global warming and climate change, this ongoing issue will not recede — no pun intended. We need to receive a firm commitment in this respect.

I would like to ask a question of the Minister of State who is a very fair-minded person. What damage will have to be caused in the future before we realise the short-term sticking plaster approach to minimising flooding does not work? This minor approach was described by Eoin English of the *Irish Examiner* as a “smaller scale two-pronged approach”. I am not an expert, but I listened to a presentation made last week to the joint committee by Mr. Paudie Barry who is an expert. We need to put things in perspective. Savage bills were incurred in Cork and elsewhere as a result of last year’s flooding. I have read the report on the CFRAM study which is a pilot programme. I will make submissions at the end of the process of consultation. It should be a priority of the Government to give the people of Cork a commitment that contains the right answer. When the Minister of State spoke in City Hall, he referred to the need for work to be done to protect the city of Cork and said the ESB should have greater flexibility to reduce water levels in the Inniscarra and Carrigadrohid reservoirs. While I welcome this worthwhile plan, it must be bolstered by a commitment to provide funding for its implementation. I spoke to the city and county managers about this matter last week and will come back to it in a future Adjournment debate. The bottom line is that we do not need a sticking plaster approach — we need Cork’s flood defences to be completely remodelled. When the CFRAM report is being implemented, we should adopt the bigger model which requires a commitment of €100 million.

Minister of State at the Department of Finance (Deputy Martin Mansergh): I am grateful to the Senator for raising this matter and bringing it to the attention of the Seanad. I made a similar statement in this respect in the Dáil last week.

I am delighted to have an opportunity to highlight further the substance of this important matter. The Lee catchment flood risk assessment and management study was launched on 1 February as a public consultation document. I am sure the Senator accepts that the plan is in draft form at this time. Critically, the plan for the Lee catchment was substantially produced prior to the flooding of November 2009. The extent and severe impact of that flooding are being assessed in detail for incorporation in the final version of the plan. The substance of the submissions received in the context of the public consultation process which will last until 30

April is also being examined. Nonetheless, it can be fairly stated a preliminary assessment of the flooding of the Lee catchment area indicates that the contents and proposals in this plan remain valid. It has been essential to issue the plan for public consultation to foreshorten the timeline to the progression and implementation of the works proposed to reduce the risks of flooding set out in the plan. As the draft plan is a public consultation document, we welcome any opportunity for public representatives, members of the public and other stakeholders to review and make submissions on all aspects of the plan, including its financial aspects, before it is finalised.

It is important to emphasise the appropriateness of following the CFRAM approach in the context of the Lee catchment and all other catchments. Since 2004 the Government has adopted a policy that shifts the emphasis towards a catchment-based context for managing flood risk, with more proactive risk assessment and management and increased use of non-structural and flood impact mitigation measures. Catchment flood risk assessment and management studies and their products — catchment flood risk management plans — are at the core of the new national policy for flood risk management and the strategy for its implementation. This policy is in line with international best practice and meets the requirements of the EU floods directive. The Lee CFRAM study is the primary pilot project for the national CFRAM programme in Ireland. Among the stated objectives of the study are to assess flood risk through the identification of flood hazard areas and the associated impacts of flooding; to identify viable structural and non-structural measures and options for managing the flood risks for localised high risk areas and the catchment as a whole; and to prepare a strategic catchment flood risk management plan, as well as an associated strategic environmental assessment, that sets out the measures and policies that should be pursued by the local authorities and the OPW to achieve the most cost-effective and sustainable management of flood risk in the Lee catchment area.

The methodology adopted for the Lee CFRAM study has been thorough and to a level of detail appropriate for the development of a flood risk management plan. It has included the collection of survey data and the assembly and analysis of meteorological, hydrological and tidal data which have been used to develop a suite of hydraulic computer models. Flood maps are one of the main outputs of the study and the way in which the model results are communicated to each of the end users. Where flood risks are significant, the study has identified a range of potential flood risk management options to manage these risks, including structural options such as flood walls and embankments and non-structural options such as flood forecasting and development control. The catchment flood risk management plan does not aim to provide solutions for all of the flooding problems in the catchment area, as that would be neither feasible nor sustainable. It identifies viable structural and non-structural options for managing flood risks within the catchment as a whole and for localised high risk areas.

A wide range of options are laid out in the draft plan, many of which are interrelated or dependent on particular strategies being adopted. It is not possible at this early stage to indicate which set of options will be selected for implementation; nor would it be appropriate to do so in advance of the completion of the public consultation and stakeholder review of the draft plan.

At the launch of the draft plan, I highlighted some of the measures set out in the plan. They include works to increase the level of protection for Cork city against tidal flooding and works to protect the city and vulnerable properties upstream against river flooding. The latter measure will provide greater flexibility for the ESB to draw down levels in the Inniscarra and Carrigadrohid reservoirs in advance of a flood, which will reduce the need to discharge high flows necessary to ensure dam safety.

Senator Buttimer raised questions about the ESB. I imagine that, as with all agencies with a degree of responsibility for an event such as a flood, the company is probably circumscribed by legal advice. The Senator probably understands this as well as I do.

[Deputy Martin Mansergh.]

Other measures in the plan include flood protection schemes for Midleton, Baile Mhic Ire, Douglas and Togher; minor works funded by the Office of Public Works to reduce risk at Little Island and Crookstown; and the development and implementation of flood forecasting systems for river flooding as well as tidal flooding from the harbour. The estimated capital cost of these measures in the Lee catchment area of Cork alone will amount to approximately €30 million over the period from 2010 to 2015. The further level of financial commitments to be made up to 2022 will be largely for future Governments to provide in light of the financial resources available to them and it would be wrong to pre-empt in precise numbers how these will be distributed given many priority needs around the country.

I would not like to be responsible for underwriting a large headline figure, given needs in the rest of the country, only to find ourselves, for reasons that may arise in the future, in the position of Limerick city where funds are not available for regeneration. I am determined not to raise hopes before disappointing them. While I am committed to Cork city and county where an enormous amount of work must be done in terms of flood defences, I am not prepared to make an open-ended commitment, particularly as there will be a minimum of two subsequent government terms up to 2020.

In addition to these schemes, the OPW is progressing flood protection schemes at Mallow and Fermoy. The feasibility of schemes at Bandon, Skibbereen and Clonakilty will be explored. I and my office have committed in principle to a full flood defence scheme for Bandon. County Cork is absorbing approximately €10 million per annum and will almost certainly require more funding. Current funding for the county accounts for 20% to 25% of the resources available to the country as a whole.

Future Governments will treat the Lee catchment flood risk assessment and management study as an indispensable guide to further work, which will continue over many years and, I hope, provide a stronger system than we have at present. All substantial work undertaken will be subject to cost benefit analysis to ensure expenditure provides best value for money.

I reiterate that work on several of the measures, including the protection of Cork city and Baile Mhic Ire, will begin this year. Some of the works will require more time for detailed design. I will work hard to ensure funding for these works is protected within the overall capital provision for my office.

Senator Jerry Buttimer: I understand the Minister of State is in a consultative process and concur with him that substantial work must be done in Cork, particularly in reinforcing the quay walls. The figure of €100 million is small change. The Minister of State indicated he was not prepared to raise and then dash the hopes of residents. People in the affected area are crestfallen and need hope. The Government must provide a commitment that measures will be taken to protect their homes.

The Seanad adjourned at 6.55 p.m. until 10.30 a.m. on Wednesday, 10 February 2010.