

SEANAD ÉIREANN

Déardaoin, 24 Meitheamh 2010.
Thursday, 24 June 2010.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.

Prayer.

Business of Seanad

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

The need for the Minister for Health and Children to consider re-examining the enrolment criteria for the ECCE scheme in order that children turning four between 30 June and 1 September are not eliminated from the scheme which starts the following year.

I have received notice from Senator Diarmuid Wilson of the following matter:

The need for the Minister for Health and Children to make a statement regarding the future of the Darley Dare Care Centre, Cootehill, County Cavan.

I have received notice from Senator James Carroll of the following matter:

The need for the Minister for Enterprise, Trade and Innovation to allocate additional funding to the county enterprise boards.

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 the Lorro Gate, Athenry, County Galway has not yet been processed by his Department despite the Minister's commitment on 17 February this year to have the matter finalised as speedily as possible.

I regard the matters raised by Senators Donohoe, Wilson and Carroll as suitable for discussion on the Adjournment and they will be taken at the conclusion of business. Senator Cannon may give notice on another day of the matter he wishes to raise.

Order of Business

Senator Donie Cassidy: The Order of Business is No. 1, Electricity Regulation (Amendment) (Carbon Revenue Levy) Bill 2010 — Second Stage, to be taken at the conclusion of the Order of Business and conclude not later than 2 p.m., on which spokespersons may speak for 12 minutes and all other Senators for seven minutes and Senators may share time, by agreement of the House, with the Minister to be called upon to reply not later than 1.50 p.m.; No. 2,

[Senator Donie Cassidy.]

Criminal Justice (Psychoactive Substances) Bill 2010 — Committee and Remaining Stages, to be taken at the conclusion of No. 1 but not before 1 p.m.

Senator Paudie Coffey: Yesterday during an interesting debate in this House on the environment the Minister for the Environment, Heritage and Local Government, Deputy Gormley, regrettably made an unprecedented attack on the political independence of the Oireachtas Joint Committee on Climate Change and Energy Security. Senator O'Toole and I, with other Members of the House, are members of that committee which has acted in the best interests of improving our targets and objectives in respect of climate change. The committee has produced various reports on issues such as electric vehicles and foreshore licences. It proposed to Government a Bill to improve the mechanisms to allow the development of wind farms, to which the Government turned a blind eye. The Minister's attack on the Oireachtas Joint Committee on Climate Change and Energy Security is most regrettable.

More than 50,000 students are today sitting their final examinations in the leaving certificate. The junior certificate examinations finished yesterday. Thousands of other students have also just completed third level courses and have graduated. There are currently 85,620 people under the age of 25 years unemployed in the State, almost 3,000 of whom live in my constituency in Waterford. Some 70,000 people under 25 years have been on the live register for more than 12 months. I am concerned, as should be every other Member of this House, that we are at serious risk of losing a generation of young, talented, educated people who are disillusioned and feel abandoned. It is important we have a debate on the prospects for young people here. We need to give them hope and to come up with solutions. A debate on issues such as work sharing, apprenticeships and so on would be of benefit. As I stated yesterday, many apprentices employed in the construction industry were unable to complete their apprenticeships.

Currently thousands of houses under local authority management are abandoned because the local authorities do not have the resources to refurbish them. Surely, we can think outside the box and come up with new ideas in terms of employing people from the construction sector, master tradesmen and apprentices, to refurbish those houses which could then be let to the thousands of people on the housing waiting lists. Also, there is much construction work to be done in communities and schools and while resources may be scarce there are on the dole thousands of qualified trades people and apprentices who have served two or three years on apprenticeships with no prospect of work and whose only alternative is to emigrate. We must provide people with hope. I ask that the Leader provide time for an urgent debate on this matter. I propose by way of amendment to the Order of Business that we have that debate today.

Perhaps also the Leader will provide time prior to the recess for a debate on the democratic deficit here. Three constituencies, Waterford, Donegal South-West and Dublin South, are currently under-represented. People in these constituencies are entitled to full representation in the national Parliament. I ask that the Leader provide time for such a debate.

Senator Joe O'Toole: Senator Coffey raised the attack by the Minister for the Environment, Heritage and Local Government, Deputy Gormley, on the Oireachtas Joint Committee on Climate Change and Energy Security. I do not have a problem with the Minister having a go at a committee if he wishes to do so. However, what he said was, in all fairness, completely wrong. The Minister said:

. . . the Oireachtas committee we set up has been used as a talking shop as a means to give adversarial comment and to knock the Government. That is not what it was set up for, which was to get a political consensus. I am very disappointed in this.

When I challenged the Minister to explain this, he went on to say:

Members of the Labour Party and other Opposition parties are using the committee not to achieve consensus but rather in the most adversarial way. Their only goal is to bash the Government . . . I had hoped it would develop a consensus on these major issues.

As an Independent Member disinterested in this argument, that is a completely unfair and an unjust criticism with no basis in fact. Far from existing to bash the Government, the committee has time and again produced consensus reports on issues such as the foreshore licensing Bill. It is the only joint committee in the history of the Houses to produce and present to Government legislation in support of Government policy.

It produced another — Fine Gael was the driving force — on electric cars, which supported the Government's position. A report on climate change, driven by the Labour Party in the main, also supported the Government. The committee has done ground-breaking work on emissions and other things. I hope Senator Boyle does not try to defend the Minister's remarks. If the Minister was wrong, he should be big enough to say so. His remarks were demoralising to a committee which already feels it is being ignored by Government. I ask for a debate on the work of Joint Committee on Climate Change and Energy Security when those of us who are members of the committee can show the Minister why we are disappointed that the Government has chosen to ignore the consensus worked out in the committee in support of Government policy.

I would also like to make passing reference to the proposed British royal visit. This occasion begs for a debate on nationalism and republicanism and on the narrow introspection of nationalism, which refuses to encompass the broader view of the world of Tone republicanism of Catholic, Protestant and dissenter. It appears we are about to invite the direct descendant of one of the founders of one of the great Protestant religions to visit this country.

Senator David Norris: Also a direct descendant of Brian Boru and Hugh O'Neill.

Senator Joe O'Toole: This is causing extraordinary difficulty for some members of Irish society. We should be proud enough to stand up and endorse our own republic, show ourselves to be grown up, stand toe to toe with our neighbours and invite the monarch of a neighbouring state to come visit us as a neighbour and simply say "we are proud of what we are and we respect what you are".

Senator David Norris: Hear, hear. Well said.

Senator Joe O'Toole: It is time we had that debate to allow people to come out and say what it is they have to say. We in County Kerry have profited from royal visits in the past, as I have no doubt Senator Coghlan will explain to us.

Senator David Norris: Get her down to Killarney.

Senator Michael McCarthy: An article in the business section of *The Irish Times* yesterday reported that in 2009, an additional 1,800 Irish people entered the high net worth individual category. These are people who have \$1 million of investable cash.

Senator Diarmuid Wilson: Most of them are Labour Party voters.

Senator Michael McCarthy: Perhaps in the United Kingdom but not here.

This is an indication that there is wealth in some sections of society, yet the Taoiseach flatly refused to rule out a property tax. Many thousands are struggling to pay their mortgages,

[Senator Michael McCarthy.]

thousands have lost their jobs, we see the slate of cuts in public sector spending and the Taoiseach admits he will need to save another €3 billion in public sector spending this year. The property tax could be anything between €250 and €3,000 depending on where one lives and the size of one's house. The media did not pick this story off the ground. There must have been a briefing of journalists in order that the idea would circulate before the summer and we would have got used to it by the time the budget arrives.

Are the Taoiseach and the Government not ashamed to inflict more pain on the thousands who are already struggling to survive? This is the Government party that abolished domestic rates and car tax in 1977, plunging the country into recession in the 1980s. The manner in which the boom was squandered has resulted in another recession and it is the ordinary people of the Republic, about which Senator O'Toole spoke so eloquently, who are being held responsible for funding the way out of the recession. Can the Leader bring the Taoiseach to the House to tell us whether there will be a property tax? While he is here, he might apologise for the botched condition in which he left the State after his reign in the Department of Finance.

I welcome the belated apology by Mr. Stephen Harper, Prime Minister of Canada, relating to the Air India disaster. The apology is 25 years too late and will be of little solace to relatives of the 329 people killed on the plane and of the two baggage handlers killed in Japan. This was the worst single act of terrorism in Canadian history. The apology is of little comfort to some but it must be welcomed nevertheless.

Senator Dan Boyle: I think I have heard it all when I hear the Labour Party defending the right of millionaires not to pay property tax. It is particularly rich when the last residential property tax we had was introduced by a Labour Party Minister. However, if the Labour Party wants to have that debate we can have it.

Senator Michael McCarthy: The Green Party should stick to their principles and leave government. They should do the decent thing and call an election.

(Interruptions).

An Cathaoirleach: If this continues, I will be obliged to suspend the sitting.

Senator Dan Boyle: In response to the comments made by Senators Coffey and O'Toole, the Minister believes individual members of the Joint Committee on Climate Change and Energy Security have used their positions in a partisan way.

Senator Paudie Coffey: That is not the accusation he made. He condemned the entire committee.

Senator Dan Boyle: I have seen written contributions that confirm the Minister's view. I accept that the Minister's remarks gave a sense of the committee as a whole acting in a partisan way. That needs to be clarified and I will be happy to ask the Minister to do so.

A debate on school leaving and employment levels is necessary and I hope it can be held in the short time we have left before the summer recess. The last lost generation, as expressed by Senator Coffey, was my own generation in the 1980s, when unemployment and emigration rates were higher. An exercise in comparing and contrasting and in examining what we can do to avoid this happening again is something the House would be well served in doing.

Senator Paul Coughlan: Like Senator O'Toole, I welcome yesterday's announcement that the British monarch will pay a state visit to Ireland next year. I trust the visit will afford her the

opportunity to experience the beauty and heritage of Ireland. That will, of course, involve a visit to the Lakes of Killarney. This event will be a significant milestone in the history of our two neighbouring states and I am sure we welcome it.

It should be noted that Queen Elizabeth's great great grandmother, Queen Victoria, visited Killarney in 1861 and was warmly welcomed in Killarney House and Muckross House. Queen Elizabeth's itinerary, as well as including the capital city of course, should include Killarney and the south west.

Senator Michael McCarthy: And Cork.

Senator Paul Coghlan: I am sure Cork could be included also.

Senator Liam Twomey: The Rebel County.

Senator Paul Coghlan: Next year will be the 150th anniversary of Queen Victoria's visit in 1861.

Senator Joe O'Toole: To the Kingdom.

Senator Paul Coghlan: She travelled by train from Dublin. The train was running then. The visit put Killarney on the map as a destination for discerning Victorian travellers and others at the time. As we know, Killarney has gone on to become a world renowned tourism centre and the tourism centre of Ireland.

An Cathaoirleach: Is the Senator requesting a debate on tourism?

Senator Liam Twomey: He wants the Queen to come to Killarney.

Senator Paul Coghlan: It would be entirely fitting for the State visit to include "beauty's home...heaven's reflex".

An Cathaoirleach: Will the Senator clarify his request on the Order of Business.

Senator Liam Twomey: He wants the Queen to come to Killarney.

Senator Paudie Coffey: He wants to put her up for a few days.

Senator Paul Coghlan: I want to establish that the House is agreed and mature.

Senator Ann Ormonde: I agree with some of the points made by Senator Coffey on how we can help school leavers. On Tuesday evening last, we debated job creation initiatives. Perhaps that debate should be ongoing. Many school leavers and third level graduates will be in difficulty and initiatives such as courses and work experience programmes will be necessary. These programmes are in place but they must be relevant. We must have a vision of where jobs will be in the future. Coupled with that debate should be a vision of our society in the future. The whole country is changing hugely.

The Government states we must cut €3 billion from public spending next year. The Seanad must begin to debate how we can make these cuts. We must work constructively in this regard and not constantly knock our opponents' suggestions, whether they are good, bad or indifferent. We should adopt a different approach. I agree that there must be opposition, but let us try to be constructive.

New planning guidelines are to be proposed to lift the ban on one-off housing, which would be welcome. We may have an opportunity to examine and discuss the proposals in this

[Senator Ann Ormonde.]

Chamber because a planning Bill is to be introduced and the two matters are closely linked. I, therefore, ask the Leader to arrange a discussion on the proposed guidelines before the planning legislation is brought before the House.

Senator David Norris: Yesterday Senator Ó Murchú complained about being subjected to verbal abuse by a Member. As the record will show, I have frequently paid tribute to the Senator for his honourable defence of human rights in areas ranging from Palestine to Iraq and rendition. For that reason, I was astonished and appalled when on 3 June he suggested in the House that his party in government was, once again, inflicting the Penal Laws on the people through the introduction of the civil partnership legislation. I was particularly upset because my own family had suffered because of the Penal Laws. I had an ancestor, of whom I am extremely proud who was a Roman Catholic bishop during the Penal Laws period when my family lost considerable amounts of land and property. It was very offensive. Senator Ó Murchú was magisterially rebuffed by Senator Donohue. On another day I asked that this comment which I had found deeply offensive and inaccurate be withdrawn but nothing happened. I was met by silence. Senator Ó Murchú spoke with controlled anger which I understand. I spoke to him during a lull in business while a vote was taking place when I indicated how offensive I had found his remarks, particularly given the heightened feelings expressed daily by ignorant people outside the gates of Leinster House. He said he could explain and attempted to do so factually, suggesting people would be imprisoned and so on. This is an accurate account. I indicated that although nothing remotely like this was contained in the provisions of the Civil Partnership Bill, it was to be found in equality legislation, against which the church, shamefully, had sought and been granted an exemption from equality provisions. Senator Ó Murchú did not accept this and I indicated that his position was a strongly bigoted one. I say with regret that he has indicated he has received support from some of his colleagues. Some other colleagues have indicated their support for what I said and I do not relish such a dispute. If my tone was inappropriate and hectoring, I unreservedly apologise to Senator Ó Murchú, but I do not retract a single word. I would not be so presumptuous as to suggest I am Rosa Parks, but I will not be sent to the back of a bus by anyone. It is very sinister that a small group of Members in this House, on both sides, is attempting to co-opt the language of liberation, tolerance and conscience to defend positions that are, in fact, deeply reactionary. In the future I will confine my disputes with Senator Ó Murchú to the debate in the House and hope he accepts what I say. I certainly understand his anger but wish he had the imagination to understand the depth of mine and the offence I felt at the remarks passed.

An Cathaoirleach: I ruled on previous occasions that the withdrawal of comments made should not be raised on the Order of Business in following days.

Senator Paschal Mooney: I share the views of Senator O'Toole who asked the Leader to arrange a debate in the light of the invitation extended to the British monarch. Those of us in County Leitrim and the north west are living in the least spoiled and the most beautiful part of Ireland, notwithstanding the pleas made by my good friend, Senator Coghlan, to divert the monarch towards Killarney. The Queen visited County Kerry in 1861 and it should give the rest of the country some chance 150 years later.

An Cathaoirleach: Questions to the Leader, please. We are not getting involved in where the monarch should go on her visit.

Senator Paschal Mooney: My wife comes from west Cork which is perhaps even more beautiful than Killarney and I come from County Leitrim which is probably even more beautiful than

the Beara Peninsula. There is a need to extend this invitation. Perhaps when it is formally conveyed, it will afford an opportunity to discuss the matter. As Members know, the Minister for Social Protection, Deputy Ó Cuív, has repeatedly stated his view that Ireland should consider rejoining the Commonwealth. I do not advocate this for one moment, but certain benefits would flow from having a closer relationship between Britain and Ireland on an economic as well as a sporting level.

Senator Maurice Cummins: We need more of them to visit more often.

Senator Paschal Mooney: Members on all sides of the House agree that it is shameful that soccer, the only organised sport on the island of Ireland which is enjoyed and supported by the broad masses on both sides of the Border, is divided. I have called repeatedly for a debate on the issue. It would be wonderful to see a team representing the island of Ireland, as happens in the case of rugby, cricket, tennis and boxing.

Senators: Hear, hear.

Senator Paschal Mooney: Graeme McDowell who plays at Royal Portrush Golf Club is referred to as an Irishman because the sport of golf is also united on the island. It is shameful that the one sport which could unite and have a deep impact on both traditions on this island is separated.

I ask the Leader to bring the Minister for Enterprise, Trade and Innovation, Deputy O’Keeffe, to the House to address an issue which is becoming scandalous, as reported on the back page of the *Irish Independent* today, namely, the increasing percentage charged by Ticketmaster in purchasing tickets for various sports and music events. Its outrageous justification, quoted in the newspaper, is that the service charge which it is alleged will rise to one third of the price of a ticket is to meet the cost of manufacture and despatch of tickets. As somebody who has been involved in concerts promotion for most of my working life — other Members, including the Leader, have also been so involved — if I were to suggest that an extra few euro should be added and that people should be told it was to meet the cost of printing and conveying tickets to wherever they were to be sold, I would be laughed out of court by some. This is a scandal and I ask the Leader to consider bringing the Minister to the House in order that we can inquire whether legislation can be passed to stop this insidious practice.

Senator Paschal Donohoe: I second Senator Coffey’s amendment in seeking a debate to discuss the prospects of our young people. He hit the nail on the head when he highlighted that much work needed to be done in our country at a time when so many young people were being paid, many to do nothing. We need to integrate these two elements and be imaginative in our response. On a day when 56,000 students are nearing the end of the leaving certificate examination Senator Coffey’s proposal is well timed and should be debated in the Chamber today.

I also call for a debate on respite care services. Increasingly, areas of the country are being affected by the cancellation or withdrawal of services. I am involved in an issue in my constituency concerning the Ard Cuan centre, an 80 patient unit which was given two weeks’ notice that it was to be closed down. It is unacceptable that people who are vulnerable and those who do such fine work should be treated in this manner.

I refer to the proposals made following the extension of an invitation to Queen Elizabeth to visit Ireland. I underscore an important point made by Senator O’Toole. This is a proud and vigorous republic and our best days still lie ahead of us.

Senator Mary M. White: Hear, hear.

Senator Paschal Donohoe: Although we do not need a visit by the Queen to confirm this, it is proof that our identity is evolving and strengthening that even in these difficult times that such a visit has been proposed. It is appropriate that we should have a broad debate on all the issues affecting this republic from its national identity to sport, an issue on which Senator Mooney touched, to a visit by the Queen. Our best days await us and a debate on the issues surrounding this visit is appropriate.

Senator Larry Butler: I welcome the proposed 500 new jobs at Dublin Airport. The developments there will bring it into the 21st century in terms of its facilities for travellers and so forth. We have not taken much stock recently of how well the economy has been performing in the last quarter. Those proposed jobs will bring the total number of jobs for this quarter up to approximately 4,500, which will be the biggest increase in jobs in more than two and half years. While jobs have been lost, it is important to bear in mind that there will be 440 new jobs in the retail and supply industry in the airport, which will bring the total number of new jobs for the airport up to 1,000. That will be mean a great deal for the many people who are unemployed in the area.

I would like the Leader to arrange for a debate on the energy industry — which is the next biggest employer that would provide a substantial number of jobs — and for the Minister to be in attendance. A number of people engaged in new projects in the energy industry have them almost capitalised and are ready to move on them. We should have a fast-track system for granting planning permission for major projects such as those
11 o'clock which will create a massive number of new jobs. Some 2,000 or 3,000 jobs will be created in the construction stages and 700 or 800 permanent jobs will be created in the energy industry. It is important to have such a debate and I ask the Leader to try to arrange it before the summer recess.

I welcome the proposed visit of the Queen. It is wonderful that the Queen has now decided to visit to this country which has friendly relations with Britain. Many of the problems which arose in the past have been ironed out in the past ten years. The apology made by the Prime Minister of Britain for Bloody Sunday was a wonderful gesture, albeit long overdue. The Queen would be welcome here and we should do everything we can to make her visit a success.

Senator Dominic Hannigan: I join other Senators in welcoming the news that the Queen may visit these shores. I was around when Prince Charles visited here in 1995 and remember that although the vast majority of people I saw welcomed him, there were some protests. Things have moved on since. Our relationship with Britain has matured. As previous Senators said, last week's announcement of the findings of the Bloody Sunday inquiry have helped, as have the maturing political allegiances in the North of Ireland. Therefore, the proposed visit is welcome. I do not mind whether the Queen goes to County Leitrim or to County Kerry as long as she starts off in County Meath. Racing is the sport of kings and we have the Queen's Plate on Bellewstown hill. It would be wonderful to see the Queen turn up at Bellewstown and enjoy the races there.

Senator Paschal Mooney: This will be between the wild country and the Kingdom.

(Interruptions).

Senator Dominic Hannigan: I extend an invitation to Bellewstown to everyone in this House. The races start there next week and it is a fantastic location.

An Cathaoirleach: She may come to visit us for a month, if she is to get to go to all these places.

Senator Liam Twomey: It sounds like we had better get that train out.

Senator Dominic Hannigan: I have a question on the Order of Business concerning the proposed election for a mayor of Dublin. What is the position? I am glad that the Leader and the deputy leader are here today because the deputy leader told this House on 19 May that the Cabinet had agreed to hold an election in 2010 and that the legislation would be before this House by the end of this session. Two weeks remain until the end of this session and that legislation has not come before us. I asked the Leader on 19 May to confirm the situation and I ask him again today what is the position regarding the Dublin mayoral election? Is this a case of the tail wagging the dog, given that Senator Boyle has promised this legislation which we have yet to see? I want to know what the Leader will do about this?

Senator Paul Coghlan: I asked about that legislation yesterday.

An Cathaoirleach: No interruptions, please. I call Senator Ó Murchú.

Senator Labhrás Ó Murchú: It seems that the Queen will have to stay for a year if she is to go to all the places to which she will be invited.

Senator Jerry Buttimer: I wonder if she would be happy about that.

Senator Labhrás Ó Murchú: I wish her a very pleasant time. She comes across as a very nice lady. I will not extend an invitation from Cashel — I will leave it to the town council to do it.

(Interruptions).

Senator Labhrás Ó Murchú: I very definitely accept the apology from Senator Norris. I also accept that in future we will confine our debate to the Chamber. I thank him for his kind comments which I can return. He is an exceptionally distinguished Senator. I have sense that there will be a perception that we will set up a mutual admiration society.

I wish to make a few points on this matter because it is important. I believe the Senator has taken my views on the Order of Business out of context. If he checks the record, he will note that I spoke in favour of the substantive thrust of the Civil Partnership Bill.

Senator Mary M. White: Hear, hear.

Senator Labhrás Ó Murchú: I did so at length and believe the Senator welcomed that on the day. Nothing has changed in that regard. I still hold exactly that position. The Senator referred to people who want to refer to the Bill in a derogatory sense and that was the reason I spoke yesterday morning. I felt we must have freedom of speech. If people speak, I hope they speak genuinely, sincerely and generously. I have had the feeling for some time past that we were stifling debate on this issue. The only point I was making was on the conscience issue, which I hold very strongly, not the point about my conscience regarding the vote but regarding some of the elements where other people will suffer as a result of their actions. I look forward to the Second Stage of the Bill.

Senator David Norris: So do I and I will rebut the Senator's comments there.

Senator Labhrás Ó Murchú: We will have a good debate at that time. I bear no personal animosity towards the Senator, absolutely none. He is one of the finest contributors in the Seanad. I seem to agree with him 90% of the time. I certainly hope that after this morning's interaction we can express our views genuinely, but I assure the Senator of this much, with

[Senator Labhrás Ó Murchú.]

regard to the references he made about the back of the bus and all that, I will support him on these issues.

Senator Paddy Burke: And for the Presidency.

Senator Labhrás Ó Murchú: He need not have no doubt in that regard.

I thank the Cathaoirleach for allowing me to make those comments——

Senator Fidelma Healy Eames: Will the Senator second Senator Norris's nomination for the Presidency?

Senator Labhrás Ó Murchú: ——because I believe it is in the interests of democracy——

Senator David Norris: I will accept the Senator's nomination for the park.

Senator Labhrás Ó Murchú: ——to make those points. Perhaps we have cleared the air and perhaps people who want to express a view will have the courage and feel free to do it. Bail ó Dhia ar on obair.

An Cathaoirleach: I would normally not allow such comment on the Order of Business. If people have a dispute on the Order of Business, I do not want it to be settled the following morning here in any shape or form. There are other fora where they can meet and discuss the issues. I would prefer if such a matter was not raised again on the Order of Business. I am happy that the Senators have put to bed their differences.

(Interruptions).

Senator Jerry Buttimer: I do not know how one could follow that.

Senator Paschal Mooney: Follow that one, Jerry.

Senator Jerry Buttimer: I am glad that Senator is on the road that leads to the park.

An Cathaoirleach: I remind the Senator that we are dealing with the Order of Business.

Senator Jerry Buttimer: I support the comments made by Senator Coffey. This morning 50,000 students are finishing their leaving certificate and they are bereft of hope. They see a Government with no vision and no plan and their future as one of idleness from which they will be forced to emigrate. That is not what we want for them or the Ireland we want to have in the 21st century.

Senator McCarthy spoke this morning about the proposed €3 billion cuts. Will the Leader invite the Taoiseach, who has not been to this House, to come to this House to outline where he intends to find the €3 billion cuts? We should have an honest debate on that and start the pre-budget debate in this House, as there are important issues to be addressed. The Government does not have a jobs plan. The number of people under the age of 25 who are unemployed is staggering. That is a sad indictment on the Green Party and on Fianna Fáil, in particular. That is the reality. If one canvasses any day and talks to young people, they will say they are at home, watching television, that they cannot go anywhere, that they see no future for themselves and they will ask why should they bother. It is a disgrace.

An Cathaoirleach: Is the Senator seeking a debate?

Senator Jerry Buttimer: I am. It is a disgrace that there are so many apprentices who are now unable to finish their training and who are unable to get a proper qualification when they could be put to work either on houses that need to be finished or upgraded, or on our roads. The Government must start showing leadership and I want that debate urgently.

I refer to the impending visit of the Queen. I support Senator O'Toole. I am a republican and a nationalist and I do not have a narrow introspective viewpoint, but let us have a debate about what it means to be in a republic in the 21st century. Let us not start waving the flags with the impending arrival of the Queen. Let us have an honest debate about our relationship with England and the future we have for a united Ireland also.

Senator Niall Ó Brolcháin: I support Senator Buttimer on that point. It is good to have a debate on the republic, but I also think it is good that we can feel confident to invite heads of foreign states to this country, especially the Queen of England. It is fantastic that we can put our differences aside and the symbolism involved will be very positive.

It would be remiss of me not to add my voice to those who want to invite the Queen to Galway.

Senator Paul Coghlan: The city of the tribes.

Senator Niall Ó Brolcháin: It will be quite a tour of the country for her, but Galway is a fantastic location and I understand that her mother wanted to come to the Galway Races in the past. The Volvo Ocean Race is also coming to Galway.

Senator Paudie Coffey: The tent is gone, unfortunately.

Senator Jerry Buttimer: Will she get an invite to the tent?

An Cathaoirleach: Questions to the Leader, please.

Senator Niall Ó Brolcháin: It is important to look at the possibility of the Queen addressing the Houses of the Oireachtas. It is something that Heads of State from other countries have done. There are photographs downstairs of many great leaders from around the world who have addressed the Houses. It would be appropriate for the Queen to do that if she visited this country.

Senator Ross called for a debate on opinion polls. I got some disturbing information last night that members of particular political parties have been canvassed for these opinions in large numbers. If that is occurring, then the methodology used in these opinion polls need to be seriously examined. If we are only having opinion polls so that the media can manipulate politics and create stories, there is something wrong here. Newspapers and media organisations can use whatever methodology they like and that is absolutely wrong.

Senator Feargal Quinn: The Minister for Finance has created a commission of investigation into the advice given in banking in recent years. I draw his attention to an effort being made in Britain to copy the American Federal Funding Accountability and Transparency Act 2006. This Act has led to creation of a website in which any expenditure above \$25,000 by the Federal Government in the United States and a number of states is open to the public at no cost. In an age of transparency, this is the sort of thing we should examine. The British effort will require the Treasury to create a government expenditure website as well as giving the British Government the power to extend it to other public sector bodies. This seems to be a perfect way to ensure the citizens know what the Government spends. We are not talking about every penny; it is only for anything above \$25,000 in the United States. The cost of putting this into

[Senator Feargal Quinn.]

operation in the United States was \$1 million for the Federal Government, while it only cost \$25,000 for some states such as Missouri.

This is something towards which the Minister should work. Instead of having investigations into what happened in the past, we would all be able to watch this. We could have pie charts and bar charts and we would be able to see exactly what type of Government expenditure is taking place. There will be no enthusiasm for this inside the public sector, but it is something the citizens would welcome and is something that would benefit all of us involved in trying to control public expenditure.

Senator Ivor Callely: I support the call by Senator Coffey and others for a debate on the future for young people. As a parent of a young person who has just completed the leaving certificate, I am delighted to say that most young people go on to third level education, unlike in my time. I have another son who is coming out of college and he is asking the questions that we are asking in this House. That is why I support the call for a debate. Such a debate should be meaningful, with appropriate briefing documents available to us and the appropriate personnel available to participate in that debate. It should be done in a structured manner.

With the global depression, there are not great opportunities for young people today. What can we do and what innovative incentives can we put in place? Can we come up with a national plan on how we go about this? Is it to be done by solving the banking crisis first? Is it to be done by ensuring credit will be available for people who want to take risks and be rewarded accordingly? Is it to be done by creating the smart economy or by creating areas of environmentally friendly policies? There is a range of issues and I would support such a debate.

I would like the Leader to reconsider his response to me on yesterday's Order of Business, when I asked for a debate on carers. His previous response was somewhat different, and I think he agrees that we need an appropriate debate on carers.

Can the Leader arrange appropriate documents for a debate to be held at a later stage on State supports and all matters relating to domestic violence?

Senator Fidelma Healy Eames: The Queen is certainly welcome to Galway.

An Cathaoirleach: There is no need for a Minister for Tourism, Culture and Sport at all, with all the Members in here promoting the country.

Senator Fidelma Healy Eames: Indeed. She is certainly welcome.

The prospect of a property tax has certainly put fear into people's hearts. The feedback I get is that there will not be enough places in jail for the number of people willing to go there if a property tax is introduced now.

It is very important that we start the pre-budget debate on how to find the €3 billion. The Minister for Social Protection should pursue the misappropriation and abuse of social welfare, which is estimated at 10%. Ten per cent of €20 billion is €2 billion, and even if we got half that amount of money, it would go a long way towards resolving our problems. We also have 5,000 people working in the HSE without any job description, and it is time to pension them off.

I offer my sympathies and commiserate with the family of Dermot Early. He held the highest office in the Defence Forces.

An Cathaoirleach: That is not appropriate to the Order of Business this morning.

Senator Fidelma Healy Eames: In doing so, it has called to mind the role of the Defence Forces. We are very aware of the valid role they play abroad, but it is time we had a debate

on the role of the Army. I have learned recently that the Defence Forces have about 1,200 civil servants working for it, which is a great number. We need to look at everything in this country right now; therefore, a debate with the Minister for Defence would be most worthwhile.

Senator John Ellis: I raised last week the prospect of having a debate on infrastructure and infrastructural investment. In view of the Taoiseach's statement that €6 billion will be spent on investment, it is imperative that we debate the various items that we feel may be a benefit to the State if they were funded as projects.

Speakers mentioned a debate about the budget cuts. That is the best thing we could have. I want to hear those on the other side of the House say where they will make the cuts.

Senator Camillus Glynn: Hear, hear.

Senator John Ellis: They all admit cuts have to be made but do not want to cut their corner. Let us all admit that this has to be done and let us all sit down and work it out. Otherwise people should not whinge and cry after a budget is introduced on the basis they would not have done this or that.

Senator Paddy Burke: The Government side has rubbished every proposal we made.

Senator Jerry Buttimer: What about Deputy John McGuinness?

Senator John Ellis: Senator Buttimer is the nearest thing to a microphone I have ever found in the House; he is switched on and switched off.

An Cathaoirleach: Nothing across the floor.

Senator Jerry Buttimer: Senator Ellis should not lecture me. People in glasshouses should not throw stones.

Senator John Ellis: I will give the Opposition one piece of advice; it should see how the Labour Party in Australia dealt with its business yesterday in comparison with how Fine Gael dealt with its business.

Senator Paddy Burke: We do not need Senator Ellis's advice.

Senator Liam Twomey: When we gave the Government advice prior to 2007 it did not take it and look where that got us.

Senator Donie Cassidy: Was that before the Senator joined up?

Senator Liam Twomey: Read the record of both Houses.

An Cathaoirleach: Questions to the Leader, please.

Senator Liam Twomey: The Government was being well advised but unfortunately it was blinded by hubris and its own ignorance.

An Cathaoirleach: Questions, please. to the Leader on the Order of Business.

Senator Liam Twomey: The Government has made its bed and must sleep on it. It is its problem to deal with.

Senator Nicky McFadden: Hear, hear.

Senator Liam Twomey: We will give it the best advice we can but that is the most we can do for it.

Senator Donie Cassidy: It has no advice to offer. That is the problem.

Senator Liam Twomey: As we are on the issue, we should have a debate on the economy because there is much positive sentiment to the effect that we may have growth of 2% next year. This must be balanced with the acknowledgement that we will borrow €20 billion for the foreseeable future to balance the Government's spending. This is the equivalent to approximately 15% of our GDP. We need this debate to show people where we are going with the economy. We should not get over-enthusiastic that we have somehow come out of the mess we were walked into by the Government.

I was taken by the gushing sentiments from Fianna Fáil for a royal visit. It is very touching. We may need to put a queen of our own in Áras an Uachtaráin to counteract all the gushing sentiment towards the UK royal family.

Senator Donie Cassidy: We have one there already.

Senator John Hanafin: It is appropriate that we welcome the proposed visit of the British Queen. It shows a maturity in the nation——

Senator Nicky McFadden: She has not agreed to come yet.

Senator John Hanafin: ——and it has happened at just the right time in light of the Saville report and a new beginning. During the visit there will be an interest in seeing how the horse racing fraternity does its business in Ireland. I hope a trip to Coolmore might be included. It just happens to be in Tipperary.

Senator Nicky McFadden: Or a stag hunt.

Senator Liam Twomey: The Government will have it banned by then.

Senator John Hanafin: It will be a sign of maturity if the visit goes ahead and it is about time.

On the call for a debate on the economy, for fear that history will be rewritten, the calls made week in and week out by the Opposition for extra spending — not on one area but in every Department — during the run-up to 2007 show it really did not believe the good times were coming to an end.

Senator Donie Cassidy: I ask the Cathaoirleach's indulgence as I express our sympathy to the Earley family on the death of a great Irishman, sportsman and public servant. A very courteous and decent man died yesterday.

Senators: Hear, hear.

Senator Donie Cassidy: Senators Coffey, O'Toole, Ormonde, O'Donohoe and Callely expressed their serious concerns about the young generation and their hopes for its future. It is probably the best prepared young generation in the history of our country. It is a confident generation and I hope some of them will join the ranks of the Opposition and lift its spirit because its continuous——

Senator Paudie Coffey: Senator Cassidy is patronising the young people and it is most unfair of him.

An Cathaoirleach: No interruptions, please. The Leader is replying to the Order of Business.

Senator Paudie Coffey: The Leader is losing confidence by the day.

Senator Donie Cassidy: I did not interrupt Senator Coffey.

Senator Jerry Buttimer: Senator Cassidy's ancestors were members of Fine Gael and he should come home to us.

Senator Paudie Coffey: Senator Cassidy should talk to the young people and they will tell him.

An Cathaoirleach: Members, please.

Senator Paudie Coffey: Senator Cassidy is patronising and inviting comment.

An Cathaoirleach: I will suspend the sitting if Members do not allow the Leader to reply to the Order of Business.

Senator Paudie Coffey: He is being most unfair.

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

Senator Donie Cassidy: This morning, senior Senators in the House gave an education to the newer Members.

Senator Paudie Coffey: Senator Cassidy is being patronising again.

Senator Donie Cassidy: Senators Norris and Ó Murchú——

Senator Paudie Coffey: He will not learn.

Senator Donie Cassidy: Senator Coffey has been in the chair of the Acting Leader of the Opposition for one day.

Senator Paudie Coffey: Senator Cassidy should learn to listen to the people. He has been around too long and does not listen. That is his problem. I will not be patronised. Some people have been around this House for too long and they do not listen and I will tell them so.

An Cathaoirleach: I ask the Leader to reply to the questions raised on the Order of Business.

Senator Fidelma Healy Eames: On a point of order——

An Cathaoirleach: What is the point of order?

Senator Fidelma Healy Eames: The point of order is on the tone, manner, talking down and disparaging way——

An Cathaoirleach: I ask Senator Healy Eames to resume her seat. That is not relevant.

Senator Fidelma Healy Eames: It is inappropriate——

An Cathaoirleach: I will not discuss anyone's tone.

Senator Fidelma Healy Eames: ——and he continues to do it.

An Cathaoirleach: I ask the Leader to reply to the questions raised on the Order of Business.

Senator Donie Cassidy: The conduct is unprecedented. I have never seen anything like, never in my long years in this House. Talking about tone, people should listen back to the recordings of their contributions.

Senator Paudie Coffey: Less of the lectures.

Senator Donie Cassidy: I am giving the House the benefit of my experience and that is to be appreciated.

Senator Jerry Buttimer: No wisdom.

Senator Paudie Coffey: Empty rhetoric.

Senator Donie Cassidy: With regard to the comments on climate change, I would like to think that all committees make a very useful contribution to the proceedings of the House. The way forward for our political system must be through committees. They will save the countries tens of millions of euros having regard to events taking place in tribunals.

Senator Maurice Cummins: That is not what the Minister said.

Senator Donie Cassidy: I strongly support the committee system.

We had a debate on job creation and innovation in the House on Tuesday.

Senator Jerry Buttimer: Where was the Minister? He was not here.

An Cathaoirleach: Please, no interruptions.

Senator Donie Cassidy: I noted everyone who made a contribution

Senator Donie Cassidy: Senator Coffey called for a debate on the democratic deficit. We will have no difficulty with having a debate on the matter. It will be after the summer recess because so much legislation is coming before the Houses, which will sit four days next week and the week after, and will sit for at least two days the following week.

Senator Maurice Cummins: That is the week we took off.

Senator Jerry Buttimer: Are we in the bunker?

Senator Donie Cassidy: Senators O'Toole, Coghlan, Mooney, Donohoe, Butler, Hannigan, Ó Murchú, Buttimer, Ó Brolcháin, McCarthy, Ormonde, Healy Eames, Twomey and Hanafin expressed a welcome for Her Majesty's visit Ireland and the historic occasion it will be. As was correctly stated, it is another step forward in the peace process that is so precious to us all. I wholeheartedly welcome it and look forward to her visit.

With regard to calls for a debate on issues relating to the budget I will certainly endeavour to see how this can be facilitated in the timeframe of the diary of the House. Senator Ann Ormonde called for a debate on planning guidelines and I understand a Bill may be before the House for its consideration prior to the summer recess.

I welcome the tone and expression of Senators Norris and Ó Murchú, both long-standing and very well respected Senators. Senator Mooney called for an urgent debate on the large amounts charged by Ticketmaster. This is a very timely call for a debate of this nature and I have no difficulty in agreeing to its taking place.

Senator Donohoe called for a debate on respite care and I have no difficulty with this. The Minister will be in the House next week to discuss the HSE and the health portfolio. The Senator could raise his concerns on that occasion.

Senator Larry Butler welcomed the announcement of the 500 new jobs at the new terminal at Dublin Airport. I wholeheartedly join him in this and I have a vested interest. Senator Butler also called for a debate on the energy industry and on wind power. We could become exporters of energy in the long term. I will have no difficulty in having a debate on this after the summer recess.

Senator Hannigan called for the publication of the Bill on the election of a Dublin mayor. I will come to the House next Tuesday with the timeframe.

Senator Quinn outlined to the House the good procedures followed in the United States of America, whereby any expenditure figure over \$25,000 is published and the cost is met by Government agencies. It is a very good proposal which I will pass on to the Minister for Finance.

Senator Callely called for an urgent debate on carers. I gave a commitment on the matter in the House eight or nine weeks ago and will endeavour to arrange a debate on it before the summer recess. I fully support the Senator in his call. There was also a call for a debate on domestic violence. I have made a commitment on the matter and the debate will take place on the earliest possible date.

Senator Healy Eames called for a debate on the Defence Forces. I will have no difficulty in arranging such a debate.

Senator Ellis welcomed the Taoiseach's announcement that €6 billion was to be expended on infrastructural projects. This should be welcomed wholeheartedly, as it is one of the highest levels of expenditure in any state in Europe.

An Cathaoirleach: Senator Coffey has proposed an amendment to the Order of Business that a debate on youth employment be taken today. Is the amendment being pressed?

Senator Paudie Coffey: Yes.

Amendment put.

The Seanad divided: Tá, 17; Níl, 26.

Tá

Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Cannon, Ciaran.
Coffey, Paudie.
Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Healy Eames, Fidelma.

McCarthy, Michael.
McFadden, Nicky.
Norris, David.
O'Toole, Joe.
Phelan, John Paul.
Quinn, Feargal.
Ryan, Brendan.
Twomey, Liam.

Níl

Boyle, Dan.
Brady, Martin.
Butler, Larry.
Callely, Ivor.
Carroll, James.
Carty, John.
Cassidy, Donie.

Corrigan, Maria.
Daly, Mark.
Ellis, John.
Feeney, Geraldine.
Glynn, Camillus.
Hanafin, John.
McDonald, Lisa.

Níl—*continued*

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.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Paudie Coffey and Maurice Cummins; Níl, Senators Niall Ó Brolcháin and Diarmuid Wilson.

Amendment declared lost

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

Electricity Regulation (Amendment) (Carbon Revenue Levy) Bill 2010: Second Stage

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

Minister of State at the Departments of Enterprise, Trade and Innovation, Education and Skills and Communications, Energy and Natural Resources (Deputy Conor Lenihan): I am very pleased to have the opportunity to present the Electricity Regulation (Amendment) (Carbon Revenue Levy) Bill 2010 for consideration by the Seanad. Although it is a relatively short Bill, it has an extremely important purpose. It seeks to recover a substantial portion of the carbon windfall gains that electricity generators are currently receiving through the single electricity market, SEM.

Electricity generators are receiving these windfall gains because of a decision made in March 2008 by the SEM committee. This committee, which is comprised of energy regulators North and South alongside an independent and a deputy independent member, governs the operation of the all-island wholesale electricity market. It determined that regardless of how they receive their carbon allowances, electricity generators must include the full opportunity cost of carbon in wholesale electricity prices. In other words, electricity generators must pass on to consumers the price they would get for selling their carbon allowances on the open market.

However, as generators receive the vast majority of these carbon permits for free, the higher wholesale electricity price leads to increased profits for generators in the market without any significant commensurate cost. This is having a direct impact on the electricity prices paid by consumers. The SEM committee previously estimated that, assuming 100% of the cost of carbon allowances is reflected in the wholesale price of electricity and that the price of carbon allowances is €20 per tonne, prices are about 10% higher than they would have been in the absence of the European Union's emissions trading scheme.

The cost of carbon has declined considerably from its initial incorporation into wholesale prices but unlike other fossil fuels, particularly gas, it has somewhat recovered from its lowest point and today stands at approximately €15 per metric tonne. The incorporation of carbon is, therefore, having a real and measurable impact on the electricity prices paid by everyone in Ireland, from domestic consumers to the largest industrial undertakings.

As the SEM committee was set up to be a joint jurisdictional body it is not within our power to instruct it to reach an alternative decision. In fact, the committee's decision paper explicitly stated that it was up to governments to address the issue of windfall gains and noted that doing so would deliver benefits to consumers.

I do not object to the principle of including carbon in electricity prices. After all, it is only right that electricity prices should reflect the true cost of generating electricity, including the environmental impact of generation. However, allowing electricity generators to benefit from this without having to take any measures to cut their carbon emissions or pay for their carbon allowances creates an inequitable situation. This legislation seeks to recover these unearned carbon windfall gains. I am gratified that the opposition has to date supported my efforts to recover these carbon windfall gains.

The legislation has also been welcomed by economic commentators such as Richard Tol of the Economic and Social Research Institute, who stated:

Generally, windfall taxes should be avoided as they are arbitrary expropriation of private property. In this case, however, I fully agree with the Minister. Property rights on carbon dioxide emissions were created a few years ago. Although these rights used to belong to we the people, the European Union decided to give the permits, for free, to selected companies. This is tantamount to a subsidy worth billions of euros per year. Minister Ryan has now decided, rightly, to claw back this subsidy.

I propose to outline the methodology of how the levy is calculated and the reason we are taking this approach. The levy is calculated on a transparent and non-discriminatory basis. It will apply to all electricity generators operating in the single electricity market, SEM, which are receiving free carbon allowances and benefiting from the decision of the single electricity market committee.

The formula for calculating the carbon revenue levy is applied to all generators equally, based on the amount of emissions produced by a generator and the average price of carbon over the period the emissions were made. The actual amounts payable by an electricity generator levy will vary from generator to generator.

In an ideal world, rather than allocating allowances free of charge, we would prefer to charge the market rate for any allowances participants receive. However, the European Union as a whole has determined that emissions trading scheme, ETS, participants are entitled to at least 90% of their carbon allowances free of charge during phase two of the ETS which runs from 2008 to 2012. This was set out in article 10 of the EU emissions trading directive — Directive 2003/87/EC — which was created to implement the cap and trade scheme across the EU.

Article 10 of this directive states that for the three-year period beginning 1 January 2005, member states shall allocate at least 95% of the allowances free of charge and for the five-year period beginning 1 January 2008, they shall allocate at least 90% of the allowances free of charge. Any moves to limit or remove this provision would thus be in direct contravention of a European directive and could not be expected to survive a legal challenge. Therefore, in constructing the carbon revenue levy we have been careful to avoid any measures which could be seen to interfere or limit this entitlement to free allowances. This is the reason the levy is based on generators' emissions rather than a direct tax.

This may seem to be a minor point but it is a key distinction. We are addressing the windfall gains arising from the SEM committee decision, not the basis of the ETS itself, that is, the free allowances. Generators will be required to pay the carbon levy on a quarterly basis. It will be based upon their carbon emissions, multiplied by the average price of carbon over the relevant quarter and adjusted by a further percentage rate. This rate has been set in the legislation at 65%, although the Minister has the power to review this percentage.

The percentage rate of 65% specified in the legislation was chosen for a reason. Setting the rate at this level allows us to recover a substantial portion of the windfall gains from generators but should also ensure that we avoid excessive recovery of funds. As indicated, the easiest and

[Deputy Conor Lenihan.]

most precise solution would be to charge electricity generators the market price for each free carbon allowance they receive. However, since interference with EU directives would be legally impossible we cannot levy the free allowances and for this reason we had to consider other options.

The market structure of the SEM means that the precise quantification of the windfall gain for each generator in each half hour period would be a technical and administrative nightmare and require significant time and resources to accomplish, if it is even possible. Further complicating this issue is the fact that a generator may have had to purchase a portion of the carbon allowances it is using.

Generators receive their free carbon allocation from the Environmental Protection Agency based on the national allocation plans. The current plan, which covers the period 2008 to 2012, based allowances to generators on an average of their output over the period 2003-04. Whether a generator is required to purchase additional allowances therefore depends upon how much its current output varies from this historical output. Needless to say, if a generator has had to purchase allowances on the market, it will not be earning windfall gains on that portion of its allowances.

We also face the difficulty whereby a certain proportion of the emissions from each generator would be attributable to in-house consumption, that is, electricity that is consumed directly by the generator and not sold into the market. Since it is not sold into the market, generators are not earning a return for this output yet are required to surrender allowances for it. Therefore, there is no windfall gain for this element of a generator's emissions.

It should be remembered that generators are required to bid in opportunity costs of carbon on a day ahead basis. All scheduled generators then receive the system marginal price. The system marginal price, therefore, reflects the anticipated opportunity cost of carbon of the marginal plant. However, the method of calculation for the levy is the simple arithmetic average of the daily price of carbon allowances over the levy period rather than what generators actually bid and receive for carbon. While the difference between the two figures is unlikely to be significant, it is yet another abstraction we have had to create to ensure the levy can work effectively in practice.

For these reasons, we have had to adjust the levy amount downwards by a percentage rate and 65% is our best estimate of a figure that raises significant levy proceeds while avoiding excessive recovery. This rate can be modified by ministerial order, following advice from the Commission on the operation of the levy and a public consultation.

After listening to the concerns expressed by Deputies on Second and Committee Stages regarding the application of the levy to plant covered by public service obligation or PSO orders, the Minister conducted a further review of all ongoing public service obligation contracts to confirm that no generator is benefiting from the Commission decision on carbon costs. As a result of this investigation, it was determined that two electricity generators covered by the public service obligation could have the opportunity to benefit to a small degree from the SEM committee decision requiring generators to pass through the opportunity cost of carbon. The generators in question are Aughinish Alumina and Tynagh. These two generators will benefit if they sell a small proportion of their output outside the PSO scheme. They are thus earning carbon windfall gains on this small portion of their output as it is sold directly into the wholesale pool and the generators receive the market price for it, which includes the opportunity cost of carbon.

To address this matter, the Report Stage amendments introduced by the Minister limit the exemption for certain qualifying PSO plant. Any output which is sold into the market and is

outside the scope of the capacity and differences agreements or PSO contract these companies have with ESB will now be subject to the levy. In practice, the two companies' levy liabilities are likely to be very small since the vast majority of their output in both cases is subject to their PSO contract.

I stated earlier that the overarching goal for this legislation is to create a fully transparent levy that recovers a substantial portion of carbon windfall gains while treating generators equitably. The amendments made on Report Stage in the Dáil ensure that no emissions producing generators benefiting from the SEM committee decision on carbon costs are exempt from the levy.

The only electricity generators remaining that do not have to pay the carbon levy are those covered by a PSO order made under section 39 of the Electricity Regulation Act. These generators are excluded because they do not earn carbon windfall gains and, as such, there is no underlying rationale for including them in the carbon revenue levy.

PSO generators do not earn carbon windfall gains because they do not earn revenues from the market in the same way as other generators. Rather they receive a guaranteed fixed return. This fixed return is generally above the prevailing system marginal price. Hence, when fossil fuel prices are high and the market price is high there is little or no premium paid to these PSO plant. However, when market prices are low this premium can be large.

The effect of the SEM committee decision requiring generators to incorporate the opportunity cost of carbon into electricity prices was to raise the wholesale cost of electricity, similarly to what would have been the case had there been an increase in fossil fuel prices. This directly reduced the cost of the PSO levy to consumers. Therefore while overall compensation to PSO plant was unchanged, the cost of the PSO to consumers declined by that portion of the rise in electricity prices that was attributable to carbon. As a result, electricity consumers rather than the PSO plant benefited from the incorporation of carbon.

Imposing the carbon levy on the PSO plant would essentially be a zero sum game. The amounts we would collect from the PSO plant by applying the carbon levy to them would be passed directly on to consumers through an increase in the PSO levy. The levy applies to all consumers. The Minister has stated we will use the funds raised by the levy to offset electricity prices for large energy users. Therefore imposing the levy upon PSO plant would raise prices to domestic consumers while the increased revenue from this would reduce electricity prices for large energy users. This would be an additional burden on consumers and given that the removal of the exemption would have no impact on the operation of the peat plant and steps have already been taken to address the small amount of windfall gains being earned by other PSO generators, the Minister is satisfied that the treatment of PSO plant in this legislation is justifiable and equitable.

Funds raised by the levy will go into or be used for the benefit of the Exchequer. This provision is similar to those contained in the legislation dealing with the disbursement of dividends from the State energy companies, for example. Any funds from the levy will be disbursed with the full consent of the Minister for Finance. It will be done in a clear and transparent fashion and will be fully reported on in the accounts for the levy account which are to be audited by the Comptroller and Auditor General and laid before the Houses of the Oireachtas on an annual basis. The Minister has signalled his intent to use funds raised by the levy to protect the competitiveness of Irish enterprise. Electricity costs form a key part of the competitive pressures on enterprise in Ireland, particularly on energy-intensive exporters or those that are part of large multinationals which regularly review and benchmark costs across multiple locations. The Government is of the view that it is imperative to take all possible actions to support the enterprise sector and employment by

12 o'clock

[Deputy Conor Lenihan.]

focusing efforts on reducing costs where we can for large energy users which are typically significant employers with both indigenous and multinational bases.

This levy is a temporary measure and will come to an end at the close of 2012, as after that date all carbon allowances will be auctioned, rather than allocated to generators for free. This will ensure the true value of carbon is factored into European electricity prices. It will end the issue of windfall profits for electricity generators and add an additional incentive for investment in low carbon electricity generation. It is hoped to enact the legislation by the end of June. For every month the legislation is not enacted, approximately €6 million to €7 million will be lost to the levy and electricity generators will continue to enjoy these unearned windfall gains.

Although we have made major strides in improving our energy cost competitiveness in the past 12 months, we cannot become complacent. The Bill is a vital measure that will deliver a tangible boost to the competitiveness of Irish industry. The Minister will be working closely with the CER to ensure the speedy implementation of the Bill's provisions, following enactment.

Elsewhere in the market we have more than 800 MW of new and highly efficient generation capacity coming on-line. The new ESB Aghada station was officially opened recently and the Bord Gáis Éireann plant in Whitegate will open in the coming months. There will be no shortage of competition between efficient generators in the SEM this year, as these new generators, with significant new wind power capacity, will help to reduce carbon emissions and provide benefits for all electricity consumers. This new investment, combined with the measures in the legislation, will ensure the future outlook for Irish energy prices will remain positive. I look forward to hearing the views of Senators on the legislation.

Senator Paudie Coffey: I welcome the Minister of State to the House to debate this important Bill. Fine Gael welcomes its general thrust. We tabled amendments in the Lower House and will also table amendments in this Chamber to try to make improvements, where necessary.

This is a very complex issue and a new departure in electricity generation and the cost of electricity to consumers. All sides of the House acknowledge that people are not generally aware of the increased costs from their electricity bills. This applies equally to households and businesses. The purpose of the levy is to incentivise the reduction of carbon-based emissions related to electricity generation. Most find the issue difficult to understand. As the Minister of State outlined, free allowances apply for the period from 2008 to 2012. However, the SEM committee agreed that generators would collect the levy and they have been doing so since 2008. The costs have been based on generators' average figures in the 2003-04 period. In those years the Celtic tiger was at its peak. Electricity generation and certainly consumption levels are now lower than they were in those years. Does this factor have any impact on costs?

It is regrettable that the Government did not move sooner to introduce legislation to introduce this windfall levy. In June 2008 Deputy Coveney introduced a Private Members' motion in the Dáil calling on the Government to recoup the cost. Unfortunately, the Government parties voted to reject the motion. The Minister of State referred to a loss to the Exchequer of €6 million to €7 million a month if we delay in implementing the legislation. Given that it could have been implemented two years ago, a considerable amount has already been lost to the Exchequer. Is there any mechanism under this legislation which could be use to recoup the arrears?

Fine Gael introduced its motion at a time when the economy was coming under pressure. Our proposal was that the levy should be used to reduce the rate of VAT from 13.5% to 12.5%, which was a very reasonable proposal. It was money which had been collected from citizens and should have been utilised in a way that would have benefited them. Reducing

the rate of VAT would have stimulated the economy, increased retail trade and helped our competitiveness. Unfortunately, the Government turned a deaf ear to that very positive Fine Gael proposal made more than two years ago. At the time it indicated that the Attorney General had difficulties with the legislation and was not sure whether it could be implemented. Obviously, the Attorney General has now cleared the way and agreed to allow the Government to introduce the legislation. What has happened in the past two years to changed that way of thinking?

The Minister of State from Carlow has arrived in the House. I refer to a matter affecting her constituency, the draft national renewable energy action plan. It is welcome that we have practical and tangible targets that we can achieve. I am a member of the Joint Committee on Climate Change and Energy Security, to which officials from the Department of Communications, Energy and Natural Resources brought a report two weeks ago. Many of the stakeholders affected by the targets set in the plan consider they have not been adequately consulted which could have consequences for various industries. I will give one example that applies to the Minister of State's constituency.

Renewable energy targets in electricity generation in respect of co-burning have been set. Bord na Móna has proposed that the by-products of the timber industry, the off-cuts, shavings and wood chips, be used in co-burning with its product. The plan to be submitted to the European Commission contains targets in that regard. There are concerns expressed by SmartPly and Medite. Medite is based in Clonmel, while SmartPly is based in the Port of Waterford. These two companies employ 300 people in manufacturing board from timber by-products such as wood chips and wood shavings. The value of goods they export comes to €160 million per annum. Their manufacturing processes reuse and recycle all of the natural timber by-products. The industry indicates that it is a very finite resource and that insufficient timber is being grown here. They are very concerned that if wood chips and wood shavings are diverted towards co-burning as proposed in the Government plan to be sent to the European Commission at the end of the month, it could put these industries in jeopardy. We need to consider the impact of such targets in moving from fossil fuel based electricity generation to renewables based electricity generation. I am all for renewables based electricity generation, but we need to consider the impact if we are to divert an entire stream of by-products from the timber industry from successful manufacturing companies such as Medite and SmartPly which are under the auspices of Coillte. They generate €160 million per annum in the export of their goods. The issue should be considered very carefully and as it relates to the Minister of State's constituency. She should look at it and bring it to the attention of the Minister.

Fine Gael more or less welcomes the Bill, although we will submit amendments on Committee and Report Stages to improve it. Collection of the windfall is a complex area and there should be more transparency in this respect. The Minister of State, Deputy Conor Lenihan, outlined in his contribution the complexity of the collection process, and this will apply to all generators rather than just the ESB. Close scrutiny will be required and I welcome the fact that the Comptroller and Auditor General and all the State agencies will keep a close eye on how the money is collected and spent.

Money has been collected on the backs of ordinary consumers, domestic householders and businesses. They are not fully aware that it has been collected over the past two years and will be collected for a further two years. It is important this money be used to the best advantage by the Exchequer. Fine Gael proposals have been very positive and were a mechanism to try to stimulate employment and our economy by reducing VAT. The Government should consider this positive proposal with the best intentions in stimulating the economy.

[Senator Paudie Coffey.]

I have no more to say at this time but my colleague, Senator Buttimer, will contribute later. I am also interested in the views from the other side.

Senator Jim Walsh: Cuirim fáilte roimh an Aire Stáit go dtí an Teach chun an Bille tábhachtach seo a phlé.

Like Senator Coffey, I welcome the Bill and the general thrust is definitely in the right direction for the reasons outlined by the Minister of State. Carbon credits can be seen as a licence to pollute and they cover a position where people will be able to purchase such credits in future when stipulated emission levels are not being met. Whereas one might be critical of this, it is a sensible approach taken at EU level which is seen to address significant CO₂ emissions that severely impact on climate change and the environment in general. It can equally be argued that the credits provide a reward for those who effectively reduce emissions, as that opportunity cost can be passed on. This stems from EU Directive 87/2003/EC and generators generally get the allowances for free. This is providing for a windfall gain. The Minister of State referred to this as unearned carbon windfall gains and the unearned aspect is an important element.

Given our energy market, one of the issues we have as a small island on the periphery of Europe is our competitiveness generally. Energy costs, like the labour costs about which we have spoken many times in the House, are significant and with our energy market it is important to get to the stage where we have best practice and the most competitive rates we can get within the European Union. If we fail to do so, our economic growth will be adversely affected as a consequence. Initiatives such as the North-South and east-west interconnectors, with our investment in green energies such as wind and wave power, will in time perhaps put us in a position to generate beyond our usage and thus allow export of electricity. That is the ideal position.

I have noticed since the introduction of this topic and the publication of the Bill that there have been press reports speculating on the possibility of legal challenges to the provisions of the Bill. I note that countries such as Germany, France and Spain have introduced legislative measures that were struck down as in breach of the EU directive when challenged in court. I am told that there are other examples, including Finland, where this has not happened as legislation has been shaped in such a way as to avoid such challenges. Will the Minister of State outline in more detail how our legislation might compare with those successful countries and earmark the distinction between what we are doing and what happened in those countries where the legislation was found to be in contravention of regulations?

The Minister of State estimated what will accumulate as a consequence of this measure. Some press reports indicated industry sources have made this estimate as high as €200 million. Will the Minister of State, therefore provide some clarification in this regard? In the good old days the Department of Finance tended to under estimate the revenue stream from all sorts of taxation measures. It found itself under estimating the extent of the difficulties we faced but these deficiencies seem to have been corrected and do not happen now to the same extent.

A new market is evolving in the energy field with regard to carbon credits which can be bought and sold. There is a significant range in the market, with figures of €12 to €25 per tonne mentioned. The idea is that the measures taken today will improve our competitiveness by allowing credits which are windfall measures accruing to energy companies to be credited to the major users of electricity here, including large multinationals and strong employers which form the backbone of the economy.

At a time of high unemployment especially but at any time in general, it is important that our focus is on the productive sector of the economy. To some extent, we may have lost sight of this in the past, with the bloating of the public sector which is paid for by productivity in the private sector. That should not be forgotten. A side effect is that generating companies which are getting unearned carbon windfall gains could see subsidisation. If we want energy companies to be competitive and to produce at the lowest possible sustainable cost, the more economic and competitive pressures they see, the better. There can be short-term revenues, a fact we have recognised in the Exchequer finances. The property windfall tax allowed us to escalate costs to a level we now see as unsustainable. It is important to take action such as outlined in the Bill to correct such issues.

I have mentioned that the levy is temporary and the Minister of State has outlined that it will terminate on 31 December 2012, when the European Union will begin to auction carbon allowances to EU member states. Companies will then be in a position to buy them from the State.

There is one matter with which I am not entirely in agreement and which might perhaps be revisited. I refer to the fact that the funds which will accrue to the Exchequer will be disposed of for its benefit, at the direction of the Minister for Community, Equality and Gaeltacht Affairs and with the consent of the Minister for Finance. Revenues from these sources can sometimes be used to subsidise inefficiencies within the public sector.

Senator Jerry Buttimer: That is somewhat harsh.

Senator Jim Walsh: I would like the revenues that will accrue from this measure to be ring-fenced and used specifically in the energy sector, particularly in promoting the green energy sector and encouraging greater efficiencies within it. I would not like the money to which I refer to become part of overall Exchequer finances. It should be specifically used for the purpose for which it was envisaged, namely, encouraging cleaner electricity production and reducing carbon emissions to a significant degree. However, I accept that the State will probably be obliged to purchase carbon credits and that this will give rise to a cost for the Exchequer.

The Bill contains a provision in respect of certain exceptions that can be made. I do not know the extent to which this will fit with the regulations or the criteria laid down in respect of these exceptions. I have some sympathy for companies such as Endesa which has located its operations in my constituency and made a significant investment in acquiring energy production assets in this country. It has purchased plants at Tarbert, County Kerry and Great Island in south-west Wexford. The carbon levy will be applied to it in the same way it applies to the ESB. That is despite the fact that it has purchased the facilities to which I refer, from the ESB and at market rates. I do not know if Endesa and companies like it have made provision for this additional cost. I am not seeking favour for the Endesa project. However, I am asking that Endesa and companies like it which have made a significant investment in order to enter the market not be placed at a competitive disadvantage *vis-à-vis* those companies which have invested in developing their production facilities in the past by being obliged to service the cost of the purchases they have made, while also meeting the cost of the carbon levy. Serious consideration must be given to the position of companies such as that to which I refer in order to ensure their position will be safeguarded and that there will be a genuinely competitive energy market in this country.

My final point relates to the single electricity market for the island which evolved in recent years and which has been welcomed on both sides of the Border. This is a good development because it has given rise to the level of consumption necessary to sustain competition. I hope

[Senator Jim Walsh.]

the levy will not distort the market. I am unsure about the position in Northern Ireland on the levy. I may be incorrect, but I understand it will apply in the Republic but not in Northern Ireland. If that is the case and if, as a result, there will be a differential or distortion in this regard, will the Minister clarify what will be done to ameliorate its effects? Have initiatives been taken to ensure what is a good measure will also be applied to the electricity generation companies in Northern Ireland?

I welcome the thrust of the Bill which is a good measure. I hope we will have the opportunity to tease out some of the matters that have arisen during this debate on Committee Stage.

Senator Feargal Quinn: I welcome the Minister of State. I gave a lengthy interview on Ryan Tubridy's show approximately three years ago, towards the end of which I was asked that if I was starting out now, into what business would I go. I stated at the time that anything to do with renewable energy — wave, wind or tidal — was the route to take. I have received many letters and other communications in the interim from people who have outlined the alternative energy projects with which they have become involved. There is a great deal of work taking place in this area and we must recognise that the advent of climate change targets has altered attitudes.

It is interesting to see just how much activity is taking place in certain areas. At Clongriffin, which is near the area in north County Dublin where I live and adjacent to the constituency Senator Brady represents, five wind turbines were erected approximately two years ago but they are not in use. I wonder what has gone wrong. These turbines were in use when they were first erected but that is no longer the case.

In recent years, particularly during the Celtic tiger era, when trying to explain to people from abroad why Ireland attracted so much foreign direct investment and had become so successful, I found myself referring to our low tax base, access to the European Union and our highly educated, English-speaking population. The people in question are now informing me that high wage, rental and energy costs have priced us out of the market. In such circumstances, anything we can do to make the country more competitive in the future will be extremely important.

I am concerned that the implementation of a carbon revenue levy will have a negative impact on the economy and may hinder its recovery. I accept that the Bill relates to a particular aspect of the economy, namely, electricity generation, but I am of the view that not enough questions have been asked about the imposition of a carbon levy at what I believe to be the most inappropriate juncture. A carbon tax has already been imposed in respect of gas and other fuels and some estimate that this has given rise to a 6% increase in the cost of gas to businesses. This can be called a levy, but it is a tax which is imposing an additional cost on businesses and placing them at a disadvantage *vis-à-vis* their international competitors.

Several EU member states such as France are extremely sceptical about imposing national carbon levies because they are of the view that they cannot commit their economies to further strain in a competitive market. The French energy Minister stated his country's energy tax was being postponed indefinitely so as not to "damage the competitiveness of French companies" and indicated his concern that it would be too risky for France to go it alone without the rest of the European Union. Several new reports have contested claims that more jobs would be created if a carbon levy was introduced. For example, a new French Government study concludes there would be a significant risk of carbon leakage if such a levy was brought in. By carbon leakage they mean industries would move to other parts of the world in order to avoid punitive climate change costs.

In an even wider context, countries such as Germany believe the European Union should not move without global agreement on the cutting of CO₂ emissions. It is interesting to note

that the Union is abandoning the drive to unilaterally commit to cutting greenhouse gas emissions by 30%. Last month, when asked about speeding up the reduction of CO₂ emissions, the Union's Climate Action Commissioner, Connie Hedegaard, observed, "Are the conditions right now? Would it make sense at this moment? My answer would be no." I agree with the Commissioner. Many politicians across Europe appear to have picked up on public sentiment to the effect that the priority now is not solely the reduction of CO₂ emissions or imposing massive hindrances on businesses and that we should focus on job creation and a return to prosperity. We should resume the debate on imposing measures such as the carbon levy only when the country has returned to a position of robust economic growth. We should now concentrate on every small measure that would help businesses to survive, thrive and expand in order that they can pick up when the economy recovers which I hope will happen soon. I have serious concerns that the priority should be the creation of jobs and the encouragement of enterprise — we may have to put the reduction of emissions on the back burner.

I am concerned that new figures show the carbon charge will generate €250 million this year but only €130 million is going to schemes earmarked for this money. I would be interested to see the plans for the remainder of that sum.

The Minister of State is trying to do the right thing and the objective is laudable, but I must ask if this is the right time to be doing this.

Senator Martin Brady: I welcome the Minister of State and wish her well in her new portfolio. I have no doubt she is a very able person and will do the right thing.

The key objectives of this Bill are to amend the Electricity Regulation Act to place a requirement on electricity generators to pay a levy on the revenues from the SEN which are attributable to emissions and that it becomes a function of the Commission for Energy Regulation to calculate, collect and manage the carbon revenue levy.

I agree with Senator Quinn. We are talking about wind energy, but I have met people who have bought wind energy chargers and cost is a huge factor. In some cases people do not anticipate these high costs and the machines are high maintenance. I live Clongriffin and the chargers have been out of action there for some time. The contractor who installed them has gone into liquidation and there is a row between Dublin City Council and other contractors that we are trying to end.

People cannot understand their electricity bills. The customer pays for the electricity he or she uses, but there are standing charges that people cannot understand. There should not be any such charges. I made inquiries of the ESB and was told that the charges were different in rural areas because it was more expensive to provide electricity in such areas than in urban areas. That is irrelevant. If I provide a telephone service, I am paid for it and that is all. Something should be done about standing charges. People see it as another way to collect money. If a man works, he receives a salary and that is all. We should look at this issue because cost is a major factor, about which we should be concerned. If we want people to use alternative energy resources, we should make it easy for them to do so. There is not sufficient information on the costs involved for those who buy wind energy generators.

I agree with the general thrust of the Bill which is not contentious, but minor issues such as those I have mentioned should be given more attention.

Senator Jerry Buttimer: This Bill is long overdue; it is a scandal that we had to wait so long for it. Electricity generation has changed; it is now a complex market. However, it should not be; there should be transparency.

[Senator Jerry Buttimer.]

There are two groups — consumers and businesses. The best thing the Minister did was to introduce smart meters. I have one in my house and it allows the user to monitor the use of electricity at all times. Meters should be installed in every household. If we are serious about reducing carbon-based emissions, we must educate all citizens, not just industry and enterprises.

In the last two years the country has lost hundreds of millions of euros in revenue. I listened to Senator Walsh's remarks and disagree with his comments on the use of the money raised. From reading the explanatory memoranda, it goes to the Department of Finance which has the right to disperse it accordingly. It is wrong for the Senator to talk about inefficiencies in the public service and say he hopes the money will not be used for it when the Bill must be about the protection of consumers. As Deputy Coveney said in the Dáil, we have promoted the concept of windfall taxes for generators since June 2008. We support the principle in the Bill. We tabled amendments in the Dáil, not for political purposes but to enhance and strengthen the Bill. The Minister accepted some but not others.

We debated the issue of job creation earlier this week. Tackling competitiveness is critical to our future economic recovery. Senator Quinn posed a question about the imposition of the carbon levy in current circumstances. I hope the reduction in electricity costs for industry will occur because we must be serious about job creation; we must make reference to the market value of the carbon allowance and make generators pay.

Looking at the EU emissions trading scheme, Deputy Coveney remarked in the Dáil that the major challenge facing the Minister was to find a method to reduce electricity prices. That remains true. We must take a holistic approach. We have been saying the Government must claw back the unearned gains from the power generators through a special windfall tax which will be determined annually by a reference to the market value of the carbon allowance.

The energy pricing market is complex but it must be transparent and capable of being understood by all. The are implications for Ireland when this legislation is passed. While Fine Gael does not oppose it, I am not sure where the Labour Party stands on it. It might perhaps devise a policy as we speak. I should not say that, however. I will leave it to Senator Ó Brolcháin whose party is in government for the moment.

Issues such as whether electricity generators have a cushion in terms of unearned profits arise. The single electricity market committee which oversees the operation of the electricity market here stated in March that “action to recover the windfall gains from the full pass through of carbon allowances would, therefore, be a matter for Government”. This is right. I would not like if the regulator were to determine to whom the gains would be passed. As stated by the single electricity market committee, the recovery of the windfall gains could deliver benefits for consumers, which is the most important point of all. This measure must result in benefit to the consumer.

I cannot recall the year the Kyoto Protocol was signed. Perhaps Senator Ó Brolcháin might tell me the year in which it was signed. Former US President, Mr. Bush, must accept blame in this matter. If every country had willingly signed up to and actively participated in that agreement, we would be in a better position. The Irish consumer who has paid directly in recent years must be given a break.

I am glad my colleague from west Cork, Senator McCarthy, is now present in the House. I was lamenting that there was no Labour Party Member here.

Senator Michael McCarthy: The Senator can read into the record that I have just arrived.

Senator Jerry Buttimer: I am doing so.

An Leas-Chathaoirleach: Senator Buttimer should not speak about people who are not in the Chamber.

Senator Jerry Buttimer: I apologise. Fine Gael supports the overall principles of the Bill. It is important the consumer benefits from this and that we provide stimulus for the domestic economy to grow. This can be done by reducing our energy costs and the financial gains being passed to the economy to assist in rebuilding our competitiveness, be it in the tourism industry or elsewhere, I do not mind. This legislation is overdue. I thank the Minister of State for coming to the House today.

An Leas-Chathaoirleach: I call Senator Ó Brolcháin.

Senator Michael McCarthy: Is that the correct order in terms of speakers?

An Leas-Chathaoirleach: Yes.

Senator Jerry Buttimer: Senator McCarthy missed his slot.

An Leas-Chathaoirleach: The Senator has rushed in before his time.

Senator Niall Ó Brolcháin: I welcome the Minister of State. For the second time today, I commend Senator Buttimer on his positive and genuine contribution to this matter.

Senator Michael McCarthy: Hear, hear.

Senator Niall Ó Brolcháin: I commend Fine Gael on the manner in which it is acting in this matter.

Senator Michael McCarthy: Will the Senator join it?

Senator Niall Ó Brolcháin: That is possible. Would Senator McCarthy?

Senator Jerry Buttimer: Senator McCarthy is on the right wing of the Labour Party.

Senator Niall Ó Brolcháin: He is a nice gentleman.

Senator Jerry Buttimer: I would not call him a gentleman.

Senator Niall Ó Brolcháin: He is a gentleman.

The purpose of this Bill is to recover a substantial proportion of the carbon windfall gains being made by electricity generators through the single electricity market, SEM. As Senator Buttimer correctly stated, we are speaking of a windfall tax on generators. Senator Quinn appears to think that high electricity prices in themselves are a detriment to business. There is no guarantee that the windfalls received by companies will be passed on to consumers. It is sensible for the Government to introduce this measure which will generate income for it which can rightly be spent, as all carbon measures are, on a revenue neutral basis, assisting industry to be more efficient in terms of its energy use. That is a point which people keep missing in regard to carbon measures. People focus on the fact that money is being generated rather than on the fact that money is also saved, which is an important point and the purpose of the carbon levy. The carbon levy will, on the one hand, generate money from the use of carbon and, on the other, decrease the use of energy in order that the overall cost of energy to households and businesses is reduced.

I agree with Senator Buttimer's remarks in regard to smart meters. I am delighted to hear he has a smart meter in his home. I do not have one in mine and would be grateful if this

[Senator Niall Ó Brolcháin.]

process could be moved on. Every house should have a smart meter. We need to ensure there is minimal energy use at industry and domestic levels. This is done by way of measures such as the one now being introduced. This measure is a relatively minor one which seeks to ensure the extra money accruing to generators as a result of new EU rules is not kept by them and that some of it is put into the public coffers. At times of great difficulty in terms of finances it is important that such measures are introduced.

On carbon infrastructure in general, there appears to be a view in this and the other House that in respect of measures in regard to carbon and energy security in general we can have it all one way and not the other, namely, that we cannot tax people and can spend money on insulation and energy reduction measures. This simply is not possible in these difficult times. We cannot spend money which does not in the first instance accrue to the Government. That defies the laws of gravity. The general view appears to be that we can provide all types of services from revenues which are increasingly decreasing without having to introduce new taxation measures or cutting costs. I am increasingly frustrated by people who put forward one side of the balance sheet. I am glad to note that in this instance the Fine Gael Party is looking at both sides of the balance sheet. That is important. This year's budget will be difficult. Every measure we can introduce to ensure the most vulnerable people in society are not hit is important.

On energy, the warmer home scheme in particular needs to be better funded. We need to ensure people who are struggling with energy and fuel poverty are taken care of and to ensure their expenditure in terms of energy costs is reduced to a minimum. I have no doubt the Labour Party will be with me on that point. However, all of this must be funded. One way of funding this is to introduce measures such as this one. We cannot magic the money from nowhere. Local authorities put their resources into the warmer home scheme thus ensuring as many social houses as possible are insulated. Fuel poverty will be a greater issue in this country in the future.

There is much talk about climate change and carbon reduction. Energy security is also an important issue. People who believe that with an ever-dwindling supply of oil, prices will somehow decrease are wrong. The price of fossil fuels has been drifting steadily upward.

The Government's efforts regarding renewable and non-carbon producing energy resources are extremely commendable. In the past two years we have more than doubled production of electricity from renewable energy resources. That is a great achievement by the Government. We need to get to 100%. There was much talk today about the Queen of England coming to visit in the future. I am wary of the idea of exporting all the renewable energy we produce directly to Britain. Many suggest this, including a group called the Spirit of Ireland. We need to ensure the country becomes 100% self-sufficient in producing its own energy. This is absolutely possible and the way forward. When we reach a figure of 100%, we can then look at exporting.

Senator Michael McCarthy: This Bill was passed by the Dáil within the past two days and there was general agreement on it in that House. No one disagrees with the thrust of the Bill which I welcome. However, I will comment on a number of issues.

Senator Ó Brolcháin mentioned the dwindling supply of oil and the expectation that the price of oil will come down. While prices at the pumps have been increasing steadily — although there has been a decrease in the past month — the price of a barrel of oil has remained roughly the same. In rural areas, where public transport is unreliable, people depend on private transport. A person living in a rural area must have a car. Even in areas where there are buses the routes do not always serve the towns to which the people wish to travel. This dependence on cars and, therefore, on petrol and diesel places a huge burden on people on lower incomes

and in areas that have suffered economically. The increase in the cost of petrol and diesel is difficult when there are not feasible alternatives. I do not say we should have these alternatives, because they would be expensive and we must take an economic view. Nevertheless, we must consider those who are on lower incomes have been badly affected by the economic downturn or are in households where jobs have been lost and it is a struggle to meet mortgage payments and utility bills. A small increase in the price of a litre of diesel, for example, from €120.9 to €122.9, makes a huge difference to a 60 litre fill every month for someone who is struggling on a restricted income.

Senator Brady raised the issue of standing charges on electricity bills. What is that standing charge for and why is it always factored in? With many other utilities one simply pays for what one uses. The principle is similar to the practice of suppliers paying “hello” money to supermarkets. In the 1980s, when video libraries were popping up as fast as head shops, they had a membership fee, almost like a gym. The electricity standing charge is significant. Despite the emphasis on energy efficiency schemes we are not even half way there. There are still people who are living in houses that are not energy efficient and they have high heating bills. They then must pay a standing charge to the ESB. Many of us have helped constituents in applying for the household benefits package. I recently met people I had helped in applying for the scheme and they had seen a significant reduction in their bill. These people are in their late 60s and had not been aware of their entitlement until I brought it to their attention. The scheme has made a meaningful difference to the income of that household. When one is living on a State pension of €220, a reduction of more than half in one’s ESB bill is significant. I feared the scheme might have been cut by the Government but, thankfully, that was not the case. It is a lifeline to people who are earning much less than when they were in the workforce and earning good money. It is also a worthwhile scheme for people who are under 66 and are not on pensions or qualifying payments. The ESB standing charge is not cheap and it is difficult for someone to pay this bill every couple of months. Can we have an indication of what the standing charge is for? When one considers the profit the ESB made during the years, it would be reasonable to investigate its standing charge even further.

I do not know how much money will accrue to the Minister for Communications, Energy and Natural Resources as a result of this legislation. I imagine it will be substantial. While it is said it will be used to pay for energy efficiency programmes, there is no provision in the Bill to allow for this. It is my understanding that the money that will accrue from the Bill will go to the Department of Finance. If there is no legislative provision allowing for the money to be ring-fenced for the schemes in the Department of Communications, Energy and Natural Resources, it will go back to the Department of Finance and may be used to plug the black hole that is Anglo Irish Bank. That is where all the money seems to be going nowadays. When there is not a legislative provision to ensure the money is ring-fenced, I fear what will happen. I accept the Minister’s *bona fides* when he says this is his intention, but if there is no legislative provision we all know what will happen. The money will go back to the Department of Finance and that will be the end of it.

I remember the debate on the abolition of the first time buyer’s grant. It is a distant memory. As we move away from controversial issues we tend to forget about them. I hope that will not happen in this case. The sports capital programmes in the former Department of Arts, Sport and Tourism have been abandoned. Where did their national lottery funding go? While I have asked that question repeatedly, I have not received an answer. What happened to the money from the sports capital programmes?

I repeat this point for the benefit of the Minister, Deputy Éamon Ryan, who has returned to the House. The Bill contains no provision to ensure the money accruing from the legislation will be ring-fenced for energy efficiency schemes or programmes that support that principle. It

[Senator Michael McCarthy.]

is not a good idea to allow that money to go back to the Department of Finance, given where that Department has been spending taxpayers' money in recent times.

I remain to be convinced of the value of schemes such as the geothermal scheme. The technology for heating a home by extracting heat from the ground is impressive. However, I know of a number of cases where electricity bills issued subsequent to the installation of that system have been horrifically high. It is usually unclear whether this is the fault of the pump, the system, the installation or the general scheme. If we want people to consider or investigate alternative sources of heating which we are all agreed is good, it is not good for question marks to hang over these alternative systems. We need to be convinced. We need to be confident and satisfied that the product we are buying does exactly what is says on the tin and reaches a certain standard. An alternative energy scheme must not only result in environmentally friendly practices and reduce CO₂ emissions, it must also be cost effective. If we do not have confidence in a system it will run into deep trouble.

1 o'clock

Those are the three points I wished to raise. I thank Members for their attention.

Senator Paddy Burke: I welcome the Minister for Communications, Energy and Natural Resources. He is a good attender in this House and I like some of his ideas relating to his portfolio.

I welcome the Bill which is excellent legislation. The Minister has explained how the single electricity market will benefit the consumer and I hope it will. I also hope the Minister will take note of the comments by Senator McCarthy on ringfencing some of the possible savings. The cost of electricity here is enormous; one need only look at one's home electricity bill. Like Senator Buttimer, I have a smart meter, an excellent tool that shows how to make great savings by using the night rate for the dishwasher, washing machine and deep freeze. That said, electricity is very expensive and ways must be found to reduce prices, not only for domestic consumers but to big businesses which now find it very difficult to compete with competitors in other parts of the world. They deserve every break they can get and if this Bill will be helpful to them, it is to be welcomed warmly.

We all acknowledge that Ireland is a small economy and for that reason we need to bring in experience and expertise in regard to energy saving devices and alternative energy systems, if not for every aspect of these. Some do not agree with tax breaks but I do. They have been used to good effect even though they blew up the housing market. If there were tax breaks in the area of alternative energy and they were monitored properly, there could be great benefits. Many who are making a great deal of money would avail of tax breaks in this field, whether for their own home benefit or to make a contribution to the national grid.

Recently I travelled through Spain and France and was amazed at the level of wind and solar farming in Spain which is miles ahead of us. People here wonder why things move so slowly, whether it is a matter of getting on to the national grid or some other problem. Looking on, it seems there is a problem or hold-up in some area. I also spoke to people in Greece where between 4% and 7% of the overall energy supply is produced with wave energy. I was astonished to hear that 7% of that country's energy supply was produced with wave energy because Greece is situated on the Mediterranean. I realise it might be more difficult to put some of those systems in place on the Atlantic seaboard.

We like the way the Minister, Deputy Ryan, is working but the pace of progress is very slow, as people acknowledge. Will the Minister consider the introduction of tax breaks in the next budget? They could be the way forward for alternative energy production. If they were put in place, a considerable number of people would avail of them.

In other respects, I welcome the Bill. Anything that can help to reduce domestic or commercial electricity rates is to be welcomed.

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): I am sorry I was not present for the earlier contributions, but I have a note of points made by Senators and will respond to them.

First, it is not possible to tax retrospectively for the periods before this legislation comes into effect. A development last year was the rebate of more than €300 million provided from the ESB for all consumers on a market-neutral basis which largely addressed the carbon windfall from that period. Although we did not have this mechanism we used alternative ones to try to help bring down prices and keep Ireland competitive.

The value of the levy in any given year will depend on the market price of carbon. In recent years this has varied from €12 to just under €30 and currently costs just under €15 a tonne. On that basis, there will be a yield of approximately €75 million. Those receipts will be committed not to anything in the legislation but, through the Exchequer process, to recycling to reduce or prevent the rise of the cost of electricity to large energy users. That was done tactically and deliberately on the basis of protecting the small number of companies for which electricity provides a significant component of their costs. It is as much a jobs initiative as anything else.

We will have the opportunity on Committee Stage which I believe will take place next week to go into some of the technical details of the Bill. This is a technical area and looking into electricity markets can be complex. The approach taken by the Government is the right one, although I would say this. I very much appreciate the general support from Senators and look forward to the passing of this Bill in order that we can benefit Irish consumers in the electricity market. I thank the Cathaoirleach.

Question put and agreed to.

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

Senator Niall Ó Brocháin: Next Tuesday.

An Cathaoirleach: Is that agreed? Agreed. I thank the Minister for attending.

Committee Stage ordered for Tuesday, 29 June 2010.

Sitting suspended at 1.10 p.m. and resumed at 1.20 p.m.

Criminal Justice (Psychoactive Substances) Bill 2010: Committee and Remaining Stages

An Cathaoirleach: The Minister is welcome.

Sections 1 to 6 agreed to.

SECTION 7.

An Cathaoirleach: Amendments Nos. 2, 3, 6 and 8 are related to amendment No. 1. Therefore, amendments Nos. 1 to 3, inclusive, and 6 and 8 can be discussed together.

Government amendment No. 1:

In page 8, subsection (1)(c)(ii), line 25, to delete “their” and substitute “their, as the case may be,”.

Minister for Justice and Law Reform (Deputy Dermot Ahern): Each of these amendments is technical in nature.

Amendment agreed to.

Government amendment No. 2:

In page 9, subsection (5), line 6, to delete “issued” and substitute “served”.

Amendment agreed to.

Section 7, as amended, agreed to.

Sections 8 to 11, inclusive, agreed to.

SECTION 12.

Government amendment No. 3:

In page 14, subsection (1)(iv), line 15, to delete “premises” and substitute “place”.

Amendment agreed to.

Section 12, as amended, agreed to.

Sections 13 and 14 agreed to.

SECTION 15.

An Cathaoirleach: As amendments Nos. 4 and 5 are related, they may be discussed together.

Senator Eugene Regan: I understand amendment No. 4 is being withdrawn.

Deputy Dermot Ahern: I was going to accept it.

Senator Ivana Bacik: My apologies for being late.

An Cathaoirleach: I advise the Senator that we are dealing with amendment No. 4 to section 15.

Senator Ivana Bacik: It was my intention to withdraw this amendment, but I have just heard what the Minister said.

Deputy Dermot Ahern: I am intrigued. Why was the Senator going to withdraw it? I propose to accept it because there is a similar provision in Criminal Justice (Public Order) Act 1994.

Senator Ivana Bacik: My apologies. I was looking at the wrong amendment.

Deputy Dermot Ahern: I am prepared to accept the amendment.

Senator Ivana Bacik: I move amendment No. 4:

In page 17, subsection (1), line 44, to delete “€3,000” and substitute “€5,000”.

Deputy Dermot Ahern: This amendment proposes to increase the penalty for the offence of the obstruction of gardaí and Customs officers in the exercise of powers under their functions

under this legislation. We are prepared to accept the increase of the penalty from €3,000 to €5,000.

Amendment agreed to.

Senator Ivana Bacik: I move amendment No. 5:

In page 17, subsection (1), line 45, to delete “6 months” and substitute “12 months”.

An Cathaoirleach: Is the Minister accepting this amendment?

Deputy Dermot Ahern: Yes.

Amendment agreed to.

Section 15, as amended, agreed to.

SECTION 16.

Government amendment No. 6:

In page 18, subsection (1), line 9, after “containers” to insert “each of”.

Section 16, as amended, agreed to.

Section 17 agreed to.

SECTION 18.

Senator Ivana Bacik: I move amendment No. 7:

In page 19, subsection (1), line 8, after “section)” to insert the following:

“,9, 10 (other than under *subsection (8)* of that section) or 11”.

This is the amendment I proposed to withdraw.

Deputy Dermot Ahern: We will discuss with the Parliamentary Counsel whether this proposed amendment is necessary and I will table an amendment in Dáil if it is considered that this matter needs to be dealt with.

I wish to make a further point concerning amendment No. 5 which proposes to increase the term of imprisonment from six to 12 months. I wanted to use the example of this amendment earlier today at a committee meeting at which we were discussing overcrowding in prisons but I could not locate it among my papers. Deputies Rabbitte and Flanagan had raised the issue and I made the point that time and again the Oireachtas keeps increasing sentences, but that has an effect, namely, that people will be in prison for longer. We are sending a signal in all legislation to this effect.

This list of amendments was in my bundle of papers, but I did not come across it until now. It would have reinforced the point I was making to Deputy Rabbitte. Even as of today the Labour Party has asked that we increase the sentence possible from six months to 12 months. I do not disagree with this and I have accepted the amendment. I was making a point on prison overcrowding. None of us wants to have people in prison if we can help it, but the reality is that if the Oireachtas keeps raising the bar in regard to sentencing, we are sending a signal to

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the Judiciary and it will give close to the maximum sentences, which means people we be in prison for longer. That will mean that we will have to build more prison places.

Senator Ivana Bacik: I take the Minister's point. It is not a good idea generally to increase sentences. In this Bill perhaps there is some argument for doing so because it is in line with the public order legislation. However, in general the Minister is right about this, that we should not send that signal. I would argue for legislation along the lines of that recommended elsewhere, perhaps by the Irish Penal Reform Trust, that there would be some sort of guidance given to judges that imprisonment should always be a last resort.

Amendment, by leave, withdrawn.

Section 18 agreed to.

Sections 19 to 20, inclusive, agreed to.

SECTION 21.

Government amendment No. 8:

In page 21, paragraph (b), line 18, to delete "where".

Amendment agreed to.

Section 21, as amended, agreed to.

Section 22 agreed to.

NEW SECTION.

Government amendment No. 9:

In page 21, before section 23, to insert the following new section:

"23.—The Schedule to the Bail Act 1997 is amended by the insertion of the following paragraph after paragraph 35:

"Offences relating to psychoactive substances.

36. Any offence under the following provisions of the *Criminal Justice (Psychoactive Substances) Act 2010*—

- (a) *section 3* (prohibition of sale, etc. of psychoactive substances);
- (b) *section 4* (prohibition of sale of certain objects);
- (c) *section 5* (prohibition of advertising of psychoactive substances, etc.);
- (d) *section 8(6)* (failure or refusal to comply with a prohibition order);
- (e) *section 10(8)* (failure or refusal to comply with a closure order).".

Deputy Dermot Ahern: The principal offences under the Bill will attract an unlimited fine and up to five years imprisonment or both on conviction on indictment. This penalty level puts the offences into the category of arrestable offences which are automatically then subject to various powers under general criminal justice legislation.

I mentioned on Second Stage yesterday my opinion that these offences should also be treated as serious offences for the purpose of the Bail Act 1997, section 2 of which permits a court to

refuse bail to a person charged with a serious offence if such refusal is reasonably considered necessary to prevent commission of a serious offence by that person. A serious offence means an offence listed in the schedule to the Bail Act which is punishable by five years imprisonment or more. Accordingly, this new section will add the principal offences under the Bill to the Schedule to the Bail Act 1997.

Amendment agreed to.

Sections 23 to 25, inclusive, agreed to.

Title agreed to.

Bill reported with amendments, received for final consideration and passed.

Minister for Justice and Law Reform (Deputy Dermot Ahern): I thank Senators for the expeditious way in which we passed the Bill. It is important that it is placed on the Statute Book as soon as possible. It will now be brought before the Dáil which I hope it will pass through before it rises on 8 July.

An Cathaoirleach: When is it proposed to sit again?

Senator Donie Cassidy: At 2.30 p.m. on Tuesday, 29 June 2010.

Adjournment Matters

Early Childhood Care and Education

Senator Paschal Donohoe: I welcome the Minister of State. The ECCE scheme is an excellent one under which young children have free access for one year to pre-school activity and programmes before they enter primary school. It will have a positive effect on young children in getting them ready for primary school.

A constituent of mine has a son who will be four years old at the beginning of July. He is deemed old enough to start primary school in September, but owing to the date on which his birthday falls, he falls outside the qualifying period to receive funding under the scheme. When my constituent went to avail of the funding available, it turned out that his son was not the right age to avail of the pre-school programme, but he is deemed old enough to start primary school. It is an issue that was brought to my attention. I raise it to see whether it is an oversight in the scheme that can be remedied or whether it is a feature of the fact that any scheme has to have a start date and an end date and that there will always be people on either side of it. If it is the former, and I hope that it is, I ask that we do something about it. If it is the latter, and it is a case of somebody falling outside the horizon of the scheme, I ask that we examine it. I am sure there are many children in such circumstances who are old enough to go to primary school at the end of the summer.

Minister of State at the Department of Health and Children (Deputy Áine Brady): I will take this Adjournment matter on behalf of my colleague, the Minister of State with responsibility for children and youth affairs, Deputy Barry Andrews, who has responsibility for the implementation of the new scheme to provide a free pre-school year of early childhood care and education, ECCE, which was introduced last January.

The introduction of the scheme is one of the most significant developments in early childhood care and education which has taken place in Ireland to date. Building on the progress made in

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the past decade in investing in child care and developing educational frameworks for young children, we are now taking the first major step in providing universal pre-school education for all children. Approximately 4,000 child care pre-school services participate in the scheme and provide the free pre-school provision for 51,000 children.

Children are eligible for the free pre-school year when they are aged between three years and three months and four years and six months in September in the relevant year. This will mean that children born between 2 February 2006 and 30 June 2007 will qualify for the free pre-school year in September 2010. The upper age limit does not apply where children are developmentally delayed and would benefit from participating in the pre-school year at a later age, or where local primary school enrolment policy requires them to start junior infants aged five years and seven months or older.

The objective of the ECCE scheme is to make early learning in a formal setting available to eligible children in the key developmental year before they commence primary school. To achieve this, services participating in the pre-school year will be expected to provide age-appropriate activities and programmes to children within a particular age cohort. Targeting the pre-school year at a particular age cohort is clearly fundamental to the scheme and it is necessary, therefore, to set minimum and maximum limits to the age range within which children will participate in the scheme each year.

In setting the minimum and maximum age limits, account was taken of several factors, including the fact that the majority of children commence primary school between the ages of four years and six months and five years and six months. Notwithstanding this, the ECCE scheme provides for an eligibility range of almost 17 months.

As in the case of any scheme introduced, cases will arise where individuals would prefer if certain conditions did not apply. However, the scheme must remain sufficiently targeted to ensure the best delivery of pre-school education. Therefore, it is considered that the age range provided for is appropriate.

The ECCE scheme does not provide for any exceptions to the lower age of just over three years and two months at which children become eligible to avail of the free pre-school year. A number of parents have asked for the lower age limit to be reduced on the grounds that they wish to send their children to school when they are four years and two months of age or less. The issue was referred by some of these parents to the Office of the Ombudsman for Children. That office found no reason to remove or amend the lower age range.

Arrangements are already in place for the pre-school year which is due to commence in September 2010 and these do not provide for any amendment in the lower age for eligibility.

Research underpins the importance of delivering pre-school provision in a consistent format based within an appropriate educational framework. For this reason, the pre-school year scheme has been designed to provide 570 hours for each participating child, which will be delivered on a weekly basis over the course of each year.

An annual capitation fee of more than €2,400 is paid to participating services. This is equivalent to €64.50 per week where a service participate for 38 weeks and €48.50 per week where it participates for 50 weeks. A higher capitation fee of €2,850 per annum is available to sessional play-school services in which all child care workers have specified qualification levels which are above the minimum requirements for the scheme.

For most services, the scheme will see an increase in their income and this will allow them to meet the higher standards required for participation relative to the existing requirements under the child care regulations. These higher standards concerning qualification of staff and

the educational programme guided by Síolta, will ensure that a quality service is provided to all children in their pre-school year and not just those whose parents can afford to pay higher fees.

The Minister of State is delighted that the Government has made the far-sighted decision to introduce this new scheme. It gives equal opportunities to all children, particularly the most marginalised who would otherwise not be able to attend pre-school, as well as helping parents who, up to now, had to meet the cost of pre-school provision themselves. It will also benefit services which will gain certainty and sustainability in what are, for most, very trying times. The Minister for State believes the long-term benefits will be enormously significant to all of our children and society as a whole. He is confident that the scheme provides the framework to achieve this ambition.

Senator Paschal Donohoe: The key part of the Minister of State's reponse was that a number of parents had asked to send their children when they were below the age of four years and two months, which is the case with my constituent. The Department found no reason to remove or amend the lower age range. Perhaps when there is more money to examine these schemes in the future and see how they can be improved, it could be examined.

Health Services

Senator Diarmuid Wilson: I welcome the Minister of State, Deputy Áine Brady. After much hard work and effort by the local senior citizen committee and my colleagues the Minister, Deputy Brendan Smith, Deputy Rory O'Hanlon, and local councillor, Mr. Michael McCarey, the health centre in Cootehill was opened in 2002 by the then Minister of State at the Department of Health, Mr. Tom Moffatt. In November 2006 the Darley day care centre opened its doors. This centre provides excellent care for 125 elderly people from within an eight mile radius of Cootehill town and for areas such as Latton in County Monaghan, Bunoe, Kill, Drung, Tullyvin, Knockbride, Maudabawn and Shercock in County Cavan.

Last Monday night, with Oireachtas colleagues and local councillors, I attended a public meeting at which more than 250 users of the service and their families were also present. Concern was voiced regarding a proposal by the HSE to change the way the services were delivered in the Cootehill centre and throughout Counties Cavan and Monaghan.

The company which provides the management of the Darley centre has been given notice by the HSE that its contract will end on 1 September. This has caused unnecessary concern and anxiety to the elderly people who have benefited so much from the very positive experience they have gained from their weekly attendance at the Darley centre.

I understand the HSE is considering the possibility of renting premises with a view to extending the provision of primary care in Cootehill. I very much welcome this proposal which would see the people of Cootehill and surrounding areas availing of occupational therapists, speech therapists and physiotherapists. I also welcome the fact that administrative staff would also be based in these premises in Cootehill. However, it is not necessary to move the Darley day-care centre from its purpose built facilities. It is not necessary to fragment the service its users are provided with on a weekly basis. One cannot fragment a service without affecting it.

I pay tribute to the hard working voluntary committee in Cootehill which provides much needed services to the people in the area. I also pay tribute to the local councillors, namely Councillors Michael McCarey, Sean Igoe and Don Smith, who work with the people and deal with their concerns. I assure the people of Cootehill and surrounding areas that I, with my colleague, the Minister, Deputy Brendan Smith, and other Oireachtas colleagues, will do every-

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thing in our power to ensure services are maintained in the premises in Cootehill from which they are run. We will also pursue the expansion of primary care services in Cootehill.

Deputy Áine Brady: The overriding policy of the Government is to support older people to live with dignity and independence in their own homes and communities for as long as possible. Where this is not an option for whatever reason, the HSE supports access to quality long-term residential care, as appropriate. In accordance with this approach, a priority of the Government in recent years has been to develop a range of community-based supports such as home help and home care packages, as well as day or respite care. Between 2006 and 2010 additional investment of over €200 million was provided for the HSE to develop such community supports for older people. Without these initiatives, many older people would experience inappropriate admission to acute hospitals or be admitted to residential care earlier than might be required. The HSE service plan for 2010, approved by the Minister for Health and Children in February, commits the HSE to providing agreed levels of service nationally in these key community support areas. The plan includes day or respite care which is often available through various day care facilities or as part of a home care package. Such services can be delivered either directly by the HSE or in partnership with local voluntary or private providers.

Broadly, the level of community supports for older people in 2010 is in line with the 2009 provision. This includes an increase in the number of home care packages available owing to additional funding of €10 million given in the last budget for this purpose. The key activity targets contained in this year's HSE service plan are: almost 12 million home help hours in respect of around 54,500 people; increased home care package provision from 8,700 recipients at any one time in 2009 to 9,600 in 2010; and a total of 21,300 day care places which it is estimated will cater for up to 80,000 people. While this target is slightly down from a comparable figure of 21,600 places in the service plan last year, the respite or day care levels agreed will be generally compensated for in 2010 within the overall home care supports component of the plan. It should be noted that any changes to these national target commitments, as part of the agreed HSE service plan for this year, would have to be notified to the Department.

Other important initiatives are also being taken at a strategic level to improve community based services for older people. Arising from an evaluation of home care packages published by the Department in December 2009, the HSE is progressing various improvements in home care provision. The Department accepts the need for a more standardised approach to home care generally, whether by way of public or private provision. This year the HSE intends to finalise standardised access and operational guidelines for the delivery of home care packages; adopt a voluntary code of quality guidelines for home care support services for older people; progress a procurement framework for home care services; and introduce procedural guidelines for the home help service to standardise access to and allocation of home help hours.

As the Senator is aware, the HSE has operational responsibility for the delivery of health and social services nationally. He will appreciate that all developments relating to older people, including day care services at individual centres such as the centre in Cootehill, have to be addressed in the light of the current economic and budgetary pressures. The HSE has been asked to make a rigorous examination of how existing funding might be reconfigured or reallocated to ensure maximum service provision is achieved. This requires a stringent ongoing review of the application of the resources available. The HSE recognises the challenges ahead in meeting the increased volume and complexity of need within our ageing population, while also attempting to address the demand for integrated, co-ordinated and appropriate services based on the principle of maintaining older people at home for as long as possible. From this

perspective, in the Cavan and Monaghan area it is considering options to provide additional services in Cootehill for the benefit of people in the town and surrounding areas.

The local health manager established a strategic planning group for services for older people in Cavan and Monaghan in March to examine, amongst other matters, the manner in which day care services for older people are being delivered across all of Cavan and Monaghan. As a result, there may be changes in the method of service provision. There are possibilities with regard to the future provision of these services, each of which is being explored and negotiated. In the case of day care services for older people, it is the aim of the HSE that older people requiring this service will access it as close to their own home as possible and within their own community.

Day care services are provided at the Darley Health Centre for older people from Cootehill town and the surrounding community. The majority of older people attend weekly or biweekly on a rotational basis. I understand many users of the day care service in Cootehill also access other local day care services and that there is capacity to increase this option. An information session was held on 25 May led by the general manager and key HSE personnel to inform the current service provider and the voluntary organisations representing the local views of older people of the proposed review of day care services. A decision has been taken that existing users will continue to be provided with the same frequency of day care services, whether at the Darley Health Centre or a different facility. It was emphasised that this should not mean a reduction of services for any person attending day care services in the Darley Health Centre.

Every effort will be made by the HSE locally to best meet the needs of each individual. The timeline for bringing the new and changed day care service into operation is the end of the first quarter of 2011. The HSE will continue to work with local services and people from Cootehill in developing new services. It is a matter for the HSE to manage this service, bearing in mind all relevant factors such as overall resources, local circumstances and evolving service priorities.

Senator Diarmuid Wilson: Part of the problem is that Ministers of State read replies they have been given by the HSE. In reply to a query from my colleague, Deputy Conlon, the HSE stated there would be no change to the services being provided at the Darley Health Centre. The Minister of State said, “A decision has been taken that existing users will continue to be provided with the same frequency of day care services, whether at the Darley Health Centre or a different facility.” One cannot provide the same quality of service if the older people who attend the Darley Health Centre have to travel to outlying areas. That is the reality. If one fragments a service, it will be affected.

Part of the problem with the HSE in Cavan, Monaghan and throughout the Twenty-six Counties is that different views are taken. It should state exactly what the proposal is and address the concerns of the 125 vulnerable elderly people who attend the Darley Health Centre in Cootehill on a weekly basis and are suffering unnecessary anxiety. They are being provided with an excellent service. The service providers have been told that from 1 September their services will no longer be required. That leaves them in limbo. Frankly, that is not good enough. The communication between the HSE and the Darley Health Centre is not good enough. The HSE needs to communicate with the centre. The reality is that if the HSE starts to meddle with it, it will affect the services provided for older people. In answer to Deputy Conlon, it stated there would be no change to the services provided, but the reality is that there will be a change, based on the reply the Minister of State has given. I, therefore, ask the HSE to reconsider its decision. As I said, while I welcome the expansion of services in Cootehill, the service provided at the day care centre should be left as is.

Deputy Áine Brady: I will be delighted to meet the Senator later when I have received further information.

County Enterprise Boards

Senator James Carroll: Go raibh maith agat a Cathaoirleach chun seans a labhairt faoi an gá le airgead breise a thabhairt go dtí na mbord contae agus cathair fiontar.

I was elected to Louth County Council last June and within two weeks to Louth County Enterprise Board. My first priority after my election was to try to secure jobs. This is essential not only in my constituency of Louth and Meath East but throughout the entire country. Louth County Enterprise Board is the primary agency in County Louth dedicated to the development of micro-enterprises. It has been in place for over 15 years and its experienced staff who have the necessary know-how and knowledge have provided advice, counselling, training and much more by way of support for well over 4,000 local enterprises. However, it has no money to assist new and start-up businesses for the rest of 2010. For a sum of €30 million or €60 million nationally among all boards, we could see new businesses flourish and thrive.

The former head of IDA Ireland, Mr. Padraic White, is chairman of Louth Economic Forum, a new transformative group which is drawing up a nine point action plan to make County Louth the number one place in which to do business. We need to make Ireland Incorporated the number one place in which to do business. Louth Economic Forum's nine point strategy includes foreign direct investment; sustainable energy projects; indigenous industry; tourism and heritage; education and training; agriculture and fisheries; broadband, making Louth the best county in which to do business; and developing the Drogheda-Dundalk-Newry economic corridor. We need to assist the county enterprise board structure to help local authorities such Louth County Council to develop the foundation to achieve these goals.

2 o'clock

Deputy Áine Brady: The 35 county and city enterprise boards have a clearly defined role as the principal deliverers of State support to the micro-enterprise sector in Ireland. This sector is a key component of the indigenous small business sector and has been to the forefront of Ireland's economic success. As a result of their strong regional and cumulatively national presence, the network of county and city enterprise boards is providing a seamless availability of business support, funding and mentoring for the micro-enterprise sector, thereby facilitating the growth of this sector in the past 15 years. In addition, the micro-enterprises supported by the enterprise boards have played a key role in providing the supply and support services that are essential in attracting foreign direct investment into the county.

The enterprise board network has an excellent track record in tapping into local entrepreneurial potential. The focus has increasingly been on the development of sustainable growth orientated local enterprises which can deliver high quality job creation without displacement or deadweight. The current parameters within which the enterprise boards operate enable them to deliver valuable assistance to business start-ups with good growth and employment potential. Through the provision of financial and non-financial support the boards have assisted many micro-enterprises in developing their growth and export potential, as well as bringing them to a stage where they have sufficient mass to access the services of Enterprise Ireland.

Since 1993 to the end of 2009 the county and city enterprise boards nationally have issued grant payments to the total value of €211,524,539. Since their establishment in 1993 a total 21,916 projects have been approved for financial assistance. More than 30,726 net jobs were created in enterprise board assisted enterprises from 1993 to end 2009.

The enterprise boards have, in particular, deepened their role in promoting a culture of entrepreneurship in their localities. They have provided management capability training, direct mentoring and networking opportunities within their areas to promote and sustain entrepreneurial activity. More than 191,647 people have participated on the various management development programmes and mentoring programmes available from the enterprise boards since 1993. This represents a significant financial investment by the State in the micro-enterprise sector for the past 16 years and an investment in the future development of this sector. All of this activity contributes to job creation by boosting the survival rate amongst small businesses and facilitating future growth and employment potential.

The Government has provided significant resources for the county and city enterprise boards since their establishment. Total funding of €28.3 million was secured by the Department of Enterprise, Trade and Innovation for the boards as part of the Estimates process in 2010. Of this total figure, €14.994 million has been allocated for capital expenditure to directly support micro-enterprises. This allocation represents a strong State investment in and ongoing commitment to the micro-enterprise sector, notwithstanding the significant pressure on public finances. The enterprise boards will continue to deliver on their primary role of assisting and supporting the micro-enterprise sector through the provision of direct grant aid and soft support measures and ensuring available funds are targeted to maximise entrepreneurial development. While the current climate surrounding public finances cannot be ignored, I am of the view that the enterprise boards are able to use their available funding in a judicious and effective manner to support business growth and development and to encourage further employment creation opportunities.

Exchequer funding is allocated to individual county and city enterprise boards by their central co-ordination unit based in Enterprise Ireland via a systematic approach designed to ensure the maximum degree of objectivity and equity of treatment. This approach involves the provision of available funding on the basis of a standard allocation for each enterprise board, as well as an extra allocation that is determined mainly by population but which also takes account of issues such as local unemployment trends, capacity to spend, existing commitments and regional spread.

It is a matter for individual county and city enterprise boards to determine how they will use allocated funds in the most effective manner possible, subject to meeting appropriate eligibility criteria. It is a basic expectation of the boards that they will manage the delivery of their support programmes on the basis of their allocation over the year as a whole and, as with all State funded assistance, they are expected to prioritise and manage available funding in a targeted and effective manner. It is vital that enterprise development continues to be supported but owing to the finite nature of the public finances, it is not always possible for an individual board to provide financial assistance for every eligible project that presents.

Should it arise that some county and city enterprise boards are not in a position to spend all of their annual capital allocation and surplus funding becomes available, these moneys will be reallocated by the CEB central co-ordination unit to boards which are in a position to spend additional funds, subject to an assessment of the rationale and the justification for the level of funding being requested. A review of anticipated expenditure and demand is being completed.

The House will be aware that the Minister for Enterprise, Trade and Innovation has announced that he is reflecting on the institutional arrangements which might best deliver the necessary supports to micro-enterprises. In the context of the recommendations of the McCarthy report and continuing pressures on the public finances and staffing resources, the Minister intends to evaluate the appropriateness of the current structures of the 35 county and city enterprise boards. In this context, it is imperative that we strive to exploit fully the potential

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for reducing administration and overhead costs while maximising the provision of financial and other services for clients. The Minister intends to bring proposals to the Government on this issue before the summer break. I assure the Seanad that funding will be closely monitored by the CEB central co-ordination unit and the Department in the coming months in conjunction with the individual county and city enterprise boards.

I take the opportunity to express my high regard for county and city enterprise boards and my appreciation for their ongoing efforts to provide an effective level of support and service for the increasing number of potential entrepreneurs seeking assistance.

I thank the Minister of State for her comprehensive response. I agree that the enterprise board network has an excellent track record and I am heartened to learn that €211 million has been allocated to it. County and city enterprise boards were established because small businesses needed one-on-one care and it was believed that support provided on a centralised basis was not as effective as providing it on the ground. I am concerned that if this support is consolidated within the Department or other State agencies, business start-ups will not have local points of contact. I sat on my county enterprise board just after the McCarthy report was published. Members of the board were concerned that their functions would be consolidated within the Department. Too much consolidation would defeat the purpose of the county and city enterprise board network.

The Seanad adjourned at 2.10 p.m. until 2.30 p.m. on Tuesday, 29 June 2010.