



# SEANAD ÉIREANN

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## DÍOSPÓIREACHTAÍ PARLAIMINTE PARLIAMENTARY DEBATES

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### TUAIRISC OIFIGIÚIL OFFICIAL REPORT

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*Dé Céadaoin, 12 Eanáir 2011.*  
*Wednesday, 12 January 2011.*

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Chuaigh an Cathaoirleach i gceannas ar 2.30 p.m.

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*Paidir.*

*Prayer.*

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#### **Business of Seanad**

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

The need for the Minister for Justice and Law Reform to give an update on the introduction of new mental capacity and guardianship legislation, given its critical importance to the well-being and regard for the rights of vulnerable adults.

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

The need for the Minister for Enterprise, Trade and Innovation to protect employment in Quinn Insurance Limited in light of the proposed sale of the company.

I have also received notice from Senator Jim Walsh of the following matter:

The need for the Minister for the Environment, Heritage and Local Government to state when legislation will be enacted to require the installation of carbon monoxide detectors in homes given the many fatal accidents arising from carbon monoxide poisoning in homes.

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

[An Cathaoirleach.]

The need for the Minister for Communications, Energy and Natural Resources, in light of the recent announcement on cross-Border co-operation on the digital changeover, to address the specific issue of how changes will support Moville, County Donegal.

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

The need for the Minister for Tourism, Culture and Sport to make a statement on the future plans for all training centres of Fáilte Ireland located in Cork, Dublin, Limerick and Waterford.

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

I regret I have had to rule out of order the matters raised by Senator Keaveney and Senator Buttimer as the respective Ministers have no official responsibility in the matters.

### **Order of Business**

**Senator Donie Cassidy:** The Order of Business is No. 1, motion re the Business of the Seanad, to be taken without debate at the conclusion of the Order of Business; No. 2, Student Support Bill 2008 — Second Stage, to be taken at the conclusion of No. 1 and adjourn at 5.30 p.m., if not previously concluded. Spokespersons may speak for 15 minutes and other Senators for ten minutes and Senators may share time, with the agreement of the House; and No. 36, Private Members' motion No. 18 re water restrictions, to be taken at 5.30 p.m. and conclude not later than 7.30 p.m.

**Senator Frances Fitzgerald:** Can the Leader confirm when the Finance Bill will come into the House? Is it the case that the Bill will not reach the House until 24, 25 and 26 February? That is quite a delay.

Today, many families are feeling the impact of poor decision making by the Government. They see their incomes slashed and their social welfare payments cut. They hear about huge rises in VHI premia, which is of serious concern to so many families. There are increased numbers of trolleys in accident and emergency departments and families are having appalling experiences. Along with this, we hear more and more about information that was made available to the Taoiseach and which he did not put on the record of the Dáil or explain. This raises serious questions for those hard-pressed families, who are paying the price of bailing out the banks, about the Taoiseach's political judgment and the decisions he has taken. For example, one hears of a dinner at which the Taoiseach was told by Anglo Irish Bank directors that the NTMA had concerns about that bank and would not place money on deposit with it. In common with many other Members, I recall that when Deputy Kenny and others raised these questions in the Dáil, they were told by the Taoiseach that he treated the questions with contempt. He should have put this information on the record and explained the reason he supported Anglo Irish Bank in the manner he did given the information that had been brought to his attention. I do not believe the Green Party needs a Sherlock Holmes to find out what was going on. The question is how much more will the Green Party tolerate, given the kind of information that has entered the public domain in recent days. People have been expressing concerns about Anglo Irish Bank for some years and the Taoiseach, who was Minister for Finance, appears to expect the people to believe he was oblivious to concerns on the part of the NTMA about Anglo Irish Bank. Members should discuss this issue in the House today and I propose an amendment to the Order of Business to the effect that Members have a debate

on the interaction of the NTMA with the Minister for Finance and the Taoiseach in the run-up to the introduction of the bank guarantee scheme.

**Senator Shane Ross:** I support what Senator Fitzgerald has said. There is a large problem here, which is not so much about the detail of what happened between Seán FitzPatrick and Brian Cowen. It is about the fact that the chairman and former chief executive of a rogue bank should have such easy access to the Taoiseach. This happened not once or twice but three times and, as I believe Senator Fitzgerald noted, the dogs in the street were barking about Anglo Irish Bank before Mr. FitzPatrick's first such encounter with the Taoiseach. One knew there was something dodgy about Anglo Irish Bank, even if one could not put one's finger on it at the time, and yet the person who was head of that bank at one stage could pick up the telephone and have a conversation with the Taoiseach when the latter was in Malaysia. Moreover, he could have a golf game with the Taoiseach for seven hours and could meet him and ask him to dinner to meet all his fellow directors. One must ask the reason this happens and the fundamental problem is that the country has been governed to a large extent in recent years by a group of cronies. While I do not wish to be personal about this, the Taoiseach undoubtedly is one of those cronies. Moreover, he has cronies surrounding him and not just in the Cabinet. He and the Cabinet have cronies in the banks, among developers, in the regulator's office and in the Department of Finance.

**An Cathaoirleach:** We are having questions to the Leader now and are not having political speeches now.

**Senator David Norris:** Why not? It is the first day.

**Senator Shane Ross:** Yes, I have a fundamental question for the Leader.

**An Cathaoirleach:** Yes.

**Senator Shane Ross:** The Leader would not allow a debate on a subject such this although I asked many times for it, especially concerning CIE. When Members debated a Bill on cronyism, it was voted down. Funnily enough, it was voted down by the Green Party, which placed exactly the same Bill before the Dáil.

**Senator Fidelma Healy Eames:** Hear, hear.

**Senator Shane Ross:** Cronyism is practised by all sides and not simply by Fianna Fáil. I wish to ask one further question. I do not understand and perhaps someone can explain to me the reason the finance Bill must go through both Houses before an election is held. We do not. It is complete and utter nonsense to suggest this is necessary. It is camouflage and is a smoke-screen being put forward by the Green Party to provide it and Fianna Fáil with more time. Moreover, since this morning's Cabinet meeting there is talk that the general election will not be held until April. This is a con trick being carried out on the electorate. The two parties are playing a little game, in that the Climate Change Response Bill and other Bills apparently are being dangled in front of the eyes of the Green Party. However, it will not get them until the Finance Bill is secured and as a result, the Government is waiting for something to turn up. There is no reason the Finance Bill should be obliged to go through both Houses. An election could have been held by now had the Green Party been genuine about it, and the Finance Bill could have had precisely the same timetable as it does at present. It is a ready-made convenient excuse. I ask the Leader to answer why we cannot have the election now and deal with the finance Bill afterwards.

**Senator Alex White:** On that issue, would the Leader, in his response, indicate the plans for the coming weeks? Whether the election is as soon as 10 March, April, May or, as somebody said to me earlier, June, we are entitled in this final session to some clarity from the Leader as to the likely timetable of legislation in the House.

There is talk about the Finance Bill coming before the House at the end of February. Can we have a list of the Bills it is intended to bring before the House between now and when the Green Party will finally clear off the pitch? It is not much of a demand. I ask Senator Boyle to write a list and let us see it so that we can have some understanding of where we are. I ask for such an indication from the Leader as early as possible. It would assist us all.

Is the Leader aware whether it is intended to hold the referendum on children's rights on the same day as the general election? Has the decision been made? It has been intimated by the Minister of State, Deputy Barry Andrews, in recent days. Does the Green party have a view on that? Does the leading party in Government not accept it is more important to have that referendum than a rushed referendum on the future of this institution on the same day as the general election?

I second Senator Fitzgerald's proposal for a debate on the matters she raised, which are of considerable moment and importance. The issue of easy access has been raised as a concern for people in recent days. I agree that easy access is a question of some concern, but while it is important I do not agree it is the most important issue. For months and months in 2008 there must have been exchanges and contact between the Taoiseach and the Minister for Finance, the Central Bank, the regulator and Anglo Irish Bank.

It would be extraordinary if such contacts were not made. We know that as early as March 2008 the bank was sliding. Even though I am very critical of the Government I cannot believe there was no contact about it. We know the Taoiseach took a phone call on the weekend of St. Patrick's Day. There are many questions concerning whether he followed up on that. He said he would raise the issue with the Central Bank. Did he ask the Central Bank or the regulator after the meeting on 21 March what happened at the meeting? He must have taken an interest. It would be a dereliction of duty if he did not. Fianna Fáil sometimes seem to think that an independent regulatory system is a way of hiding away from making decisions. It is not; having independent regulators is an important, prudent way of doing business. It is not an excuse for the Government to say it has nothing to do with it.

For months in 2008 there must have been contacts. It points to the real failure of the Houses to have a genuinely robust examination of what the Government was doing and saying, what inquiries it made and what concerns it expressed to the regulator and the Central Bank throughout 2008. The issue I have in regard to the golf outing is not easy access, which is wrong and should be criticised. Why, as Deputy Pat Rabbitte said recent days, is it believable that the Taoiseach, who spent a day with the head of a bank that was going down the toilet in July 2008, would not ask him a question on how things were? It beggars belief. If he did not ask him, why not? He must have asked him. The Taoiseach and the Government must have known what other people could see was happening in 2008. I do not buy the contention that nothing was said throughout the period in question. I would be critical of the Taoiseach and Government if nothing was said. Something must have been said. Those questions deserve to be answered in the context proposed by Senator Fitzgerald.

I ask for the indulgence of the Cathaoirleach to note the passing this week of a great Irishman and party colleague of mine, Mr. Joss Lynam. He was a terrific sportsman who led his first expedition as far back as the 1940s. He was still climbing in the late 1980s after he had a coronary bypass. He was a fantastic example and a great Irishman. We should note his passing this week.

**Senator Dan Boyle:** When my party made an announcement on 22 November last about its continuation in government, it laid down a number of principles that need to be adopted in the run-up to the general election if proper stewardship is to be handed to an incoming Government. We referred to the need to oversee the talks that were ongoing with the European Commission, the European Central Bank and the IMF. We said that a budget needed to be introduced and, subsequently, a finance Bill had to be seen through to its completion. Nothing has changed. It is not a smokescreen. The time required has been shortened by the earlier commencement of this session's business in this House and the other House and will be shortened further by the earlier publication of the Finance Bill and the speedier progress of that Bill through both Houses. That is an indication of the seriousness of our intent. I assure Members who expressed concern about legislation which has been prepared over the past three years that it is well advanced. We hope and expect it can be passed. If that does not happen by the time the Finance Bill is passed by both Houses, it will not change the decision we took on 22 November last. I want to be quite clear about that. There has been a great deal of mischievous comment about our participation, or otherwise, in government. I expect the progress of the Bill to be completed some time towards the end of February. It is the constitutional prerogative of the Taoiseach to decide when the election will take place and how long the campaign will be. Such matters are not in the hands of Members of this House.

**Senator Frances Fitzgerald:** So much for an election in January.

**Senator Dan Boyle:** Other matters, such as cronyism and crony capitalism, have also been raised. Senator Ross was slightly mischievous when he spoke about my original public appointments Bill and the public appointments Bill he introduced in this House. I agree that this area needs major reform. Cronyism exists outside the area of public appointments and will continue to exist regardless of the method of public appointments used in this country. I accept that questions need to be answered. There will be a debate on the matter in the other House. The responses given to the questions asked will be examined carefully. We need to move away from the idea that any contact between political and business interests can only be considered in the most negative light. There is a lack of proper safeguards, legislation and codes of conduct. That is one of the reasons we hope to introduce legislation dealing with corporate donations before we leave Government. For all the reasons I have mentioned, my party is right to stay in government until certain events happen. We are being responsible by seeing through our programme of work.

**Senator Paudie Coffey:** Why did not the Taoiseach previously disclose his contacts with Anglo Irish Bank? I ask the Leader to address the matter. The Taoiseach was asked numerous questions on the matter in the Dáil on many occasions. What did he have to hide? The links now evident between the former Minister for Finance and current Taoiseach and Mr. Séanie FitzPatrick and others in Anglo Irish Bank seem incredible. As the Leader plays golf——

**Senator Donie Cassidy:** So does the Senator's party leader.

**Senator Paudie Coffey:** ——he will be aware that it takes at least four hours for those who play golf quickly to go around a golf course.

**Senator Donie Cassidy:** He is a very good golfer.

**Senator Paudie Coffey:** It will have taken them at least four hours to go around the golf course, before they had dinner afterwards. The Taoiseach has said he did not broach the subject of the problems at Anglo Irish Bank with Mr. Seán FitzPatrick and Mr. Fintan Drury, who is a former member of the board of Anglo Irish Bank. It is incredible. The ordinary people of

[Senator Paudie Coffey.]

Ireland know it is incredible. It smacks of a culture of cronyism that such links exist between those in various high offices, who caused this economic crisis. We have often called for transparency and full accountability in this House. We are certainly not seeing it at the moment. If transparency and accountability existed, the Taoiseach would have come out with this when he was asked questions in the Dáil. He did not do so.

I draw the Leader's attention to last weekend's tragic events at the Trident Hotel in Kinsale. Carbon monoxide, which is a deadly gas, has claimed the lives of many citizens. I spoke some time ago about the exposure of people to radon gas, which is also deadly. Carbon monoxide, like radon gas, is a silent killer. I ask the Leader to make time available for a debate on these two deadly gases, which are claiming lives here on a regular basis. The Leader should ensure we have such a debate. The Government should provide for mandatory measures to require public buildings, including guest houses and schools, to install carbon monoxide alarms. The debate should be widened to cover exposure to radon gas. As parliamentarians, we need to legislate to ensure people are aware of these silent killers and take measures to ensure more people are not killed by them.

**Senator Terry Leyden:** Why is reform of Seanad Éireann not on the agenda for this session? Nothing concentrates the minds of Senators more than the gallows or guillotine, which is what faced us up to a few weeks ago but for the timely intervention of Senator Boyle, chairman of the Green Party. Has the Leader examined in detail the report produced by the sub-committee on Seanad reform chaired by former Leader and Member of this House, Deputy O'Rourke and other Members and former Members, including Senator O'Toole, former Senator Dardis and Deputy Brian Hayes, on the reform of Seanad Éireann which states that Seanad Éireann makes a useful contribution to the democratic life of this State and that the savings achieved by its abolition could be achieved by other means. The report also refers to the effect on joint committees of the abolition of the Seanad and so on.

Mr. Noel Whelan also made the point that in reality a single Chamber would only enhance the Executive dominance of our politics.

**Senator Donie Cassidy:** Hear, hear.

**Senator Terry Leyden:** Britain, France, Germany, the US, Canada, Belgium, Spain, Poland, Italy, the Netherlands and Japan have two chambers.

**An Cathaoirleach:** Is Senator Leyden seeking a debate on the matter?

**Senator Terry Leyden:** Are we really in such bad company in that regard? We should have a debate on this matter. Will the Leader say whether this House has adopted the sub-committee's report on the reform of Seanad Éireann?

The Labour Party has proposed the sensible idea of holding a full debate on a review of the Constitution in terms of the Presidency, the Dáil and so on the light of current developments. It is not just the Seanad alone that should be part of that review. It is a simplistic suggestion to abolish just Seanad Éireann, which is an important House. I am opposed to the abolition of this House, which I have always respected. When Minister of State, the responses I received in this House to legislation which I brought before it were often better than those I received in the other House. Great contributions were made by Members who are here today and who know what I am talking about.

**An Cathaoirleach:** Is the Senator seeking a debate on the matter?

**Senator Terry Leyden:** I want more than a debate. I believe the Leader should table a motion that this House adopt the report of the sub-committee on Seanad reform as part of the policy of this House for the future. We must reform or be abolished. I believe reform is the right way forward.

I believe that the Members who form the next Government will come to the realisation that this House intends to remain. Mark my words, this House will survive the next Fine Gael-Labour coalition Government.

**Senator David Norris:** This is a rather sombre return of Seanad Éireann for a number of reasons, one of which, as referred to by Senator Leyden and in respect of which I would like to say a few words, is the future, if there is one, of this Chamber. Another reason is the extraordinary collapse of the Government, which is what has happened. The Government has collapsed. I have the greatest regard and respect for my colleague, Senator Boyle, and the Green Party which has had a positive impact in a number of ways on Government policy, which I, like many other citizens, appreciate. To suggest that this Government is handing over stewardship, however, raises the question of the kind of stewardship it was because the country is in a calamitous situation, which I do not believe anyone can deny, as a result of decisions taken by this Government, primarily in the financial area. I do not accept that a proper handing over of stewardship will take place. A series of intractable and difficult problems will be handed over to the incoming Government which I believe will be able to handle them. Although this will take great courage and a great deal of time, I believe the people will ensure the Government does so.

I also respectfully disagree with Senator Boyle — I know our friendship will survive what I am going to say — that it is the prerogative of the Taoiseach to call the election. Were the Green Party to leave Government at any point——

**Senator Fidelma Healy Eames:** Hear, hear.

**Senator David Norris:** ——the Taoiseach would have no choice but to call an election because the plug would effectively have been pulled on a Government in a state of collapse. A new Government would then be required.

On a new Government, it is important that is what we get. It is hoped in this regard that there will be generous support from those who will have to leave Government and from their supporters. What we need is unity.

I would like to raise a question that may appear peripheral and perhaps even of slight consequence, but I do not believe it is. Every year coming up to St. Patrick's Day, there is a row about people going on junkets, whether the country can afford it and so on. It is extremely important in these perilous financial times that we are represented abroad but the Government is in a state of collapse, it has no moral authority or mandate and the poll figures are devastating and likely to get worse. Would it not be appropriate to recommend that her excellency, Dr. Mary McAleese, our President, should represent Ireland in Washington on St. Patrick's Day? I would like the Leader to give an opinion on this.

3 o'clock

**Senator Terry Leyden:** How about the Senator himself?

**Senator Alex White:** That would set a precedent for future years.

**An Cathaoirleach:** No interruptions, please. Senator Norris should put questions to the Leader.

**Senator David Norris:** At least it is an offer I take seriously, as I take this House seriously.

It should not be just President McAleese. I had the pleasure and honour of, and I took pride in, seeing her address a few hundred hard boiled business people in Texas and she had them in the palm of her hand. That is the kind of thing we want. I do not care from what political complexion this comes but it would be appropriate if we are to engage in this exercise of sending emissaries abroad to bring much needed investment back that they should not just be drawn from the Government. Leading figures from the Opposition must and should be included. I will not name them because that would be invidious but we all know there are people who could represent the incoming Government and the Ireland that will rise from the ashes if they were sent abroad in this manner.

**An Cathaoirleach:** The Senator has made his point.

**Senator David Norris:** There should be a debate on the situation regarding the banks and the contacts with senior members of the Government, particularly the Taoiseach — that was an astonishing revelation and I agree on this occasion with Senator Alex White. If the question of the dreadful situation at Anglo Irish Bank was not discussed, why not? It suggests that, over a period of many hours, this of all subjects, which every other person in the country was discussing at the time, was scrupulously avoided, as it was at the other social occasions. That certainly raises questions about the honour and credibility of the Taoiseach. One of the most interesting things is this information came apparently from Mr. Sean FitzPatrick. In drama, it is not always what is said, it is who says it. With regard to the Taoiseach's situation, to paraphrase the Marquess of Queensberry, I do not say that he is the thing but he has the appearance of it. He has an appearance that must be clarified because it has the clear appearance of acting without the kind of honour we expect.

I support Senator Leyden on the question of the Seanad. I am saddened to come back to the House to find that apparently every political party has spoken about the abolition of the House in one way or another. I regret this but I would, of course, as a democrat, support any call for a referendum. The people must decide but, following the McKenna judgment, it is a requirement that the people should be fully informed of both sides of the argument. The debate can be held here. There must also be the publication of a booklet and I suggest that the House's achievements, which are very often unrecorded in the media, should be listed and the full justification for Seanad Éireann should be published in it. However, the House would only deserve to survive if it were reformed. It is a question of either scrap it or reform it.

**An Cathaoirleach:** The Senator has made his point.

**Senator David Norris:** One has to do one or the other. Senator Leyden asked whether the Government supports the O'Rourke report. I am happy to provide the answer, which is "No". How do I know that? On the first day I returned to the House I tabled a motion on it and the Government side of the House voted against it.

**An Cathaoirleach:** The Senator has made those points.

**Senator David Norris:** Senator Leyden has the answer on that issue.

**An Cathaoirleach:** We should have questions to the Leader on the Order of Business, not Second Stage speeches.

**Senator David Norris:** I am putting a question to the Leader. I am asking him to——

**An Cathaoirleach:** The Senator has asked him many questions by now.

**Senator David Norris:** Yes, and that is the specific function of the Order of Business, particularly on the first day back when there are no time limits, as I am sure the Cathaoirleach is aware.

I respectfully suggest that we should not accept the proposed Order of Business. There should be a debate on No. 1; it should not be passed without debate.

**An Cathaoirleach:** Does the Senator propose an amendment to the Order of Business to that effect?

**Senator David Norris:** No, I do not propose an amendment. I simply point out that I will oppose the Order of Business on the grounds that we should discuss No. 1.

I am aware that many colleagues in the House are close to county councils.

**An Cathaoirleach:** The Senator is not leaving enough time for other Members to make their points.

**Senator David Norris:** There is plenty of time.

**An Cathaoirleach:** The Senator should not abuse the time.

**Senator David Norris:** I look forward to a full debate on these matters, which are important. I also look forward to this House being treated with respect and to Members using this session to earn and deserve that respect. Nonsense and cat-calling will certainly not get the respect of the people.

**Senator Terry Leyden:** Well done.

**Senator Ivor Callely:** I join my colleagues, particularly Senator Leyden, in calling on the Leader to provide a progress report on Seanad reform. Furthermore, as this is our first day back for business in the first quarter of 2011, the Leader should outline the business of the House for the first quarter. We should know the structure for addressing that business now. In addition, as I have stated repeatedly over a considerable period, such a structure should accommodate a regular debate on topical issues. Although I am tired making this request, I ask the Leader to indicate what progress he has made with the other group leaders in the House in agreeing such a structure for debate in the Seanad. Will he also give us a briefing or report on Seanad reform? If he cannot provide that reply today, will he provide me with a written response in the next couple of days? I look forward to receiving it.

Will the Leader arrange a debate on health issues, particularly the HSE service plan for 2011? I have a particular interest in the agreed provision of services for the elderly with regard to long-stay accommodation and personal care packages. I am also anxious to know the expected impact of the shortfall in the number of junior doctors in hospitals and how it will affect the provision and delivery of services.

On a sad note, I believe the country is united with the GAA family in offering condolences to Michaela's husband, John, and the Harte family on the tragic circumstances surrounding the death of Michaela. I pay special tribute to Mr. Mickey Harte on the moving and courageous media interview he gave yesterday.

**An Cathaoirleach:** The family requested that they be given time and privacy on that.

**Senator Joe O'Reilly:** Will the Leader invite the Minister for Finance, Deputy Brian Lenihan, to the House for a special debate on the grave fears regarding 497 jobs in Quinn Direct in

[Senator Joe O'Reilly.]

Cavan and a further range of jobs that depend on them? As we speak, the administrators of Direct are in the process of—

**An Cathaoirleach:** That is on the Adjournment and I presume if you contact Senator Wilson, he will afford you some time.

**Senator Joe O'Reilly:** Yes. As I speak, the administrators of Direct are in the process of selling it. What has happened to the deal proposed by the board of the company? That deal would have saved the taxpayers money and saved the jobs. It is crucial to maintaining the business in that area. Why is the deal no longer on the table? Will the Minister explain that? I want the Leader to give us assurances that every conceivable effort is being made at the highest level to preserve the jobs of the young people in Cavan. They need these jobs. The entire economy of that region is at risk. The lives of people there are at risk. It is a crisis. I appreciate your indulgence, a Chathaoirligh, but it is an absolute crisis for that community.

**Senator John Hanafin:** A Heathrow slot costs many millions of euro for any airline. It is a very valuable asset and each airline guards it very carefully. With that in mind, I am very conscious that we have a unique slot in the diary of the US President, which is on St. Patrick's Day. It is a slot we hold in many cities with Irish connections, be they in Canada, the US, the UK, Australia and New Zealand. This is almost unique. I call for a debate in this House so that there is an objective and reasonable response to members of the Executive, which is the Cabinet, going to different countries to promote Ireland. No matter who is in the Cabinet, it is always good for Irish business to have Irish Ministers going abroad on St. Patrick's Day. I request the Leader to have a debate on that issue, because it seems to be a question in this House.

I also suggest a debate on the economy. It appears that the American economy is picking up. There was a 0.4% decrease in unemployment in December 2010. The business mood, the stock market and the price of commodities are all on the up and up. Now that the Japanese have agreed to purchase Irish bonds, we have an opportunity to go back to many other countries that might buy Irish bonds and tell them that we have a guaranteed market for our bonds, but that we will sell them to these countries at a lower rate, as we did previously and as the NTMA did previously. Instead of paying 5%, we could pay 4% for our bonds. It is time for us to have a debate on the economy, which appears to be on the up and up. We are like a cork on the ocean, and the ocean seems to be getting calmer.

**Senator Ivana Bacik:** I echo the calls by Senators Fitzgerald and Alex White for a debate on the links between the Government and bankers in the wake of the revelations about the Taoiseach's contacts with Mr. Sean FitzPatrick. It stinks of cronyism. As Senator White pointed out, the real question is why they did not speak about Anglo Irish Bank and about its well known problems in the early months of 2008. That is a worrying question. Senator Norris suggested that they were avoiding the subject deliberately for some reason. However, the clear implication people are drawing is that the relationship between them was so close that they could talk about other things and that Mr. FitzPatrick had such a level of access to the Taoiseach that they did not need to discuss specific matters of business. We know they had discussed them previously following a phone call on St. Patrick's Day in March 2008.

This shows us that the actual Galway tent may have been abolished, but the virtual tent of cronyism remains within the culture of the ruling party in this Government.

**An Cathaoirleach:** Questions to the Leader on the Order of Business. Many of those questions will be answered in the Dáil.

**Senator Ivana Bacik:** That is the real worry and that is why people are so angry about these revelations. We need to have a debate about this and about the real story on the fateful night when the blanket bank guarantee was agreed. This has had a large part to play in our economic crisis.

I call on the Leader to arrange a debate on the role of religion within the State in the context of a debate on constitutional change. Senator Leyden mentioned Labour's proposals for a convention on constitutional change, which is long overdue. It is time we reviewed the Constitution to see what is no longer relevant to the needs of a modern, pluralist republic. Such a debate in this House would be appropriate in spite of the short time we may have available to us and it would be appropriate to have a debate on religion in public life.

We need look no further than the dreadful situation in Pakistan, where we have seen the offence of blasphemy used to persecute an unfortunate, semi-literate woman and mother from an impoverished village. She has been prosecuted for blasphemy and the prosecution has already led to the assassination of a senior Pakistani politician. We are seeing considerable political unrest as a result of the presence in their law of the offence of blasphemy, designed so broadly that it can be used in a political way.

Similarly, we need a debate on the presence here of the offence of blasphemy that the Minister, Deputy Dermot Ahern, insisted on pushing through this House and the other House on foot, he suggested, of a constitutional imperative. We must examine the constitutional provision on blasphemy and ask whether an offence of blasphemy is relevant or necessary in a modern republic.

I echo the words of Senator Alex White in paying tribute to Joss Lynam, the mountaineer and pioneer who continued to be so active long after ill-health and old age and who brought many people to a more active lifestyle. Also, I pay tribute to another person and party colleague who died over the Christmas break, Dr. David Nolan, the former medical correspondent of *The Irish Times*.

**An Cathaoirleach:** We are not getting into votes of sympathy on the Order of Business.

**Senator Jim Walsh:** If we spend the next few months debating the date of the general election and raising partisan political issues, we will do a real disservice to the Seanad and I am sorry to see this happening. The other side may or may not be in Government following the election. With regard to the issue of the Taoiseach meeting people, if the suggestion from the other side is that Ministers should be cocooned in their offices with exposure only to the permanent government in the public service, I guarantee the House that it would not reflect best policy formulation, as distinct from meeting people in the public who are involved at the coalface in business. There should be no criticism of this. It is a fair observation to make and a fair question to put when policy formulation is adopted as to the basis for it and that is what the debate should be focussed on.

I wish to make a point in reply to the comment made by Senator Bacik that the blanket guarantee in some way led to the current economic crisis. We should have a debate on this because I have heard this peddled by Opposition spokesmen who are either economically illiterate or mischievous. They should stand up what they are saying. The fact about the guarantee is while it was wide, the subordinated bondholders have been badly stung and the shareholders have been stung. The discussions with the EU may or may not lead in the future to a situation regarding the senior bondholders. Unless they are talking about the deposit holders being scorched as a consequence of the banking crisis — if they are, they should come out and say that — there is no further area that could have been hit with the guarantee. People need to face up to the component parts of the guarantee and what they would not have supported

[Senator Jim Walsh.]

and this must be done openly and honestly. There is far too much populism. I saw it in the past and I criticised my party when we abolished rates.

**Senator Paul Coghlan:** Senator Walsh was right.

**Senator Jim Walsh:** I criticised the Labour Party when it abolished water charges to try to save Deputy Joan Burton's seat. They did not even succeed on that score. We are making decisions which we perceive to be popular with the public which are undermining the State. Now we are getting into auction politics with the Seanad without supporting and backing up the situation.

**An Cathaoirleach:** Questions please.

**Senator Jim Walsh:** Will the Leader arrange an early debate with regard to the atrocities that have been committed throughout many countries over the Christmas period and in the lead-up to Christmas? In Nigeria, a total of 32 people were killed and more than 70 were injured. Prior to that, 86 people were killed in Jos and Maiduguri, Nigeria, by Muslim extremists, an event already referred to by Senator Bacik. In Pakistan 47 people were killed with more than 100 injured while in Iraq, two people were killed and more than 12 injured and in Egypt, 21 people were killed and more than 100 injured. Up to 80% of these were Christians.

**Senator Alex White:** Senator Walsh should not forget Arizona.

**Senator Jim Walsh:** I would like those who purport to be in favour of human rights to make the same defence of our Christians who are being murdered across the globe.

**Senator David Norris:** If that is directed at me, I would be happy to oblige.

**Senator Jim Walsh:** Will the Leader arrange for the Minister for Foreign Affairs to attend the House for a debate on the recent Italian proposal that countries which fail to protect their Christian minorities should be deprived of EU aid?

**Senator Eugene Regan:** On 23 February 2010, I raised the issue of the relationship between the Taoiseach, Deputy Brian Cowen, and Seán FitzPatrick of Anglo Irish Bank. I was shouted down in the House and the following day the Taoiseach went on "Morning Ireland" to suggest I raising this question was contemptible. Later in March, Deputy Enda Kenny raised a simple question as to whether there was a discussion with Anglo Irish Bank as to its systemic importance to the economy. The Taoiseach also found this question contemptible and of no relevance. The fact is these questions are very relevant and now the chickens are coming home to roost. It is obvious at this stage that the Taoiseach, Seán FitzPatrick and Fintan Drury, a director in the bank, were as thick as thieves and Anglo Irish Bank and Seán FitzPatrick were determining the country's banking policy for which we are now paying the price.

The Taoiseach talked about inferences being drawn from these meetings with Mr. FitzPatrick. We were asking about the facts, however. If the Taoiseach had given the facts and admitted to these meetings, we might be clear as to what inferences can reasonably be drawn. The Taoiseach has, however, been as evasive on this issue as his predecessor, Deputy Bertie Ahern, was on other matters on which he was questioned. Using such a comparison brings us to the Washington factor.

Before the last general election was called, we had to wait for the then Taoiseach, Deputy Bertie Ahern, to have his outing in Washington and address Congress there. While the country is in a serious financial and economic crisis, we have to wait again for a Taoiseach to go to

Washington. The issue with the calling of the next election is to get past the 17 March outing for the Taoiseach to Washington.

**An Cathaoirleach:** A question for the Leader, please.

**Senator Eugene Regan:** Matters are too serious for that to be allowed to happen. We are losing valuable time to get the economy right. We have much rushed and emergency legislation in this House, yet the forthcoming finance Bill cannot be passed more quickly than is proposed by the two Government parties. The Green Party has a big responsibility in this. It is indulging the Fianna Fáil-led Government in the protracted and deliberate delay in the passing of the legislation.

After a certain radio interview, the Taoiseach was portrayed somewhat cruelly on the Jay Leno show.

**An Cathaoirleach:** Questions for the Leader, please. What is the Senator's question?

**Senator Eugene Regan:** That was an embarrassment not only to the Taoiseach but to this country.

**Senator Donie Cassidy:** This is a Second Stage speech.

**An Cathaoirleach:** We are not getting involved in this now. The Senator must be constructive on the Order of Business and ask questions of the Leader.

**Senator Eugene Regan:** We cannot risk another appearance by the Taoiseach on the Jay Leno show.

**Senator David Norris:** I think the show used a photograph of the Taoiseach.

**Senator Eugene Regan:** We need to address the issues we have in this country. I do not believe we should protract the passing of the finance Bill and instead we should get on with the general election.

**Senator Feargal Quinn:** I have made a New Year's resolution to be positive this year.

**Senators:** Hear, hear.

**Senator Donie Cassidy:** The Senator should come over to this side of the House.

**Senator Terry Leyden:** The Senator is always positive.

*(Interruptions).*

**Senator Donie Cassidy:** Did I hear a squeak?

**An Cathaoirleach:** No interruptions.

**Senator Feargal Quinn:** I would like all politicians to be positive this year whether in Government or in Opposition. In this House, we seem to have got into the habit of automatically talking ourselves down. We must look forward to the good things. There are success stories even in the very tough times, just as there are failures in the good times. There are many success stories we might seek to highlight. In that context, let us see if it might be possible to be positive as well as realistic.

[Senator Feargal Quinn.]

I wish to cite an example which came to my attention in recent days. I refer to an advertisement relating to the “Malaysia My Second Home” programme which I saw on television and on which I sought some additional information. Since 2003, the authorities in Malaysia have had a system to encourage people such as wealthy tourists to buy second homes there. As a result of the existence of the programme, some 13,000 people have been encouraged to purchase second homes in that country. There is no cost relating to this programme because those who avail of it are not allowed to work in Malaysia, they obtain ten year visas and must spend a certain amount on money on the homes they purchase.

A large number of homes in this country are not currently in use. I accept that many of these dwellings might not be attractive to wealthy tourists. However, we must look beyond the normal way of doing business and see if we can identify a means by which business might be attracted to Ireland. Encouraging people to buy second homes here is just one example of what we could do in this regard. Many Americans have strong links with Ireland and a large number of them would like to have homes here. If we made the position sufficiently attractive, I am sure they would buy homes in this country. Under the system which obtains in Malaysia, those from abroad who purchase second homes there do not pay duty on their cars, are not allowed to work in the jurisdiction but receive tax benefits in certain areas. This system appears quite attractive.

I spoke to a person from Spain recently who commented that half of all Americans claim Irish descent, while the other half wish they were in a position to do likewise. I do not know whether that is true. However, it is apparent that an opportunity exists in the context of solving our problem with regard to empty houses and providing the construction and tourism industries with a timely boost.

The Cabinet met this morning to discuss the legislation with which it is proposed to deal during the current session. I hope it included in the list the Construction Contracts Bill 2010. I understand the list will be forthcoming later in the day and I am of the view that we will be obliged to work on it. There is a positive attitude among Members in respect of doing certain things so let us ensure that such things are done.

**Senator Fidelma Healy Eames:** I welcome everyone back to the House for the new session. It would be useful if the Taoiseach named the date on which the general election will be held. I understand there is a rumour doing the rounds today to the effect that Fianna Fáil is seeking a June election.

**Senator Alex White:** Has the Senator——

*(Interruptions).*

**An Cathaoirleach:** Senator Healy Eames, without interruption.

**Senator Fidelma Healy Eames:** It would be of assistance if clarification were provided in respect of the matter to which I refer.

**Senator Frances Fitzgerald:** Is Fianna Fáil seeking an election in 2013 or 2011?

**Senator Fidelma Healy Eames:** During the Christmas period, everyone suffered as a result of the disastrous damage done to the domestic water supply in the immediate aftermath of the cold weather. We do not know whether there will be a repeat of the water shortages experienced in recent weeks in the near future on foot of further bad weather. It is a shame that

half of our treated water is being allowed simply to leak away. There is a proposal to spend €500 million——

**An Cathaoirleach:** The Senator can make those points when this matter is debated during Private Members' time.

**Senator Fidelma Healy Eames:** ——on water metering. Will the Minister for the Environment, Heritage and Local Government indicate the likely cost of putting in place a fully functioning water supply system? Water is a most precious resource and should not be allowed to leak into the ground.

The second matter to which I wish to refer relates to CIE. To be fair, Senator Ross has raised this issue on many occasions. I am in possession of a written reply in which it is indicated that CIE will not service certain routes in Galway. This is despite the fact there is a demand for such services on such routes. I am in possession of a list of the names of 149 people who are seeking to have a bus service made available on one short route. CIE has indicated that it is losing money. That company is in receipt of a State subsidy of €290 million. It is a semi-State body and will not allow its directors to come before the Joint Committee on Transport to answer questions from Members. Why is that the case? What is going on? Why is there not accountability to the Houses in respect of every penny paid out by the State?

**Senator Jim Walsh:** Hear, hear.

**Senator Fidelma Healy Eames:** Why is there not full disclosure? Is this merely a repeat of the Cowen-Anglo Irish Bank story? Let us have the truth, the whole truth and nothing but the truth. It appears that CIE is hiding a number of shady practices and that it is also placing its employees' jobs at risk. I am seeking an answer in respect of this matter and I request that the Minister for Transport rather than the Leader provide a written reply in which it is indicated why there is no insistence that representatives from CIE should come before the Joint Committee on Transport to provide information in respect of the money given to that company by the taxpayer.

I raise the issue of the Hunt report on higher education. We waited two years for this important report which makes the point that it will cost another €500 million to have a functioning higher education system that we can be sure will deliver quality education, which this country will heavily rely on if we are to be part of the so-called smart economy. I will become cynical about the abuse and overuse of that word unless we are serious about the issue. Education has been a major asset in making sure we have been able to compete, and we must do something about it.

There are many positives in that report, which must be debated in this House, but I am very disappointed about one issue. The report states that over the next 20 years the scale of some smaller institutions should be examined in terms of mergers. We need to examine that issue much sooner. I met a lecturer on the train today. Currently, there are eight colleges in this country delivering——

**An Cathaoirleach:** Questions to the Leader. Does the Senator want a debate on education?

**Senator Fidelma Healy Eames:** ——graphic design courses. That is ridiculous in a country with a population of 4 million. We have three colleges currently delivering architecture. Why is this Government not pushing for the centre of excellence model? The current model may appear to be convenient for families and students but it is not sustainable in terms of money and also in terms of quality. Ultimately, it is quality education outcomes for which we must strive.

**Senator Donie Cassidy:** The Minister will be here in 20 minutes.

**Senator Fidelma Healy Eames:** The National University of Ireland, Galway is mission driven and aspires towards excellence in its core areas. That same model is what should be insisted upon by any Minister for Education and Skills who wants to put quality first.

I ask the Leader for a debate on the Hunt report, a written reply on the cost of the water supply system and a written reply from the Minister for Transport on the reason CIE is not accountable to this House and to the taxpayer.

**Senator Paul Coghlan:** Following from what many colleagues have said I ask the Leader to confirm and outline in his response the way he sees the sittings of this House continuing in this session. Will the House sit on Tuesdays, Wednesdays and Thursdays? Will it sit on a Friday? What Bills does he envisage the House will deal with? Is it the Leader's understanding, as has been stated here, that this House will have the Finance Bill before it in the final days of February? I would like to hear the Leader specifically on that point.

Regarding the corporate donations Bill, will that be a Seanad or a Dáil Bill? When does the Leader intend that Bill to be before the House, and other Bills also because other matters have been referred to. Possible extensions of time for this session have been hinted at also. Is it envisaged that other Bills will come before the House? I take it the Leader, as the conduit between this House and the Government, would have some information on that and we would be grateful if he would impart that information here today.

Whatever about the details of what may have been discussed in the discussions at Druid's Glen between various people, what is clear is that people had access not just to the Taoiseach but to other Ministers in this Fianna Fáil led Government when it might not have been appropriate. That is the point at issue.

**An Cathaoirleach:** Is the Senator looking for a debate? What is he looking for?

**Senator Paul Coghlan:** No. I am coming to a question, a Chathaoirligh, and I beg your indulgence in that regard. Your forbearance is always very much appreciated.

**An Cathaoirleach:** I would appreciate it——

**Senator Paul Coghlan:** You know me.

**An Cathaoirleach:** I do, too well.

**Senator Paul Coghlan:** Brevity is my middle name.

**An Cathaoirleach:** I would appreciate questions to the Leader.

**Senator Paul Coghlan:** I am coming to that. The Cathaoirleach is putting me off my drift.

**An Cathaoirleach:** I would not like to do that but I would like the Senator to put questions to the Leader.

**Senator Paul Coghlan:** I have always believed that Dr. Michael Somers was right in his view on not placing deposits with Anglo Irish Bank. We all had our own views, and perhaps we did not express them to a great extent, and we may have made mistakes in investing in other financial institutions but some of us never went near Anglo Irish Bank. In any event, I always believed that Dr. Michael Somers was correct. A serious point in that regard, however, is that the National Treasury Management Agency invested €40 million at a crucial point but Dr.

Somers said he did that under pressure, and the reason for that pressure was never revealed. We never got an explanation as to what was the cause of that pressure.

I am sure the Leader will enlighten us but now that the financial resolutions have been passed in the other House it is not necessary for the Finance Bill to come before this House, as has been pointed out by Senator White or another Senator. There is a four month gap allowed in that regard. The Finance Bill is not essential. I know the Green Party is making a virtue of necessity in that regard——

**An Cathaoirleach:** The Senator should come to the point.

**Senator Paul Coghlan:** ——but it is not necessary. I ask the Leader to refer to that when replying.

I support the calls for a debate on the Hunt report. It is an important document and I would like to hear the Leader give a commitment on that also.

**Senator Rónán Mullen:** I have a number of questions for the Leader. Senator Quinn called for more positive attitudes in the Seanad and elsewhere in politics for this session. It contributes to the positivity when we are not under the same pressure to get the question out to the Leader.

Would the Leader agree that St. Patrick's Day is an important day for Ireland each year——

**Senator Paul Coghlan:** Absolutely.

**Senator Rónán Mullen:** ——and while it may be an excellent idea that the President of Ireland would be present in a significant capital on that occasion, it is the one day of the year when we should not be quibbling about our Ministers going abroad and representing us, particularly at such a challenging time for the country?

An idea we should examine, and I do not know if the Leader would agree, is putting together some kind of international representation committee across the two Houses of the Oireachtas whereby people who are particularly versed in either languages or particular issues relating to countries would be involved in those visits. It is not enough just to have Irish people present in these countries, but Irish people who will put the best foot forward, get the message across and engage with different political systems and cultures. I ask the Leader for his view.

I welcome the Labour Party's document on penal reform. It is very welcome that the Labour Party, if it gets into Government, and that is not guaranteed, intends to bring in alternatives to jail for non-violent offenders. Ireland will be before the United Nations next year. Would the Leader agree that it is a scandal that St. Patrick's Institution is used for the detention of underage persons and that that is something on which this country has serious questions to answer? Would the Leader agree also that it is a scandal that at any time there are more than 540 prisoners accommodated in Mountjoy Prison and that overcrowding, rising violence and demeaning physical conditions put Ireland in the dock and not just the persons who, as a result of being in the dock, find themselves in prison? Will he agree that we have to reform our prison system to create alternatives to custodial sentences for non-violent offenders and that we would honour the dignity even of prisoners within the prison system, and be seen to do so, understanding that is part of the way in which we will rehabilitate people? It must be part of our prison system that we seek to rehabilitate and not just to punish.

I ask the Leader also to facilitate a debate on the current controversy about the Taoiseach's contacts with Seán FitzPatrick. I note and agree with what Senator Alex White said about easy access. He makes the point that is not the primary issue here, although he notes in passing that it is not acceptable that there would be such easy access to politicians. I recall an occasion,

[Senator Rónán Mullen.]

when Deputy Ruairí Quinn was Minister for Finance, that the Labour Party held a fund-raiser and access to the Minister for Finance was one of the carrots used to tempt people to the event.

**Senator Terry Leyden:** It was £100 a head.

**Senator Rónán Mullen:** It is important that all parties recognise——

*(Interruptions).*

**An Cathaoirleach:** It is questions to the Leader. We are not discussing access to Ministers.

**Senator Ivana Bacik:** Seán FitzPatrick did not have to pay for his access.

**Senator Rónán Mullen:** The rest of us are paying for it.

**Senator Camillus Glynn:** Is it all right if the access is paid for?

**Senator Ivana Bacik:** I did not say that.

**Senator Camillus Glynn:** That is what Senator Bacik was implying.

**An Cathaoirleach:** Senator Mullen is in possession. It is questions to the Leader.

**Senator Rónán Mullen:** I am asking questions of the Leader and am very careful to do so. The distinction is indeed a fair one, but it points up the issue that politicians on all sides have feet of clay on this issue of access. This is something we ought to remember, and I think the Leader might agree with that.

The Student Support Bill is ordered for today. One of the issues not directly dealt with in the Bill, but which we must face and which the House should discuss, is the question of student loans. The Labour Party, having made a misstep in abolishing third level fees without fully thinking through the consequences of that measure in terms of social equity, now appears to support a loan scheme, so long as there are no fees up-front.

**Senator Ivana Bacik:** We never said that.

**Senator Rónán Mullen:** That is an issue we ought to debate.

**Senator Ivana Bacik:** On a point of order, Senator Mullen is misrepresenting what the Labour Party clearly said.

**An Cathaoirleach:** That is not a point of order.

**Senator Rónán Mullen:** I am disappointed to discover that the Labour Party does not see the merit in a student loan scheme provided students are not required to pay fees up-front.

**An Cathaoirleach:** It is questions to the Leader. The Senator has made his point.

**Senator Rónán Mullen:** The Leader might agree that we must be aware that some people from lower socioeconomic sectors may be debt averse and must be cushioned from the risk of participation in third level education.

It is good news that the legislative programme for this term includes, as Senator Feargal Quinn has pointed out to me, the Construction Contracts Bill. Does the Leader agree that Senator Quinn is to be congratulated on his initiative in bringing forward this legislation? If the Bill becomes law——

**An Cathaoirleach:** We are not having Second Stage speeches.

**Senator Rónán Mullen:** —this will be the first time in 40 years that a Private Members' Bill from the Seanad will have been enacted. Does the Leader agree that if there had been more examples of such legislation and Government had supported more private legislation over the years, the Seanad might not be as low as it is in public esteem?

**Senator Terry Leyden:** What about the Registration of Wills Bill that I introduced?

**Senator Rónán Mullen:** I will conclude by asking the Leader to communicate, through Senator Dan Boyle if necessary, with the Minister for the Environment, Heritage and Local Government, Deputy John Gormley, on the following. A number of months ago, the Minister took issue with a member of the Catholic hierarchy who communicated a viewpoint on the Civil Partnership Bill. Deputy Gormley said he thought the era of church interference in politics was over. When challenged on his opposition to church figures having a voice in politics, notwithstanding the fact that the previous year the Government had been anxious to see church leaders express a view on the Lisbon treaty, he said that even if he agreed with what they said, they should not communicate political ideas in this way. Will the Leader ask the Minister why he takes a different view when the head of the Church of Ireland is involved? When the retiring Archbishop of Dublin, the Most Reverend John Neil, accused the Green Party of having been corrupted and cited the party's turnaround on the use of Shannon by the US military as an example of power tending to corrupt, it is interesting to note that the Minister did not question the right of the Church of Ireland archbishop to express such a view. In fact, the Minister engaged with the archbishop. He expressed his great disappointment, described the comment as ill-judged and a grave insult and went on to say that, as leader of the party that probably had the highest proportion of Church of Ireland members in its ranks, it was with particular disappointment that he noted the comments. Why is it the Minister's view that Catholic Church leaders have no—

**An Cathaoirleach:** The Senator's time is up. He has made his point.

**Senator Rónán Mullen:** I am finishing, but this is important. I am asking the question of the Leader and I want an answer, via him, from the Minister. Why is it that Catholic Church leaders have no right to express a view on a political issue but a Church of Ireland leader is to be engaged with? Will the Leader ask the Minister if this is not an example of old-fashioned bigotry?

**Senator Jerry Buttimer:** This week, hundreds of thousands of people will have opened their pay packets and found that they have been decimated financially and are being forced to pay for the sins of the Government. I propose an amendment to the Order of Business to ask the Leader to bring the Minister for Health and Children to the House. She has been absent and silent on the question of VHI fees. The company has imposed fee increases of between 15% and 45%. I call on the VHI to postpone this fee increase. I ask the Leader to join me and other Members in calling on the VHI to postpone this ridiculous fee increase. Many customers, elderly and of all ages, cannot access the VHI or get information from the company. They are worried about their premia and health insurance coverage.

Will the Leader, as a golfer, explain to me, who does not play golf, how the Minister for Finance, over a four to five hour golf game and a three hour dinner, could not mention the bank's business? He could not even ask how business was going, whether they were busy or quiet, how the bank balance was and how they were getting on. Is the Leader telling me that

[Senator Jerry Buttimer.]

in his job as a music impresario, if he goes out playing golf, he never mentions his clients or how their record sales are going?

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

**Senator Jerry Buttimer:** Would he not ask whether they had any contracts coming up or whether they were telling him they had no gigs? Would he never mention business?

**An Cathaoirleach:** What amendment is Senator Buttimer proposing?

**Senator Jerry Buttimer:** I propose that the Order of Business be amended in order that the Minister for Health and Children would come to the House today to debate the proposed VHI premium increases.

Do Fianna Fáil Members, the Taoiseach and members of the Cabinet expect the ordinary people to believe that one can play golf for four hours and have dinner for three hours and not mention business? Do they take us for complete fools? Senator Ross is right. A cosy cartel is running the country. They have no respect for any of us. Senator Joe O'Reilly mentioned the Quinn group and the need for action in Cavan.

We can list a litany of people appointed to State boards. The Cathaoirleach's ruling on the Adjournment debate is a perfect example of what I am saying. The matter I submitted was not allowed because the Minister is not responsible for the matter I raised. The problem is that the Government is responsible for nothing. They accept no responsibility for anything.

**An Cathaoirleach:** What is the Senator's question?

**Senator Jerry Buttimer:** Does the Taoiseach expect us to believe that Seán FitzPatrick never said to him that he was in trouble or that the Taoiseach never asked him how he was getting on? The Leader plays golf. Is he telling me he never mentions business on the golf course? As someone who does not play golf, all I hear is that the 19th hole is the place to do business.

**Senator Donie Cassidy:** The Senator has answered his own question.

**Senator Jerry Buttimer:** The 19th hole is the place.

I ask the Green Party Members to return to the Chamber to explain to Members——

**An Cathaoirleach:** Who is or is not in the Chamber is not relevant to the Order of Business. The Senator should put a question to the Leader on the Order of Business.

**Senator Jerry Buttimer:** I ask the Leader, through the Green Party Members——

**Senator John Paul Phelan:** The Senator should ask the Green Party Members, through the Leader——

**Senator Jerry Buttimer:** I thank the Senator. I ask them to come into the House and explain this in simple terms. The people seek an election. They wish to run the Government out of town and it is a given that they seek change. Can Members be informed when the election will take place?

**Senator Michael McCarthy:** The weekend's revelations on the involvement of the then Minister for Finance and present Taoiseach, Deputy Cowen, with Mr. Seánie FitzPatrick are quite disturbing. This was a time when there were many significantly unfortunate developments, not least the collapse in the share price of Anglo Irish Bank on St. Patrick's Day in 2008 that now

is known as the St. Patrick's Day massacre. However, the Taoiseach never made available to the public domain his contacts with Mr. Seánie FitzPatrick or the fact that he spent an entire day in the latter's company at a very turbulent time for the bank. As the extent to which Anglo Irish Bank has all but collapsed our economy and has almost collapsed the entire European currency is now known, it is very serious that the Taoiseach withheld such vital information regarding meetings, telephone calls or both. What is he hiding?

**Senator John Paul Phelan:** Yes, that is the point.

**Senator Michael McCarthy:** If he was not afraid of having met Mr. Seánie FitzPatrick and having not discussed the business of the bank — which is stretching credibility to a new limit — why did he keep this information to himself?

Does the Leader agree that in the interests of transparency, honesty and the country's good fortunes, the Taoiseach should make himself available for interview by the Garda Síochána, which is investigating the hookery and crookery that went on in Anglo Irish Bank? There now is a link between Fianna Fáil and Anglo Irish Bank and if the Members opposite thought the figure of 14% revealed in last weekend's poll was bad, the next poll will be much worse.

**An Cathaoirleach:** The Senator should direct specific questions to the Leader.

**Senator Michael McCarthy:** We have a Taoiseach whose head is in the sand.

**An Cathaoirleach:** While anyone could make a Second Stage speech here, the Senator should confine himself to questions to the Leader.

**Senator Michael McCarthy:** Will the Leader arrange for the Taoiseach to come before this House to explain to Members the full extent of what he knew in respect of Anglo Irish Bank, when he knew it and who else he was rubbing shoulders with in the upper echelons of Anglo Irish Bank? Does the Leader agree that had the Taoiseach any self-respect, in the best interests of the country he should present himself to his local Garda station for interview by the Garda Síochána?

**Senator Maurice Cummins:** I second Senator Buttimer's amendment to the Order of Business in respect of the VHI. It is disgraceful to have increases of up to 45% and it is unsustainable for many families.

Thousands of young graduates and craftsmen are being forced to emigrate on a daily basis because of the present lack of work and opportunity in Ireland. A recently broadcast television programme showed the sad images of parents who were heart-broken to see their children obliged to emigrate and to seek work abroad because of the failed policies and recklessness of the Government in respect of economic management. It now appears as though the Government intends to drag out this session and its own life span for as long as possible. I note Senator Coghlan asked whether, as now appears to be probable, the Finance Bill will come before this House in the last two weeks of February. What people seek is to see the back of the Government as soon as possible. It is disgraceful that it is trying to drag out this session from week to week to enable it to remain in office. Although people talk about the Green Party pulling the plug, it may be necessary for Fianna Fáil to pull the plug on the Green Party, as the latter is so entrenched in government. The country needs a new Government fast. The people need hope and new policies to get people back to work. How soon will the decent thing be done and an election be called to give people the chance to elect a Government?

**Senator John Paul Phelan:** I concur with Senator McCarthy, who struck the nail on the head when he discussed the issues surrounding the famous game of golf between the Taoiseach and

[Senator John Paul Phelan.]

Mr. Seán FitzPatrick. It was not simply a meeting between two friends or a meeting between a businessman and a politician. It took place in a context, namely, in the aftermath of the collapse in the share price of Anglo Irish Bank, the bank of which Mr. FitzPatrick was such an integral part. Moreover, it took place at a time when that bank was lending money to individuals to buy shares in itself to prop up its share price, which is an illegal activity. It is beyond belief to suggest that such a meeting could take place in which the Taoiseach and Mr. FitzPatrick did not have a discussion regarding the position of Anglo Irish Bank. I join other Members in asking the Leader to suggest that the Taoiseach might avail of an opportunity in this House to explain his connection to Mr. FitzPatrick. I refer to the connections of that day and others that may exist between leading people within Fianna Fáil and those who were in charge of Anglo Irish Bank because ultimately, the decision to bail out that bank has brought the country to its present position.

At the time, Members were informed that Anglo Irish Bank was of systemic importance. Many Government people believed that if Anglo Irish Bank could be supported, the difficulties faced by Allied Irish Banks in particular were not as severe as they subsequently have proven to be and that it would not be necessary to invest the money to recapitalise that bank. However, because so much already has been invested in Anglo Irish Bank, the State effectively has been undermined. I do not often disagree with my neighbour, Senator Walsh, but I was a bit shocked at his barefaced cheek in suggesting in this Chamber that the Opposition — I believe his particular target was the Labour Party — was undermining the State. It beggars belief to listen to a Fianna Fáil Member criticising the Opposition for undermining the State, as its Members have managed successfully to do that themselves in recent years. I will not listen to lectures from him or from anyone else on that subject.

I join colleagues in seeking a full debate with the Minister for Health and Children in respect of health insurance and the announcement by the VHI of the forthcoming huge increase in its premiums. I also join Senator Healy Eames and others who have asked for a full debate on the Hunt report, which was published yesterday. It is a strategy for the future of third level education and is an interesting document. While much of the media coverage has focused on its findings in respect of fees and loans, it also outlines a future nationwide system of universities of technology. I note the institutes of technology in the Dublin region already are considering a form of strategic alliance for the establishment of a Dublin university of technology. In common with colleagues on all sides of both Houses, I have long supported the concept of a university for the south-eastern region. Such a university, based on the Waterford Institute of Technology, the Institute of Technology, Carlow and the Tipperary Institute, would bring major benefits to my native region and I seek such a debate as soon as possible.

I agree with Senator Mullen's suggestion on a cross-party committee on who should go where for St. Patrick's Day. While this sounds like a good idea I will, as always, go to Graiguenamanagh for St. Patrick's Day. It is where the best parade in the south east is held every year and I invite everyone to attend.

**Senator Paul Coghlan:** There is a great one in the south west as well.

**Senator Nicky McFadden:** I wish everybody a happy new year. I ask the Leader for a debate on health. Hospitals in Roscommon, Portlincera and Mullingar, which is an important regional hospital, have had their budgets savagely cut. Consequently, people have been on trolleys over the Christmas period. The staff in Mullingar regional hospital are doing a tremendous job but there is palpable fear about what was rumoured — it was only a rumour — that the accident and emergency department would be closed. That is not the case in Portlincera or Roscommon.

I have received numerous phone calls from people who are worried that accident and emergency departments will be closed.

Another accident and emergency consultant is needed in Mullingar regional hospital and it is necessary to open the 41 beds that have been closed in order that we do not have the appalling situation whereby people have to sit on chairs and do not even have a trolley. I compliment the staff in Mullingar regional hospital for the remarkable job they do. It is one of the top three performing hospitals in the country and is doing a tremendous job.

I agree with my colleagues who have called for a debate on the VHI when the Minister for Health and Children, Deputy Harney, is in the House. Why was the report on it not published before it made savage cuts and burdened our older people? They are living in palpable fear of not being able to afford health insurance. I ask the Leader to invite the Minister to discuss hospitals in the midlands and the VHI charges. I want the report on the VHI to be published before it introduces increased charges.

**Senator Brian Ó Domhnaill:** I agree with my colleagues who called for a debate on the increases in VHI charges which many people who avail of its services have seen over the past week. We should have an early debate on that. It is causing concern to many people.

I want to refer to the state of our roads and the cold weather before and during Christmas, and the difficulties associated with that. I refer in particular to my local authority area which was not able to access salt from the national supply which was to be provided by the National Roads Authority. As we all know, the NRA ran out of salt prematurely because it did not foresee the cold weather. I want a debate on this issue because it was disgraceful that the NRA did not link up with Met Éireann and have the salt supplies which were required all over the country pre-ordered and pre-stocked instead of waiting for supplies to come in and local authorities such as mine having to revert to using sand and grit on the roads instead of salt. We do not know when the cold snap will come back. It may return in a number of weeks or the end of the year but we do know it will return at some stage.

As a result of the frost and snow and salt and grit being used on the roads many of the national primary, secondary, regional and local roads across Donegal have been torn apart. We need additional funding to be made available by the NRA to local authorities. It is not fair. We can blame local authorities for their misgivings and shortcomings but they have to be provided with the resources to repair the roads. The roads on the islands, such as those on Tory Island and Arranmore, have been torn apart. I ask the Leader to have an early debate with the Minister for Transport, Deputy Dempsey, and if possible the chief executive officer of the NRA, Fred Barry — I do not know if it is possible to bring him into the House — on the issue. I hope such a debate can take place next week before the weather changes again.

We have a very famous man in Donegal called Michael the postman or the weatherman. I spoke to him at a constituency clinic last night. He suggested that the snow could return towards the end of the month. We should have a debate before that happens.

**Senator Donie Cassidy:** Before I come to the Order of Business I acknowledge the sad passing of former Senator John Doyle on 29 December 2010. He will always be remembered as one of the finest hurlers of his generation. His love of the GAA was matched by his concern for his county, country and community of Holy Cross. His legacy on the field of play is there for generations of hurlers to admire. He won eight all-Ireland medals for his native County Tipperary in the 1950s and 1960s. He also won 11 National League medals, an achievement which will never be equalled. He was player of the year in 1964. He formed part of the formidable Tipperary full-back line, which we all knew at the time was Hell's kitchen, of Maher, Carey and Doyle. He was possibly one of the best backs I have ever seen in my life. After he

[Senator Donie Cassidy.]

finished his playing career he became interested in politics and served as a Member of Seanad Éireann from 1969-73. He was also a member of North Tipperary County Council.

I offer our heartfelt sympathies to his wife Anne, sons Johnny and Michael and daughters Collette, Margaret, Anne-Marie, Sandra and Liz. I thank the Cathaoirleach for representing the Seanad at his funeral after Christmas which was a sad time for everyone concerned.

Senators Fitzgerald, Ross, White, Coffey, Norris, Coghlan, Mullen, Buttimer, Cummins, Boyle, Bacik, Regan, Healy Eames, McCarthy and Phelan inquired about the Finance Bill. It will come to the House immediately after it is concluded in the Dáil. It is due to be published next week and we can expect it in due course.

The Taoiseach made a statement on the concerns expressed by many colleagues today. I have always known him to be a very honourable and decent man. One could not find a more decent friend or man to represent anyone in any constituency in the country than the Taoiseach. He has covered the matters of concern in which many people were very interested in his statement and is now answering questions from party leaders in the Dáil.

Senators White, Callely, Quinn, Coghlan and Mullen called for a list of the business we will conduct. There will be a huge amount of legislation coming before us for consideration before the election and I will read it into the record of the House tomorrow. A copy from the Chief Whip is in all Members' pigeonholes. I am pleased the legislation which was promised is going ahead.

I congratulate Senator Quinn for his patience and understanding in regard to an urgent Bill which he sponsored. I will do anything I can as Leader to help him. The Cathaoirleach has done everything he can to facilitate the Bill. It is to be hoped it will be passed by the Dáil before the election is called.

Senator White asked whether the referendum on children's rights will be held on the same day as the election or some time this year. I will revert to the Senator tomorrow.

I join with Senators White, Bacik and others in expressing my sympathy on the sad passing of Mr. Joss Lynam.

Senator Coffey spoke on the dangers of radon gas and carbon monoxide. I sympathise with the terrible bereavement in the south east which he outlined. I have no difficulty with having a debate on the issue if time is available. I see very few debates taking place between now and the election because we will have to deal with a lot of legislation.

Senators Leyden, Norris and Callely referred to reform of Seanad Éireann. As I said recently, there should be an urgent review of the public sector and political reform should be included in that. I take on board the many suggestions which were made. We all made our proposals to the Minister and are awaiting developments.

Senators Norris, Hanafin and Mullen spoke on the importance of having our country represented in the capital cities of the world on St. Patrick's Day. It is a unique opportunity, as Senator Hanafin said. All of the agencies, including Enterprise Ireland, IDA Ireland, Fáilte Ireland and Bord Bia, are blessed to have this window of opportunity, especially in the United States. It was great to see the reports in this morning's newspapers to the effect that exports in the sector which Bord Bia covers have increased by 11%. It is an example of the success of the time spent promoting our country during the St. Patrick's Day celebrations. Long may it continue. Regardless of the Government that is in place and the Ministers who are available, we need to support the good work of our agencies in increasing export opportunities.

Senator Callely called for a debate on health issues. He outlined many areas, particularly the area of care for the elderly. I will endeavour to ensure the Minister for Health and Children

comes to the House to debate the serious concerns of Members about the various health issues that have been raised on the Order of Business.

Senator O'Reilly spoke about Quinn Direct. The Cathaoirleach quite rightly pointed out that this issue will be raised by Senator Wilson on the Adjournment. I discussed it with Senator Wilson and the Minister, Deputy Smith, during the Christmas recess. We were keen to examine various ways in which we might help. It is a serious concern in our area. The success of the Quinn Group, which is a huge employer, is a shining example of what can be done. It has done outstanding work in creating employment in our area. We are doing everything we can, as Members of the Oireachtas, to help to sustain those jobs.

Senator Hanafin asked me to arrange a debate on everything relating to the economy. I will have no difficulty in doing so, time permitting.

Senator Bacik referred to the role of religion in our schools and highlighted blasphemy issues. I can pass her call on to the Minister.

Senator Walsh called for a debate on the many atrocities that took place over the Christmas period. Senator Alex White referred to last weekend's events in Arizona. At a time when poor people are dying of cancer and so on, it is very difficult to understand all these terrible atrocities that are taking place. I will pass the strong views of Senators on these matters on to the Minister for Foreign Affairs. If it is possible to leave time aside for a debate on them before we break up for the general election, I will have no difficulty in ensuring it takes place.

**Senator Jerry Buttimer:** I wonder when the election will be held.

**Senator Donie Cassidy:** The Senator's guess is as good as mine. Senator Quinn emphasised the need to be positive. He pointed to the success of the "Malaysia My Second Home" initiative. He suggested we should target our friends in the United States in that context. He also referred to the success of our exports, which I have mentioned. I will pass the Senator's strong views on to the Minister.

Senators Healy Eames, Coghlan and Phelan spoke about the Hunt report which deals with issues that have been outlined in the House. It is right and fitting that we should ask everyone to support the report. We should do everything possible to ensure our work, especially our printing, is done in Ireland. When we are setting up websites, for example, all the work should be done in Ireland, where possible. We should all try to lead by example in this area, if that is a possibility.

Senator Mullen referred to alternatives to prison sentencing. He criticised the use of St. Patrick's Institution for the detention of juvenile prisoners and referred to the reform of the prison sentencing system. I fully support what he said. We had a very good debate on the matter late last year. I support the Senator's request.

Senator Mullen also mentioned the Student Support Bill 2008, which will be discussed in the House this afternoon. The Tánaiste is ready to come into the House for the debate and is waiting to do so.

Senator Mullen also responded to comments made by the Minister, Deputy Gormley. I agree with the Senator that church leaders should be allowed to express their views freely. I have always fully supported church leaders of all faiths. They should be allowed to address and lead their congregations. That is what they are there for. I fully support that. My local parish priest in Castlepollard, Fr. Moore, gave a very strong sermon on this subject last Sunday.

**Senator Jerry Buttimer:** He must have a Seanad vote.

**Senator Donie Cassidy:** Leaders of political parties, faiths and churches should continue to enjoy the freedom of speech they need to lead their flocks.

Senators Buttimer, Cummins, McFadden and Ó Domhnaill called for an urgent debate on the VHI increases. I fully support that. I am giving the House a commitment that I will endeavour to have such a debate take place urgently. I have been a customer of VHI for a long number of years. All I can say to my fellow customers is that they should shop around. I regret to say that long-standing and new customers of VHI have been placed in a position in which they will have to shop around. They no longer have a choice. It is as simple as that.

Senator McFadden asked for a debate on health issues. She referred specifically to local hospitals such as Portiuncula, Mullingar and Tullamore hospitals.

**Senator Nicky McFadden:** I referred to the hospital in Roscommon as well.

**Senator Donie Cassidy:** I join her in congratulating Mr. Trevor O’Callaghan, who employs 777 people at the Midland Regional Hospital in Mullingar. The staff of the hospital provide an excellent service. It is the second or third best hospital in the country on the basis of its efficiency and its standards. Long may that continue. I know the Minister for Health and Children appreciates the achievements of the Midland Regional Hospital. I am proud to be from the area, to say this is my hospital and to point to the results being achieved by Mr. O’Callaghan and his team.

Senator Ó Domhnaill spoke about the state of the roads. I am surprised this topic was mentioned by just one Senator in the House. Over the past five or six weeks, it has been the most pressing problem we have faced. I compliment Senator Ó Domhnaill on bringing it to the attention of the House. The National Roads Authority has a serious duty. I will contact the Minister, Deputy Dempsey, in advance of his visit to the House next week to see what can be done to ensure this matter is debated and discussed in the House. The winters are becoming more difficult. The weather is very difficult, to say the least of it. Our roads are being damaged by the severe frost and by temperatures of as low as -15°, the likes of which we have never seen in our lifetimes. It is a new challenge. I fully agree with Senator Ó Domhnaill’s request that additional funding must be made available to local authorities for national primary and secondary roads. I support the Senator’s call for the Minister for Transport to come to the House to tell Members what he will do to meet the new challenges of recent months, which are being faced by local authorities and by public representatives, who are answerable to the public.

**An Cathaoirleach:** Senator Fitzgerald has proposed an amendment to the Order of Business: “That a debate on the interaction between the National Treasury Management Agency, the Minister for Finance and the Taoiseach in the run-up to the introduction of the bank guarantee scheme be taken today.” Is the amendment being pressed?

**Senator Frances Fitzgerald:** Yes.

Amendment put:

The Seanad divided: Tá, 23; Níl, 28.

Tá

Bacik, Ivana.  
Bradford, Paul.  
Burke, Paddy.  
Buttimer, Jerry.  
Cannon, Ciaran.  
Coffey, Paudie.

Coghlan, Paul.  
Cummins, Maurice.  
Donohoe, Paschal.  
Fitzgerald, Frances.  
Healy Eames, Fidelma.  
McCarthy, Michael.

Tá—*continued*

McFadden, Nicky.  
Mullen, Rónán.  
Norris, David.  
O'Reilly, Joe.  
Phelan, John Paul.  
Prendergast, Phil.

Quinn, Feargal.  
Regan, Eugene.  
Ross, Shane.  
Ryan, Brendan.  
White, Alex.

## Níl

Boyle, Dan.  
Brady, Martin.  
Callely, Ivor.  
Carroll, James.  
Carty, John.  
Cassidy, Donie.  
Corrigan, Maria.  
Daly, Mark.  
Dearey, Mark.  
Ellis, John.  
Feeney, Geraldine.  
Glynn, Camillus.  
Hanafin, John.  
Keaveney, Cecilia.

Leyden, Terry.  
MacSharry, Marc.  
McDonald, Lisa.  
Mooney, Paschal.  
O'Brien, Francis.  
O'Donovan, Denis.  
O'Malley, Fiona.  
O'Sullivan, Ned.  
Ó Brolcháin, Niall.  
Ó Domhnaill, Brian.  
Ó Murchú, Labhrás.  
Walsh, Jim.  
White, Mary M.  
Wilson, Diarmuid.

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

Amendment declared lost.

**An Cathaoirleach:** Senator Buttimer moved amendment No. 2 to the Order of the Business, “That a debate with the Minister for Health and Children on the increases in premiums announced by the VHI be taken today”. Is the amendment being pressed?

**Senator Jerry Buttimer:** Yes.

Amendment put:

The Seanad divided: Tá, 22; Níl, 28.

## Tá

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

McCarthy, Michael.  
McFadden, Nicky.  
Mullen, Rónán.  
Norris, David.  
Phelan, John Paul.  
Prendergast, Phil.  
Quinn, Feargal.  
Regan, Eugene.  
Ross, Shane.  
Ryan, Brendan.  
White, Alex.

## Níl

Boyle, Dan.  
Brady, Martin.  
Callely, Ivor.  
Carroll, James.  
Carty, John.

Cassidy, Donie.  
Corrigan, Maria.  
Daly, Mark.  
Dearey, Mark.  
Ellis, John.

Níl—*continued*

Feeney, Geraldine.  
 Glynn, Camillus.  
 Hanafin, John.  
 Keaveney, Cecilia.  
 Leyden, Terry.  
 MacSharry, Marc.  
 McDonald, Lisa.  
 Mooney, Paschal.  
 O'Brien, Francis.

O'Donovan, Denis.  
 O'Malley, Fiona.  
 O'Sullivan, Ned.  
 Ó Brolcháin, Niall.  
 Ó Domhnaill, Brian.  
 Ó Murchú, Labhrás.  
 Walsh, Jim.  
 White, Mary M.  
 Wilson, Diarmuid.

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

Amendment declared lost.

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

#### **Allocation of Time: Motion.**

**Senator Donie Cassidy:** I move:

"That, in each sitting until the adjournment of the Seanad for the Easter recess, the Leader of the House be called to reply to the Order of Business no later than 55 minutes after the proposal of the Order of Business; that the contribution of each Group Leader shall not exceed 3 minutes; the contribution of every other Senator shall not exceed 2 minutes; and the reply of the Leader of the House shall not exceed 15 minutes."

Question put and agreed to.

#### **Student Support Bill 2008: Second Stage**

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

**Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan):** I am pleased to introduce the Student Support Bill to the Seanad and to outline its main provisions. The Bill is the key element of our broader programme of legislative and administrative reform of the student grants system. It is the first major modernisation of the grant schemes in this country since the introduction of the Local Authorities (Higher Education Grants) Act 1968 and paves the way for more modern and efficient arrangements. It will ensure students who apply for a grant will have their applications considered within an appropriate timeframe and those students deemed eligible for support receive payment in an efficient and timely manner.

My guiding principle in this has been simple — we need an administrative system that ensures two students from different parts of the country who have applied in time and are sitting beside each other in the first week of their new course in the same institution receive the first instalment of their grant payment into their respective bank accounts on the same day that first week. The fragmented structure of our current system is such as to render this student or client-centred approach, which in the ordinary course of administration should be a simple goal, unachievable.

While the 66 grant awarding bodies currently administering the schemes have served the country well, and I am appreciative of the service they have given students and parents for many years, they have been struggling for a variety of reasons to process applications and make payments in a uniform and timely manner. Part of the reason for this is the huge surge in

applications in recent years. Ten years ago, approximately 50,000 students were in receipt of grants. That number has soared to almost 70,000 currently and is expected to rise further in coming years owing to the changed economic circumstances in the country. Correspondingly, the number of applications has increased. For example, there were approximately 56,000 new applications received in the 2009-10 academic year, with almost 41,000 of these receiving some level of award. Dealing with this volume of applications is a challenge for the grant awarding authorities, especially when staffing allocations are shrinking and a range of other priorities must be dealt with within those organisations.

The late payment of grants can cause acute difficulties for students and their parents. That is why I am determined that this issue should be tackled during my tenure as Minister for Education and Skills. It was one of the first items on which I took action on my appointment to office.

First, a number of service level improvements were introduced within the operation of the current grant schemes. These included the introduction of a new and greatly simplified application form and explanatory notes. The schemes themselves were then published in May, which was two months earlier than in the previous year. Getting the schemes out early to prospective students is critical to ensure we get their applications in and processed on time. We then rolled out an online grant application facility for 11 grant-awarding authorities, an initiative I am pleased to confirm will be rolled out nationwide in the coming months. Paying grants directly to students by way of electronic funds transfer, EFT, to their bank accounts is another initiative that makes sense. Initially introduced by the Department in a limited way in 2009-10, it will be further extended this year.

Second, it was clear that the issue of cash flow for grant-awarding authorities had to be addressed. We did this and introduced an advance payment system, with most awarding authorities putting in funds in September 2010 to facilitate earlier payment to students.

Despite these robust measures taken last year, delays continue to occur in processing student grant applications. This is a matter of frustration to me and, while we witnessed some improvement, I am disappointed we did not witness a greater overall improvement in service to the student in this academic year. It is therefore clear, as it has been to many of us for some time, that a more radical approach to the administration of the schemes is necessary. That is the reason I am introducing the legislation before the House today, and I am grateful to Members for facilitating its consideration so soon after the Christmas and new year break.

In line with the principle I have set out, the purpose of the Bill is to create a more coherent system for the administration of student grants which will facilitate consistency of application and improved client accessibility. In brief, it will enable the development of an awards system that can deliver grants on time to those who need them most. The Bill contains three ground-breaking elements. These are the introduction of one unified student grant scheme which will replace the four existing grant schemes, the establishment of a single national grant awarding body, and the establishment of an independent appeals board. The Bill will provide an enabling legislative framework for these developments with the detailed terms and conditions, eligibility, assessment and means testing requirements of the new single scheme being set out in regulation subsequently.

The new arrangements, which will be fully student or client-focused, have the potential to deliver a significant service enhancement to student grant applicants. This will be achieved through streamlined processes, greater consistency in dealing with applications, faster processing due to economies of scale and a full implementation of the online applications system which commenced operation last year. The existing arrangements for administration of the grant schemes reflect the incremental and sectoral based growth of higher and further edu-

[Deputy Mary Coughlan.]

cation in Ireland. Provision for local council-based scholarships dates back to the Irish Universities Act 1908 while the VEC-based schemes reflect the subsequent evolution of the technological and post-leaving certificate sectors.

The case has been made for reform of the student grants system over a number of years. In 2003, we published *Supporting Equity of Access to Higher Education*, which argued that the current system needed to be overhauled because, owing to the multiplicity of agents involved, it had become administratively inefficient and open to abuse. It concluded that the system led to customer confusion and inconsistencies of application, resulting regularly in the late payment of grants. This has been a feature of the current administration for some time. The unification of the existing four schemes and the consolidation of the administration within one grant-awarding authority will significantly simplify the range of different grants and awarding authorities that students must negotiate to apply for a grant.

The legislation provides that the appointed single awarding authority may be an existing vocational education committee, VEC, a local authority or any other board, authority or body established by statute and whose functions include the promotion of, participation in or support of higher or further education or the administration of schemes of payments. Provision is also made in the legislation for appropriate arrangements for the transfer of staff from existing grant-awarding authorities or other public bodies to the single agency, should this occur. The performance of the appointed authority will be underpinned by way of service level agreements.

The local authority and VEC sectors, which have played such a critical role over the years in giving thousands of young people the opportunity to pursue higher education through the various student grants schemes, will continue to play an essential part during a transition period for those students currently in receipt of grants. While section 6 will repeal the Local Authorities (Higher Education Grants) Act, provision is made for the continuation of grants awarded under the existing schemes until the grant holders have completed their current course of study.

The Bill provides grant-awarding authorities with the necessary legislative framework to enable them to carry out their functions in an effective manner and to ensure the appropriate mechanisms are in place in order that student grants go to those who need them, as well as providing for robustness in the system to guard against fraudulent claims. While a public body will be best positioned to exercise the statutory functions conferred in this Bill, I am acutely conscious of the need for greater efficiency, effectiveness and value for money. Therefore, provision is also made in the legislation to enable the appointed single awarding authority to outsource particular functions or aspects of the process as appropriate.

The Bill provides for the making of regulations in respect of applications, which will include requirements to give notice of decisions within a prescribed period. These are important provisions that will increase clarity, accessibility and certainty for students and support measurable service level improvements in the administration of the grants. This will enable guaranteed timeframes for the earlier payment of grants and more efficient arrangements for handling applications and making payments. To protect both the taxpayer and students who genuinely need and qualify for the grant, the Bill proposes a strengthening of the process whereby fraudulent claims can now be vigorously pursued by awarding authorities. It will give them a specific power of inquiry that provides a firm basis to pursue those who have provided false or incomplete information to qualify for a grant. It also provides for substantial offences and penalties and enables the recovery of debt in such circumstances.

Given the important data protection issues inherent in a system that requires means testing of applicants, the Bill provides for the sharing of personal information on a very specific basis to verify details supplied as part of the grant application process and related matters.

The Bill also sets out certain responsibilities for students and their parents or spouses. It requires applications to be made within specified timeframes. It provides that the awarding authority may require applicants to produce evidence and information in a form acceptable to the awarding authority to enable it to make a decision on a grant. The Bill imposes a duty on applicants to notify an awarding authority of a change in circumstances. It provides the awarding authority with the power to seek such information as it considers appropriate for the purposes of establishing whether a student remains eligible for a grant.

Section 7 sets out a number of educational institutions that are deemed to be approved institutions for the purposes of the grant scheme. It also deems publicly funded institutions outside the State but within the EU to be approved institutions. It allows the Minister to prescribe higher education institutions within the State to be approved institutions and sets out a number of matters to which the Minister will have regard when making such a determination, including the availability of resources.

The Bill empowers the Minister, with the consent of the Minister for Finance, to prescribe additional third level institutions in the State, subject to principles and policies set down in the Bill. While these principles and policies do not necessarily preclude consideration of private commercial colleges run on a for-profit basis, it is not envisaged at this point that the schemes will be extended to such institutions.

Section 8 sets out the requirements for a course to be deemed an approved course for grant purposes. The Bill sets out the matters to which the Minister shall have regard for the purposes of prescribing a course, which include the nature and level of the qualification to be awarded to the student on completion of the course, the educational institution that provides the course and whether it leads to a higher education and training award or a further education and training award. Included in the factors that can be considered when making a decision to approve a course is whether it is recognised on the national framework of qualifications. This will support the principle of progression and encourage institutions to have adequate recognition procedures in place.

While the Bill limits the approval of postgraduate courses to courses within the State, it does enable me to maintain the existing supports for postgraduate students studying in Northern Ireland, where I am satisfied this is necessary, having regard to the relevant purposes set out in the Bill. I am also very pleased to be including in the Bill an enabling clause for the purpose of including part-time courses in the student grant schemes when resources permit. The traditional distinctions between full-time and part-time courses are becoming less relevant with the adoption by higher education institutions of modularisation and credit systems. There is also a proposal for a change in the funding model used to allocate resources to and within third level institutions to ensure all students, whether full time or part time, on campus or off campus, are supported equally, and this proposal is set out in our 20 year national strategy for higher education which I launched yesterday.

The provision of more flexible learner-centred options will be a critical element of the future of higher education as we respond to the needs of the economy and society. We must move to a model that values the part-time learner just as much as it does the full-time learner. With that in mind, I want to ensure during my tenure as Minister for Education and Skills that we make legislative provision for the future in this regard, even if the current budgetary situation may not allow for immediate implementation of the measure. I know this is a provision that will be especially welcomed by the increasing number of part-time students.

In setting out the general residence requirement for a maintenance grant, the Bill will provide for a residence requirement within the State of three out of the past five years, which is consistent with the terms and conditions of the current student grant schemes. The requirement had

[Deputy Mary Coughlan.]

previously been for one year, but the current provision is designed to ensure those applying for a maintenance grant will have a more established linkage with the State, which is a concept recognised in EU law. The increased residence requirement is also designed to obviate the risk of so-called grant tourism. Ireland's previous one-year residence requirement was one of the most liberal in Europe. In addition, in line with the current grant schemes, the residence requirement must be met by students themselves in all cases. Formerly, it had been the situation that in the case of dependent students, only the parents were required to meet the residence requirement. Again, this requirement provides a reasonable approach, requiring the student to demonstrate a genuine link or degree of integration into Irish society to qualify for assistance towards the maintenance costs of their third level education. The requirement for three out of the last five years also takes cognisance of students who may wish to take time out to travel or work outside the State. These students can still meet the residency requirement if they have been outside the State for more than the last year, allowing a greater degree of flexibility than had previously existed. The Bill also provides for temporary absences for the purposes of study or postgraduate research in the EU in certain circumstances.

The new arrangements will also simplify matters for students who change address within the State. The requirement for prior residence in the administrative area of an awarding authority has given rise to a lot of confusion in the past. It has resulted in a cumbersome process of transferring application forms between awarding authorities, losing valuable processing time. This situation will be alleviated in the new arrangement. The Bill also sets out the nationality requirements that students must meet to qualify for a grant. It sets out certain categories of persons who are entitled to benefit from student grants, subject to the other terms and conditions of the schemes. It provides the Minister with the power to prescribe other categories of non-nationals that will be eligible for student support.

The Bill provides for the establishment of a scheme of grants that will be provided for by the Minister by way of regulation, with the consent of the Minister for Finance. The regulations for the scheme will govern the classes of grants, the categories of applicants and a range of eligibility criteria, including income. The Bill provides for the making of regulations for different categories of students, enabling the continuation of the recognition currently given to mature students. It also provides for the making of regulations for independent students. This will enable me to address in regulations, if resources permit and if there are compelling reasons for doing so, the current situation whereby all students who are under 23 must be assessed with reference to their parents' income, although they may have been living independently of their parents, have their own spouses or families and been self-supporting for a number of years.

A significant number of third level students move out of home to go to college and continue to be supported by their parents. The purpose of the student grant schemes is to provide additional assistance where their parents' income is below a certain threshold, or in the case of independent mature students, where the level of income of the student and his or her spouse warrants additional assistance by way of a grant. Therefore, any extension of the provision of assessment as an independent student will have to be very carefully considered to ensure it is highly targeted to very specific circumstances where students can demonstrate they have been genuinely self-supporting and living independently for a number of years. It would be untenable to have a situation whereby all students could simply move out of their parental home and be deemed to be independent for grant purposes. This would have very significant implications for the student grants budget and would further disadvantage those who need the grant most, especially at a time of scarce resources.

The Bill breaks new ground in providing for the introduction of an independent appeals board. This will bring greater transparency into the grant-awarding process and provide

students, for the first time, with a formal and independent avenue of appeal. The Bill also provides for an internal appeal in the first instance within the grant awarding authority and sets out maximum timeframes within which appeals must be processed.

In the administration of the appeals process, I also intend that students appealing to the independent appeals board will be advised of the assistance that may be available to them in the making of that appeal from their local or national student representative body. The Bill further affirms and supports Government policy to increase access to further and higher education for under-represented groups by requiring the preparation and implementation of access plans and equality policies in approved institutions in the State where these plans and policies are not required under other legislation.

Given the extent and importance of the student grant schemes, it is vital to ensure the transition to a new unified scheme and a single system of administration is carefully planned and executed to ensure the receipt of more than €361 million in grants by almost 70,000 students is not compromised or unduly delayed. Assuming the enactment of the legislation in the coming weeks, it is my intention to introduce the single unified scheme for the 2011-12 academic year and work is under way in my Department to arrange for the preparation of this scheme by way of regulation.

To ensure adequate notice to potential applicants, my officials will be working with the National Office for Equity of Access to Higher Education at national level and with the existing grant awarding authorities at local level to develop targeted information that will be rolled out with the introduction of the new scheme. In addition, it is intended that the single grant awarding authority will be operational on a transitional basis for the 2012-13 academic year, as I have stated already. In this regard and consistent with the legislation I am pleased to inform Senators that expressions of interest were sought from the existing grant awarding authorities and other public bodies last week and the closing date for receipt of responses is 18 February next. The expressions of interest will be evaluated by an independent selection panel appointed by my Department. The selection panel may, on the basis of the evaluation criteria, short-list several proposals for further development and detailed presentation to the panel for more in-depth examination.

Following this process, the selection panel will make a recommendation to me on the preferred proposal and will make any recommendations it considers necessary on the modification or development of the preferred proposal for implementation purposes. The final designation of the single awarding authority will be determined by me in line with statutory provisions based on the recommendations of the selection panel. The designation of functions may be reconsidered by the Minister for Education and Skills at any future time.

Following completion of the selection process, a steering group involving relevant expertise from Departments and existing awarding bodies will be established to work with the recommended awarding authority to oversee transitional arrangements and, if appropriate, to develop operational proposals in line with any recommendations made by the selection panel. The steering group will agree and oversee an implementation plan with the recommended awarding authority. It is envisaged that a formal service level agreement will be entered into by my Department with the selected authority. Initially, this will cover a five-year period and will set out agreed service level outcomes to be delivered.

The needs of students and their parents have been central to our consideration in drafting this legislation. The Bill is the foundation stone for increased clarity, certainty and accessibility for students and their parents and for educational institutions. It will support my overall objective of introducing substantial reform and improvement in the administration of the student grant schemes. Student grants represent an important strategic investment in people, enabling

[Deputy Mary Coughlan.]

individuals to achieve their full potential and thereby support a socially inclusive society, which enables us to increase substantially the pool of highly skilled and qualified graduates which the country needs to maintain our competitiveness and sustain our economic success.

In planning the development of this important and historic programme of legislative and administrative reform, we engaged extensively in consultations with key stakeholders. These included the Union of Students in Ireland, the National Parents Council, the Irish Vocational Education Association, IVEA, the County and City Managers Association, various social partners and Departments. These consultations provided a basis for the development of the most logical and effective arrangements for the future structure and administration of the student grant schemes. I appreciate their contributions and I wish to acknowledge the support and co-operation I have received from my colleagues in the Dáil as the Bill passed through the various Stages there. I am pleased to commend the Bill to the House and I look forward to listening to the views of Senators.

**Senator Fidelma Healy Eames:** I welcome the Minister. I am pleased that we finally have the Student Support Bill in the Seanad. The Minister will be aware that it was first published in February 2008. I realise the Minister was not in the Department at that point. However, it is fair to say that next month the Bill will be three years old.

As the Minister pointed out, the main aim of the Bill is to make the student grant system more efficient and effective, which is altogether laudable. Students contact me about this all the time. While I welcome the Bill, the Government has made a meal out of it. This is not complicated legislation and it should have been here a long time ago.

When the Bill was first published in 2008 there were 57,000 students. As the Minister pointed out, now we have 70,000 students, 41,000 of whom are undergraduates qualifying under third level grant schemes. A significant proportion of our student population has been experiencing a great deal of difficulty, especially with delays. We are approaching the third anniversary of the publication of the Bill. Will the Minister confirm to the House that she will complete the Bill during this term?

**Deputy Mary Coughlan:** If the Senator's party will facilitate it in this House.

**Senator Fidelma Healy Eames:** Certainly, I will facilitate it on behalf of Fine Gael. It is important that the Minister provides such an assurance. The Minister stated she plans to introduce a single awarding authority by September 2012 or 2013. I had hoped this would take place by September 2011. Is that possible? What are the hold-ups? Originally, when the Bill was published in 2008 it was intended that the vocational education committees, VECs, would become the single grant awarding authorities. However, when the Bill returned on Committee Stage recently, several substantial amendments were made, including the provision to change the policy direction and instead provide a single grant-awarding authority to be determined by the Minister. The Minister had stated there was a possibility this could be outsourced. Will the Minister confirm on what basis she might decide that one VEC or council might not get it or that the process might have to be outsourced? Will the Minister put it out to tender? What will the Minister's criteria be for determining which way to go?

Fine Gael has long favoured a single grant awarding authority. It is unbelievable that we have lasted with 66 grant-awarding authorities and it is no wonder it was a mess. Our position is clearly laid out in our Reinventing Government public sector reform document. Fine Gael seeks greater efficiencies in the delivery of all citizen entitlement claims, including the student maintenance grant. We have long acknowledged that the current system is costly and administratively burdensome and as a result has resulted in time wasting. We have long proposed a

one-stop-shop payment and entitlement service which would act as a single point of contact for citizens who wish to make a variety of claims. It would cut out the administration and reduce the waiting times for grant distribution.

We proposed several amendments to the Bill in the Dáil in respect of the creation of a one-stop-shop or single agency, the inclusion of part-time courses as and when State finances improve as well as amendments to the appeals system. The Minister stated she would consider the provision of support for part-time students when resources allow. Given the position today, will the Minister clarify at what point she would deem that to be the case? What would the state of Exchequer health have to be before the Minister would provide maintenance grants for part-time students? Such students do not qualify for free fees at present. Many of them have families and must stay working, if they have work. One could argue that they are doubly affected and worse off to some extent. We need full-time students but it is a wonderful luxury to be a full-time student, especially as a mature student. Will the Minister clarify at what point she would deem that to be the case?

I was pleased to see an independent appeals system built in. Will the Minister clarify the timeframe in this regard? I have received several questions from students on this matter. The legislation suggests it is feasible for a student to wait up to 150 days for an answer to an appeal. The breakdown of the waiting time is 30 days, 30 days and 90 days for the administration of the payment from the awarding body. A period of 90 days is far too long, amounting to an entire semester of 12 weeks. If the new body cannot govern appeals within 45 days then it has not been set an appropriate target by the Minister. This will leave students in dire straits.

What is the purpose of the Student Support Bill? It is to enable and facilitate students to go to college without being under undue stress. Some students have been under considerable stress. My colleague in the Dáil, Deputy O'Dowd, revealed on 25 November last that 20%, or 13,000, of all student grants had not been processed by that date, representing a considerable number of people under stress. This issue ranks among the top four queries brought to my constituency office. The main point students bring to our attention is the delay. The backlog in applications with VECs and county councils sees a delay of up to four months in them being processed. When processing the application finally begins, it can take another four weeks to finalise as not all paperwork may have been submitted by the applicant. I agree that is the applicant's fault but the authorities' having to issue letters further delays proceedings. The process must be streamlined.

I am delighted a better application form has been introduced. Will it be available online? If so, will it point out to an applicant when it is not correctly filled out? For example, when purchasing an airline ticket online, if the details are not correct it will request they be changed.

**Deputy Mary Coughlan:** Yes, it will.

**Senator Fidelma Healy Eames:** That will be a beneficial improvement.

These delays have caused much stress to students and have a knock-on effect on their education and outcomes. How many times has the Joint Committee on Education and Skills requested the heads of third level institutions not to prevent students from sitting examinations or using library facilities because their grant had not come through to pay their registration fee? I am glad the Minister is tackling this issue but I regret her predecessors let it languish this far. The student support system has been in dire need of reform for years, particularly at a time when resources were much more plentiful.

The general residence requirement for a maintenance grant will be three out of the past five years and met by students in all cases. This has been problematic in the past, as parents and students had to fall into this category. I have encountered situations where parents have had

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to go overseas for work while their children remain in Ireland. As they are under 23 years, their eligibility must be assessed in the context of their parents' residence. If the parents are not resident, the student cannot receive a grant, despite being resident.

**Deputy Mary Coughlan:** Yes, but this will be changed to considering the child only.

**Senator Fidelma Healy Eames:** That is good. While I welcome this improvement, will the Minister see if she can introduce it for the next academic year?

The regulations for the schemes will govern the classes of grants, the categories of applicants, which may include dependent, independent and mature student criteria. Is there a possibility of a grant category for trainee teachers and health care professionals who incur extra costs during their on-field learning? For example, a student teacher in St. Angela's College, Sligo, will have five teaching practices during his or her undergraduate course. The same applies to students at Mary Immaculate College, Limerick, or St. Patrick's College, Drumcondra. They will have to incur all costs associated including travel, accommodation, equipment and classroom costs. Final year nursing students are due to lose their stipend and be made to work for free. Is there any special category provided for in the Bill to cover these students' costs when training in their final year?

A person convicted of committing an offence under this legislation will be ineligible to apply for a grant for ten years. Who will police this, particularly considering when there are many VECs?

Section 24 states:

(1) Where a person, whether or not he or she is a student, has received moneys from an awarding authority that are in respect of a grant that the person is not entitled to receive, the person is liable to repay to the awarding authority on demand a sum not exceeding the amount of money received.

(2) Where the awarding authority pays moneys in respect of a grant to an approved institution, the student on whose behalf they have been paid is deemed to have received the moneys.

Is a student who did not receive the moneys but left them with the college still liable under this section? The largest drop-out rate occurs in the first three months of the academic year. Many of these are just 17 and 18 year olds who would have needed a taster period to get used to college or have made a mistake in their course choice. Many of them re-apply the following year but discover because they dropped out the year before, they are ineligible for a new grant. Can their positions be recognised in this legislation?

Section 30 requires institutions to prepare draft access plans of the policies of the institution in respect of equality, including gender equality, in all activities of the institution. This may be somewhat daft in some institutions such as St. Angela's College, Sligo, for example, which would be overwhelmingly female.

The refusal of an application for being a few euro over the cut-off threshold is hard. I accept there has to be line somewhere but in these difficult economic times this has caused stress for students. I am glad an appeals process is provided for in the Bill. Shortening the time for appeals from 90 days to 45 days is critical.

Eligibility for mature students is not straightforward. Some mature students may have lived at home for the previous 12 months but now live elsewhere. They find they may be eligible for

the back to education allowance but not for the grant or fees to be paid. All earnings and benefits of the student and parents are also means-tested. How will this Bill improve this?

Issues and anomalies also arise with independent students, young people who are up to 23 years of age and are completely separated from their parents. The Minister claims the legislation will allow her introduce regulation in this area. When will this happen? In the meantime, is there an option in the appeals process to allow independent students to be recognised as being eligible for maintenance grants?

I thank the Tánaiste and Minister for Education and Skills for attending the House in person for this debate. I look forward to hearing her replies to the questions and issues I raised.

**Senator Cecilia Keaveney:** I thank the Tánaiste and Minister for Education and Skills for introducing this important legislation. It has been long awaited by students and those bodies involved in awarding student grants. There has been much stress on the latter as more people now enter third level education. It is a positive sign when more young people plan to continue their education from second to third level rather than leaving the education system after secondary school. I welcome the wide reaching and badly needed reforms the Student Support Bill will bring to the student grants system.

There is not a September to December period which passes without us, as public representatives, obtaining an indication of the extreme upset caused by delays in processing applications or the loss of documents. Parents and those who work in public offices tend to be exposed to a much less diluted version of the type of upset to which I refer. I have spoken with many students and administrators and I am aware that there are many aspects to having one's application stuck in the processing system. Whatever the cause of the delays that occur, there is no doubt that the repercussions for students are often significant, not only in the context of their education but in terms of their physical and mental health. There can also be repercussions for their parents' physical and mental health. The Bill must be a major component in addressing the unacceptable anxiety experienced by too many young people each year.

Not all students have had a negative experience in this regard. The hard work of many of the existing grant-awarding authorities must be acknowledged. There are times when those who work for the authorities to which I refer have endured a significant level of personal abuse and felt extremely unappreciated. On Friday afternoons, I am almost scared to telephone my local council or VEC because I know that, by that stage of the week, they have probably had enough.

For the increasing number of students going through the system, grants provide a means for them to avail of further and higher education. One of the major flaws with the system which has often been brought to my attention relates to siblings in different colleges or universities. It appears that despite the technological age in which we live, it is seemingly impossible for VECs and local authorities to share information. As a result, the processing of applications submitted by those in the category to which I refer has been neither efficient nor effective. Not only have there been delays caused by one entity dealing with the relevant paperwork before transferring it to the other but in such a system, items are more likely to be lost.

One of the principal provisions in the Bill envisages the transfer of the student grants administration function from the existing 66 grant-awarding bodies to a single body. I am sure the creation of a unified grant system will give rise to a sigh of relief from many people. Such a system will be of assistance in overcoming either the technological or data protection issues which may have held centre stage heretofore. I would be interested in discovering — not only in respect of education but in the context of social welfare — the impediments with regard to data sharing. One would have thought that it would be safe to transfer people's personal

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information between Departments, particularly as all civil servants are obliged to ensure that all data protection criteria are met.

One is often presented with anecdotal evidence of someone's neighbour who is better off financially and whose child has obtained the grant. In other instances, one is informed about families which experience particularly difficult periods as a result of an unexpected illness, a redundancy or one parent leaving the home. It appears that the process is unable to react with requisite speed to a genuine need. I welcome the fact that the Bill makes provision for the establishment of an independent appeals board, which is hugely significant. In future, it will be possible to hold initial interviews and then external independent reviews.

It is essential that there should be consistency in how applications are dealt with, that responses to applications should be issued in a timely manner, that students should receive their payments quickly and that they should have recourse to a mechanism whereby they can, if necessary, have their applications assessed on an independent basis. When I attended the University of Ulster at Jordanstown, first year students from County Donegal used to receive the first instalment of their grant on 19 December. By that time, the Northern Irish students were approximately £3,000 in debt, but every spare can of beans, and every potato that was available in their homes in Donegal would have been stolen and brought to Jordanstown to keep the students going until they got their grant. Any outcome other than a speedy one results in hardship and frustration for students and their parents.

I do not mean to sound contradictory, but my suggestion is that within the concept of consistency there should be some level of understanding for hard cases, or at least a guide as to where a student might go in an emergency. A great deal of good work is being done by local community agencies and by those who operate student hardship funds, and so on. However, many people will be concerned that once a single, impersonal grant-awarding agency is established, the ability of staff to deal with individual cases might be undermined. It is in that context that we must be mindful that while we must treat people with consistency, people who have particular problems or if an emergency arises, should be able to be accommodated. It may seem that it might not be possible to treat everyone with consistency while making provision to deal with individual emergencies, but if enough thought is given to this matter, a solution will be found.

While moving to introduce the unified scheme this year might appear ambitious, I am heartened by the fact that preparations to facilitate this by way of regulation are already under way. I am also pleased that invitations for expressions of interest have issued in respect of the establishment of the single grant-awarding authority. This demonstrates a commitment to reform of the student grants system. That new applications only will be dealt with under the new system in 2012 will make possible the transition between the old and new systems.

It has been estimated that in 2009 approximately 170 full-time, whole-time equivalent staff across the local authority and VEC sectors were engaged in assessing applications. Some people will lose their jobs as a result of the establishment of the new authority. However, centralising matters will lead to improvements in the service to students and to savings in the Exchequer. The Croke Park agreement relates to issues of this nature, namely, streamlining systems, and so on., and making them more efficient and effective, regardless of the implications this might have in the context of redeployment.

I refer now to a matter I have raised on numerous occasions, namely, bringing forward the relevant dates so that applications to colleges and universities might be dealt with or processed at the same time as CAO and other forms. Students should only be obliged to complete forms during a particular set period before being allowed to settle back into exam mode. While

certain dates were moved back in recent years — this is an important development which may, in part, have been influenced by the number of complaints I have made — there is no doubt that further action is required.

Under the current system, there is a bottleneck at the beginning of September during which a high volume of processing takes place. Many third level colleges now begin their registration procedures in early September rather than in October. While the primary aim of the new system will be to issue decisions to applicants within a guaranteed timeframe in all cases where complete applications were admitted by the closing date, surely moving back the relevant dates so that they might coincide with those which obtain in respect of applications for college courses would ensure that a great deal of the processing work required would be done well in advance of the issuing of examination results.

It should be possible for a student applying to study music at UCC, Jordanstown or Trinity to apply for his or her grant at the same time. He or she could provide as much information as possible with his or her application. I accept that he or she might not obtain enough points to be accepted for the relevant courses or that he or she might not qualify for the grant. However, if the processing were carried out earlier, people would discover whether they had been approved for grants in a much more timely fashion and there would be much less pressure on those who administer the system.

I welcome the enabling provision which creates the possibility for certain part-time courses to be included in the student grants scheme in the future, when resources permit. The Bill sets out, clearly and unequivocally, the procedures relating to the application for and the awarding of grants, the responsibilities of students, their parents and spouses, the conditions relating to grant eligibility and the residency and nationality requirements. It also indicates how the procedures relating to dealing with fraudulent claims will be strengthened.

The new online system has highlighted the potential in the context of greatly improving and simplifying the application process. I have received extremely positive feedback in that regard. The new online system can be of assistance in ensuring that accurate applications are submitted. However, it is not only technology which ensures accuracy. I spoke to those who administer the grant system at present — these individuals possess a wealth of information — and they provided me with examples of how incomplete applications and incorrectly completed applications contribute to the significant delays which occur in the processing of applications.

A simple idea was put to me in this regard and it should form a core part of their career guidance systems. As part of the career guidance nights they tend to offer in December, schools should provide an idiot's guide to how to obtain a grant. Some schools are already making information of this nature available to their students. Students should be told what they need to do in January, February, March and so on. People should be aware of the need to retain their utility bills because these will be required when grant applications are being made. As Tip O'Neill once stated, "Keep it simple, stupid".

There is evidence that the applications of students who attended schools which have already taken steps in this regard are being processed much more speedily. When people know what they are supposed to have and when they are supposed to have it, their applications will be completed to a high standard and the number of errors will be minimal. There is also an argument for making the parents of first year third level students aware of the need to put some money aside, where possible, so that they might cope with the relevant costs that arise each September or October and will not be obliged to shoulder any excessive burdens.

At present, students apply for the courses they wish to pursue and are enthusiastic with regard to this aspect of the process. They then get into exam mode and have some inkling that they might need the grant. However, applying for a grant does not give rise to the same level

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of excitement or urgency that obtains when one awaits one's exam results. Suddenly, it is the middle of September and the person does not know whether they have got the grant because they may not have been speedy in submitting the application or it may not have been processed in time. They arrive at the college and are asked for the registration fee but they have not heard of that previously because they have not done the pre-emptive work. They have got their accommodation but then they realise they must have hundreds of euro ready for the deposit. The parents are then landed with a huge bill they had not anticipated because their focus was on the examinations.

**An Leas-Chathaoirleach:** As it is 5.30 p.m. and in keeping with the order of the House I ask the Senator to adjourn the debate.

**Senator Cecilia Keaveney:** The time has concluded but I will have an opportunity in the future to address the many other aspects of this area, beidh lá eile, le cúnamh De. I welcome the Bill.

Debate adjourned.

### **Water Services: Motion**

**An Leas-Chathaoirleach:** I welcome the Minister for the Environment, Heritage and Local Government, Deputy Gormley, to the House.

**Senator Paudie Coffey:** I move:

That Seanad Éireann:

- recognises the social and economic hardship caused by water restrictions and disruptions for families and local businesses;
- recognises that an inefficient, outdated and fragmented water network has contributed to drinking water supply problems across the State;
- notes with concern that on average 43% of Ireland's treated drinking water supply is lost through unidentified leaks;
- notes that problems associated with water shortages were discussed in Dáil and Seanad Éireann in January 2010 with little action taken since then to avoid a repeat of similar problems;

and calls on Government to:

- establish a single publicly owned water utility company to take over responsibility for water investment and mains management on a national basis;
- establish a new Utilities Commission to merge existing regulators for utilities and to take responsibility for regulating a new water utility company;
- re-allocate future water funding from the Exchequer to prioritise water conservation by investment in water mains weather proofing; and
- examine all engineering resources of the State to ensure a rapid remedy to widespread burst water mains.

I welcome the Minister to the House for this debate on what is an essential resource, that is, the water resource utilised by our country not only for consumption by the citizens but also for business, agriculture and many other uses. It is a vital and valuable resource.

To put water in its proper context, Ireland is a very small island nation surrounded by water. We have higher than average rainfall, which is reflected in our many green fields, lakes and rivers throughout the country. One would think there would not be a problem with water supply and water quality but as we are all aware and certainly from recent experience, especially that of only a year ago, the consistent supply of clean drinking water is a significant problem.

The average demand for drinking water in Dublin alone is 540 million litres a day. The four water treatment plants in operation in Dublin were designed to supply 518 million litres of water. The capital city, therefore, is almost up to its maximum capacity. By 2031 it is expected that the demand for water in Dublin will increase to 800 million litres a day. That alone points to a major problem to ensure an adequate supply of water to the capital.

The problem is not confined only to the capital. Many towns and villages have had no water for a protracted period since the recent big freeze. Some people had no water for weeks on end. Some in the larger urban areas had water restrictions while others had no water.

We are surrounded by water. It is falling as I speak. Having put the issue in context we must ask ourselves why this problem persists. Why do we have water shortages? We have some statistics that point to abnormal leakage from our water networks. The leakage amounts to 43% of clean water being lost nationally through substandard pipe networks. That is a problem we experience in normal times but the problem is exacerbated during times such as the big freeze we experienced lately. We have seen the impact of that where networks have been obliterated during the thaw. Pipe networks were frozen and when the thaw came, the pipes burst.

Why do we have the problems to the extent we are experiencing? I am aware our neighbours in Northern Ireland are experiencing huge problems also but we must strive to improve our water network system to ensure we do not have the water restrictions and cuts we have experienced which are having a very negative impact on quality of life and also on businesses trying to keep open. I refer to the hospitality trades in particular. Hotels, restaurants, shops and retailers are trying to do business every day which is almost impossible if they do not have access to a clean water supply.

On the question of networks, we must ask ourselves about the quality and installation of our network. We have seen as a result of recent developments that large parts of our water infrastructure were not installed to a proper standard or to a proper depth in the ground. Many of the new housing estates recently experienced burst water mains. Stopcocks and water mains froze because the network was not installed to an adequate standard. I do not necessarily blame Government for that. Local authorities and developers had a major part to play in installing these networks.

I am aware that many of these networks must be signed off by competent people in the engineering profession. It is often the case that they are signed off and submitted to the local authority but sometimes when the local authorities take them in charge, they are left to deal with the problems. We must ask what we can do to eliminate the occurrence of that problem in future. I have said this to local authority management and to others. Where private estates have experienced burst water mains due to inadequate infrastructure or poor installation standards, why have the developers, or the engineers who signed off on those networks, not been pursued by local authorities for the costs involved in putting these networks right? I am sure the engineers who signed off on the networks have professional indemnity and if they have

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been wrong they should be held to account, as should the developers. Local authorities and taxpayers should not be left with the problems. I urge the Minister, through his office and his officials, to ensure that local authorities pursue rogue developers who did not install water networks to a proper standard.

I appreciate that more than €1 billion per annum is being invested in water programmes. The Minister recently opened a new water treatment system in Waterford. This system was badly needed and very welcome. Unfortunately, there is not the same level of investment in water supply. We still have thousands of kilometres of old cast iron or lead piping in our older towns and villages. Little or no maintenance has been carried out on these by the relevant local authorities. Fine Gael believes this area needs to be approached in a more responsible and accountable manner. The current legislation designates 29 county councils and five city councils as water authorities with the full responsibility of providing a clean and adequate network to the country. Each local authority has its own priorities. One might see the roads network as a bigger priority than the water network and another might prioritise the water network over roads.

Fine Gael believes we need an overall public utilities system that will hold all local authorities to a consistent and equal standard throughout the country. To do that we must ensure local authorities and their officials, and the general populace, understand the true value of our water network and infrastructure and the value of water itself. This will require a whole reorganisation of how we manage water networks. It is very clear that the eye was taken off the ball during the boom years. Government and local authorities have been playing catch-up with developers and new development. They have taken their eye off the ball with regard to consistent regular maintenance programmes on water conservation and network renewal.

How many local authorities know the true value or have done a full evaluation of the entire water network in their jurisdictions? Have they IT systems that keep an up-to-date evaluation of the asset value and age of their pipe networks, when they were last maintained, where there are leaks and the priority areas that need attention? If we are to continue with investment, we can no longer afford to invest in water networks on an *ad hoc* basis, with various priorities in different local authority areas. A national survey of the entire water pipe infrastructure should be done. Its condition, age and projected life should be clearly evaluated. Under normal conditions, even without freezing temperatures, we are leaking more than 43% of our natural water resource, which is totally unacceptable. A national data capture programme to digitally record, map and establish an accurate database and records of all such information in a national water asset management system should be implemented. That is important, before any more money is invested in water infrastructure.

The following proposal is a personal one and goes beyond Fine Gael policy. A regulatory authority should be established with legislative powers to hold local authorities or water agents, that is whoever is responsible for the delivery of water networks, to account, and to ensure proper standards in water delivery and quality. The Environmental Protection Agency and the local authorities have various roles at present. Some of those roles could be taken from the EPA and assigned to the public water utility and new regulatory regime. This already happens in the energy sector, where the Commission for Energy Regulation ensures there is adequate investment in the electricity networks. Water is as important a resource as electricity. Fine Gael put a value on that resource, as does the Green Party.

One might ask where the money for this will come from. All political parties have had to deal with this bugbear. Fine Gael has not been afraid to broach this subject. We have said we are committed to serious reform of how local authorities manage water networks. We will put a value on water, as a resource, and charge domestic users where they are found to be wasting

water over and above an allowance, that should be free, for daily household usage. In that way, one would bring more accountability to water usage in domestic households. At present, the only people paying for water are businesses, who are already stretched to the limit with various other overheads to keep their companies going. Businesses are failing on a daily basis. We cannot expect investment in adequate water supply and quality if we do not come up with new ways of managing our water network, supply and quality. This is how we need to reform water supply.

I urge the Minister to look at other initiatives to incentivise public buildings, such as schools, that have high water usage to harvest water. This is a positive suggestion that I am sure the Minister will support. There are many grants for schools and other buildings. The Department of Education and Skills provides the summer works scheme for schools, for example. However, a school that proposes to install a rain-water harvesting system, which could cost up to €7,000, will not qualify for the summer works scheme. In the long term, such a grant could see every school install a sustainable water system. All schools would not be done overnight, but over time we would have a more sustainable model of water usage in our communities. That scheme could be rolled out to other areas of water usage.

I am critical of Government and how it has managed water systems in the past. I am trying to be positive in proposing new and better ways to manage our water system in the future, because that is what our country deserves.

**Senator Paddy Burke:** I second the motion proposed by Senator Coffey and I urge Minister to adopt a number of the issues Senator Coffey has proposed. He has been reasonable and has tabled a well-crafted motion that raises many issues the Minister could well adopt.

I compliment the local authority staff in Castlebar and County Mayo. I am sure all local authority staff throughout the country could be equally complimented. They have done tremendous work in the last month, particularly in the very difficult weather conditions we experienced over the Christmas and the new year period. They worked tirelessly to bring water to many families, homes and businesses that were without water during Christmas and the new year.

In recent years, some very shabby work was carried out by developers and builders. We are now paying the cost for that in leakages, breakages and frozen pipes. This all goes back to standards and the standards that are provided and laid down by local authorities must be examined. It is the role of the Government through the Department to give the standards to the local authorities to implement at ground and grassroots level. Each local authority should employ a dedicated clerk of works to oversee the laying of water mains and connections to housing estates, single houses and businesses. This is because during the harsh weather conditions experienced over the Christmas and new year period, I have witnessed at first hand instances in which some pipes were laid underground shabbily. I witnessed one example in which two water mains were put in place through an electrical meter box via a mains on a street footpath. On another occasion, I saw how a water main was laid from the council mains into a housing estate on the tarmacadam but without being covered. Clearly no regulation had been applied in that case and this constituted shabby workmanship on the part of the developer, the builders or whoever. Surely someone should pay a price for this and I suggest that each local authority with statutory responsibility for water and sewage treatment should have to employ a clerk of works. Ultimately, the ratepayers and taxpayers must pick up the tab for the delivery of services to businesses, housing estates and single houses and, consequently, the Minister should take on board this proposal.

All Members are aware that some time ago, the Minister's predecessor gave the power to county managers to implement pricing controls over water and sewage treatment. From that perspective, different service levels and prices are evident nationwide. I note the Government

[Senator Paddy Burke.]

amendment refers to its intention to begin a programme of domestic metering to be funded by the National Pensions Reserve Fund. While I have no great difficulty with such a proposal, the amendment also alludes to the establishment of an independent regulator for the water sector. What is the point of putting in place an independent regulator? As I stated, the county managers primarily are responsible at present. Most local authorities are comprised of committed local authority members of all parties and none. They are the watchdogs who have been doing tremendous work in overseeing, as well as in setting prices for the business community to pay. They do so while their hands are tied because the full control rests with the county managers. May I take it from the Government amendment stating its intention to establish an independent regulator for the water sector that such a person will take over part of the present role of the county manager? The current position in local authorities is that in the majority of cases of hardship or whatever that arise, local authority members bring them to the notice of the county manager. The manager frequently will take note of what is brought before him or her by the members and, if not, the matter will be raised again at the next local authority meeting. Is this really what is entailed in the proposal contained in the Government amendment?

I agree with Senator Coffey that an overall water board is required for control purposes and that the local authorities probably would be the agents used to carry out maintenance and so forth as they have the requisite expertise, as has been seen recently over the Christmas and new year period. I note the Minister intends to carry out an assessment in this regard. How long will this assessment period last and when does the Minister envisage that progress will be made in this respect?

Water undoubtedly is becoming an extremely scarce commodity and people are only too aware of the great worth and benefits of having fresh, clean drinking water delivered to their houses daily. When one is without it, one can truly miss it. In recent years, the Government's investment policy to deliver water has been implemented in the main through design, build and operate programmes. I question whether the best value has been obtained in this regard. While private money has been invested, a debate is required to ascertain what has been learned from the experiences of the design, build and operate schemes that are in place and being operated at present. I do not consider the design, build and operate model to be the best way forward as it is highly expensive and delivers highly expensive water to households. This debate should take place and the Minister might comment on the design, build and operate model of water delivery to the business community as well as to the many housing estates and single houses nationwide. I thank the Cathaoirleach for his indulgence and look forward to the Minister's response. He should take on board some of the proposals made by Senator Coffey.

**Senator Camillus Glynn:** I move amendment No. 1:

To delete all words after "Seanad Éireann" and substitute the following:—

- recognises the difficulties for families and businesses caused by the recent water supply disruptions;
- acknowledges the extensive efforts by county and city councils to prepare for potential water supply disruptions caused by recent extreme weather conditions, to minimise disruptions for households and businesses and to make alternative supplies available where necessary, and to restore water supplies as quickly as possible;
- recognises the importance of the work already carried out by the councils, and funded by the Exchequer, to develop water management systems and active leakage controls in identifying and repairing leaks;

- notes the comprehensive review of the water services investment programme completed in 2010 which:
  - provides for ongoing major investment in water services in the 2010-2012 period, with €495 million spent in 2010 and €435 million provided for 2011;
  - accords the highest priority to investment in water conservation to address the unacceptably high levels of leakage in water supply systems;
  - includes contracts to the value of €320 million to commence on water conservation projects, including mains rehabilitation, in that period, which is more than double the investment in water conservation compared to the preceding seven years;
- notes the proposals in the national recovery plan published in November:
  - to commence a programme of domestic metering to be funded by the National Pensions Reserve Fund and establish an independent regulator for the water sector;
  - notes the Government's intention shortly to commence an assessment of the need for a national water authority which will consider, *inter alia*, the role of such an authority, the costs and benefits of establishing it and its relationship with other actors in the sector including local authorities.

As someone who was born, bred and reared in the country, I remember well having an extension built to my family's house during the late 1950s. One of the conditions of the contract was that there would be water on-site and this was provided by my late mother and me. We were obliged to carry the water over a stile, across a road, down a hill and back up another hill with four buckets and so I greatly appreciate a water service.

Everyone will appreciate that this December witnessed some of the lowest day and night-time temperatures ever recorded in Ireland. While water pipes are prone to bursting and leaking in winter conditions, the particular severity of this winter's event led to widespread disruption to supplies from the public mains and from individual sources. Ireland has a diverse water supply system with more than 952 public supplies producing approximately 1,600 million litres of water daily through a network of 25,000 km of pipes. The extent and complexity of this network presents certain challenges, to say the least, in a period of severe weather but Ireland is not unique in this regard as many other jurisdictions are affected in a similar manner.

It is important to recognise the extensive efforts by county and city councils to prepare for potential water supply disruptions, to make alternative supplies available where necessary and to restore water supplies as quickly as possible. No words of mine can compliment local authority workers enough for the service they gave in highly adverse conditions at unsocial times. I wish to put on record my deep appreciation of their service and I am sure this view would be reflected throughout this Chamber. Local authorities put in place contingency arrangements before Christmas in the light of the anticipated thaw. Local authorities actively managed the situation throughout the period of severe weather and mobilised crews over the Christmas period to respond as quickly as possible to the problems that emerged. Given the 25,000 km of public network, however, the detection and repair of leaks is a challenging task.

While I may disagree with my colleagues on the other side of the House on a number of fronts, I agree that certain developers did an extremely shabby job in the provision of public services as part of their planning. Certainly, the water network they provided in certain circumstances leaves a great deal to be desired. The extent of burst water mains places a particular

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focus on the vulnerability of the Irish water distribution system, particularly on the age of the water distribution system as well as the historic under-investment in it.

We are making strides in dealing with these matters. In recent years the focus of the Government has been on improving water supply to meet population and economic needs. Under the water services investment programme €1 billion was spent on water supply infrastructure between 2000 and 2009, which is not a small sum by any standards. Some €4.6 billion in Exchequer resources has been invested between 2000 and 2009 in all forms of water services infrastructure. This has resulted in the completion of 476 major projects and an increase in water treatment capacity equivalent to the needs of a population of 1.1 million.

There are 120 water services capital contracts in progress which will continue to be funded in 2011. As the Minister has outlined on more than one occasion, we are giving the highest priority to investment in water conservation to address the unacceptably high levels of leakage in our water supply systems. The water services investment programme 2010-12 was published in April 2010 and sets out an expanded investment in critical terms relating to rehabilitation, with contracts worth in excess of €300 million set to commence over the period of the programme. The money will be spent on water conservation projects including mains rehabilitation, which is double the investment in water conservation over the preceding seven years. When we talk about water use we should amend it to state “water abuse”. It is ironic that many users are abusing the water supply. It is anticipated that savings of up to 10% in unaccounted-for water can be obtained by 2016 if investment is sustained. It has to be sustained if this level of improvement is to be achieved.

The Government will invest €435 million in water services in 2011. This will allow for the progression of priority contracts for expansion of supply or the improvement of security of supply. As a result of its efforts, the Government has seen a much more competitive tendering process in the past two years which has resulted in significant savings in the tender prices for water and waste water schemes, meaning we are now achieving more with less money, which is to be appreciated given the tough times we are in. This level of investment for 2011 makes clear the priority which this Government attaches to protecting and improving water services.

To fund our water infrastructure in the years ahead the Government decided to introduce domestic water charges for households over the next four years. It will be preceded by the roll-out of water meters. This measure alone will do much to conserve water. In such circumstances water would be used rather than abused because when one has a service for which one has to pay, one is very conscious that the less one uses, the less one has to pay.

The national recovery plan states our plans for the metering programme will be funded from the National Pensions Reserve Fund. The installation of water meters will strengthen the capacity of local authorities to manage their water distribution networks, lead to greater incentives for households to conserve water rather than consume as much, and provide the necessary additional funding to improve the network.. Water metering will undoubtedly lead to a radical transformation in the way people use water. It will provide value for money for consumers and also provide a customer service focus in the management and provision of water services.

We have heard comments from the Opposition. Fine Gael’s proposal for the setting up of water utility company and a new utilities commission to merge existing regulators for utilities has the hallmarks of a plan to begin to privatise water services and follow the path used in the United Kingdom. If implemented, its proposals would almost certainly prepare our water and waste water services from privatisation. To date, it has tried to slip its proposals for a water utility company and utilities commission under the radar by providing very little detail on what its plans would be. If this plan were to go ahead, it would need to verify the status of the new

single water utility company. It has not addressed the issue of job losses. I wonder what the Labour Party would think of that. I could go on and on.

**An Cathaoirleach:** I will not allow the Senator to do so.

**Senator Camillus Glynn:** I thank the Minister and the Cathaoirleach. I wish him a happy new year. I will not get any kudos for that.

**Senator David Norris:** I welcome the Minister. This is an area to which he is deeply committed. I am a little bit surprised that there will be a vote on this. It does not seem to me that the two positions are irreconcilable. The first section of the Fine Gael motion, which I support and which I strongly compliment my colleagues on having tabled and argued so capably, simply recognises the difficulties we are in, lists certain factual matters which have been accepted on both sides of the House, such as the extraordinary figure that 43% of drinking water disappears in unidentified leaks, which is astonishing, and refers to the situation in recent weeks. It then goes on to propose a single publicly owned water utilities company.

I strongly support that. I have the greatest respect and affection for my good friend, Senator Glynn, but there is nothing there that suggests anything remotely like a privatisation. It is a nationally owned public utility and so it should be. Water is one of the four elements, earth, air, fire and water. As such, it needs to be managed nationally because it is a national resource. We have shown ourselves to be incapable of doing so, in terms of Government and local authorities, although they have done a fair amount of work in recent years. As citizens we are irresponsible in the way we treat our water resources, a point to which I will return.

The Government amendment proposes to delete all the words after “Seanad Éireann” as usual and states what it is spending money on. It is incontrovertible; they are facts. Most interestingly, the Government refers to the proposals in the national recovery plan which was published in November to commence a programme of national domestic metering to be funded by the National Pensions Reserve Fund and establish an independent regulator for the water sector. I hope it does that.

It also states it “notes the Government’s intention shortly to commence an assessment of the need for a national water authority which will consider, *inter alia*, the role of such an authority, the costs and benefits of establishing it and its relationship with ... local authorities”. In other words, it proposes something very close to a utility company.

I know that to some extent the Minister is on planet Bertie — I heard the quote recently on the radio — but a timescale is involved. We know he will be gone in three months at the absolute maximum. It is not the time to consider this, that or the other or for establishing a think tank. It is time to come to some degree of harmonious agreement and that is why I suggest we try to avoid a vote and, if necessary, to have some negotiations between the two sides. If there are any objectionable elements, they should be taken out. Let us push forward with a positive situation regarding water.

There is a political element to this issue. The infrastructure is bad. Some of it is not just Victorian; it is Georgian. The pipes are not just iron. Some of them are wooden in some sections of Dublin or were until recently. One of the problems is that the public does not appreciate that it is getting water. I have made myself unpopular in saying this. I have always supported water charges but they must be proper and fair and related to the amount of water used.

The abolition of domestic water charges in Ireland goes back to 1996. It happened because there was a possibility of a Government seat being targeted by an anti-water charges candidate and it collapsed and gave in. That is the political element of the issue. Of course, unfairness

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was involved because water was not metered and there was no relationship between how much one used and how much one paid. One should pay for what one uses. I feel the same about bin charges and so on. The bill for water charges was infrequent and came in one big lump, very often at a time when families had to pay school fees and all the rest. The method of billing is important. It should certainly be looked at. I understood the Minister was examining the question of water metering. He said quite recently that he was considering the installation of water meters in 1.1 million homes. That is important. As I understand it, he is looking for funding from the National Treasury Management Agency or another similar body. It has also been suggested that there is a possibility that representatives of some big company — possibly Siemens — will come in on it. Is that right?

**Deputy John Gormley:** It was in the newspaper but it did not approach me.

**Senator David Norris:** It has not coughed up. We will be left on our own as usual. I still think this most important element of the matter should be looked at. Of the €4.6 billion that has been invested in water services since 2000, €2.8 billion has been spent on sewage treatment plants and €1.8 billion has been spent on water supply.

I am surprised that neither the motion nor the amendment before the House refers to the impact of water services difficulties on health. Our concerns should not be limited to the 43% of water that disappears. It is extraordinary that the microbial pollution of water in Galway arose in a sophisticated country that until recently was regarded as being wealthy and having money to spend all over the place. People across the entire city were trying to live on bottled water for a while. One can imagine the impact on the tourism business when that kind of thing happens fairly regularly on an Ireland-wide basis.

I have mentioned that water is one of the four elements. It is clear from recent events in Australia that it is a fairly unpredictable element. Although this country's water situation is relatively predictable, we have experienced certain problems as a result of the massive housing expansion. As my colleague, Senator Burke said, some of the leaks have resulted from bad building practices. It is unacceptable that water pipes have been placed an inch or two under the ground, which makes them vulnerable to ice and frost.

We should not think we have an over-abundance of water. The Liffey and Vartry rivers, which supply more than 95% of Dublin's water, are at their limits at the moment. They will be unable to meet future needs unless a considerable investment is made. Britain took 25 years to make such an investment. The consumption of water in this jurisdiction is considerably greater than that in Britain. Irish people are among the highest consumers of water in the EU.

The supply of water is very important for various industries, including agriculture. I was interested to hear the president of the IFA on the radio this morning. He talked about the significance of access to decent water and the impact on the agricultural economy of water shortages. One of the good signs for this country is that exports of agricultural products are booming, thankfully. We need to manage that as well as possible.

There is much to be done. The House is more or less united on this issue. I am not trying to avoid a vote. I do not care if I have to vote, as I will be here working in my office. Is it necessary for the House to divide on this matter? Can we not find some measure of agreement and push forward from there? If one looks up the road to Northern Ireland, it will be clear that this problem is not unique to this jurisdiction. We had a severe problem when demand reached a huge peak of 610 million litres on St. Stephen's day. Apart from anything else, people left their taps running. We always used to do that to stop taps from freezing. There was a vast insurrection among the public in Northern Ireland. It led to the resignation of the head of

Northern Ireland Water. We are all on the Minister's side. We would like realistic further progress to be made in the direction we all feel is necessary.

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I thank Senators for giving me an opportunity to speak on this motion and the amendment that has been moved. I share the concerns expressed about the severe difficulties experienced in some cases following the recent disruption to water supplies. The difficulties encountered by families, businesses and the farming community during the festive season followed the harsh weather conditions in the lead-up to Christmas. It is only when supply is disrupted that the importance of water services are fully appreciated.

I will speak in detail on the background to this problem, the steps taken to deal with it in the short term and the longer term plans for rehabilitating defective water mains and modernising the water sector. Before I do so, I emphasise my gratitude for the efforts of local authority staff and contractors in responding to the situation as quickly as possible in exceptionally challenging circumstances.

**Senator David Norris:** Hear, hear.

**Deputy John Gormley:** The last five weeks of 2010 saw unprecedented severe weather across the country. Spells of exceptionally cold weather led to some of the lowest temperatures ever recorded in Ireland, with heavy snowfalls in some places. Temperatures remained below zero for nine consecutive days in some inland areas. Many records for low temperatures were broken on the nights of 24 and 25 December. There was a dramatic change over the Christmas period. There was a rapid change to milder weather during St. Stephen's day and Monday, 27 December. On average, an overall change of approximately 20° was experienced over a period of between 24 and 36 hours. This led to a rapid thaw in most areas. Most of the snow in the southern half of the country had melted by Tuesday, 28 December. The thaw had taken effective hold over the rest of the country by Wednesday, 29 December.

This rapid thaw caused movement in the ground which led to pipes bursting. These bursts occurred not only in public mains but at the point of consumer connections to mains and on consumer service pipes. In addition to finding and fixing leaks on the public networks, many authorities had to assist in fixing consumer side leakage or disconnecting properties to protect the overall network and restore supply to the wider community. Nationally, more than 2,500 unattended properties had to be disconnected due to leakage on the consumer side. In the period after 26 December, almost 3,400 local authority staff and their contractors were involved in finding and fixing these leaks. Some 250,000 hours of work were involved over that period. Many of the workers in question had been involved in responding to the severe weather in the run-up to Christmas. In some cases, those who had salted and gritted roads during some of the most severe weather on record, drove tankers to ensure people had adequate access to drinking water. Staff in the water services areas of local authorities were willingly assisted by roads, housing and other support staff. Such a combined effort is the hallmark of public service. I commend them for their commitment. On behalf of the Government, I wholeheartedly thank them for their efforts. As a result of their work, progressive improvements were made on a daily basis so restrictions could be reduced and eliminated in many places. This work is continuing. Some restrictions continue to apply to ensure reservoirs are replenished to normal levels.

It is important to highlight that this response was part of the wider response to the severe weather, involving many statutory, voluntary and private bodies. The close co-operation of these groups at local level, along with their participation in the national severe weather co-ordination group, has ensured a focused response to the extreme conditions. This did not happen without appropriate planning. Lessons were learnt from weather events in 2009 and

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earlier in 2010. In the case of water services, local authorities put in place contingency arrangements before Christmas in light of the anticipated thaw. Demand management measures were introduced to seek to reduce demand and replenish reservoirs during the period of freezing weather, mainly through pressure reductions and night-time restrictions. Local authorities ensured that staff would be available throughout the Christmas and new year period so that once the thaw took hold and leaks began to appear, they could mobilise response crews immediately. The overall response at national level to the severe weather and the water supply disruptions is being reviewed by my Department and the other Departments and agencies involved. We will learn from the experience and further develop our response mechanisms.

I accept the need for substantial investment in water services. The Fine Gael motion completely ignores the extent of the investment made and the progress achieved in the sector over the past decade to address a legacy of historical under-investment. It also ignores the strategies in place to radically transform the sector in the coming years. Ireland has a diverse water supply system, with more than 950 public supplies producing some 1,600 million litres of water daily through a network of 25,000 km of pipes. The extent of burst water mains places a particular focus on the vulnerability of the Irish water distribution system given, in particular, its age, the high levels of leakage in the system and the lack of investment historically in mains rehabilitation. Water is a precious resource, with costs associated with treatment and distribution.

While one might accept that larger networks have greater inherent risks in terms of leakage, the levels of unaccounted for water in the Irish network are completely unacceptable. Improvements have been made in the Dublin area, with unaccounted for water reducing from some 42% to almost 30%. Many other areas of the country have rates of more than 50%. From an economic and environmental perspective, there must be a strong focus on addressing leakage in our water systems given the increased demands for water, greater pressures on raw water and more stringent drinking water standards. This is being addressed.

The focus of investment over recent years has been on improving water supply to keep pace with population and economic needs and investing to ensure compliance with the European directives on drinking water standards and urban waste water discharges. As a result of a €1 billion investment by the Exchequer under the water services investment programme between 2000 and 2009, water storage capacity increases alone were equivalent to the needs of a population of 1.6 million. A greater proportion of investment under the water services investment programme 2010-2012 will be dedicated to improving water supply infrastructure, with water conservation being accorded top priority.

The publication of the water services investment programme 2010-2012 followed on from a root and branch review of water services capital investment. This included a review of all projects included in the previous programme which had not substantially advanced to ensure the contracts and schemes to proceed were fully aligned with key programme economic and environmental priorities. The 2010-2012 programme sets out an expanded investment in critical mains rehabilitation with contracts with a value of some €320 million set to commence over the period of the programme. This is more than double the investment of €130 million in water conservation measures in the period 2003-09. Senator Glynn went into this in some detail in his contribution.

Most of the expenditure to date on water conservation outside Dublin has been largely in technology-based water management systems. These systems proved invaluable during the recent difficulties in managing production and providing data to assist in leak detection. These systems are a necessary precursor to investment in mains rehabilitation. While the Dublin authorities' programme of rehabilitation is the most advanced, other authorities were finalising their programmes of works during 2010 to allow for contract commencements this year. The

investment of €435 million in water services in 2011 under this programme will, in addition to prioritising water conservation, allow for the progression of priority contracts for expansion of supply or the improvement of security of supply in a number of hubs and gateways.

It is anticipated that sustained investment in line with that envisaged in the water services investment programme could reduce the rate of unaccounted for water by 10% nationwide by 2016. In addition, I have placed a particular emphasis on training of water services personnel, making available a dedicated funding stream in 2010. Through this fund, some 500 days of training on leakage detection were provided in 2010. Investment and training can only do so much. How we use water also needs to be addressed and water charges, based on usage, has a major part to play in this regard. My Department is finalising proposals to give effect to the Government decision to introduce water charges in a way that is fair, significantly reduces waste and is easily applied.

The national recovery plan proposes that the introduction of water charges for domestic customers be preceded by the commencement of a national metering programme, which will be funded by the National Pensions Reserve Fund, to install meters in households connected to the public water supply. The metering programme is likely to take a number of years to complete but the objective is that it will be substantially advanced over the next three years. My Department is analysing the various options to ensure the delivery of the metering programme in the most cost effective manner. The installation of water meters in households connected to public supplies will encourage householders to conserve water and will result in savings in the significant operational costs incurred by local authorities in providing water and waste water services. It will also complement the significant increases in investment on water conservation measures in the water services investment programme.

The Government recognises that a crucial element of implementing this initiative will be the appointment of a water regulator. It is intended that the water regulator would be responsible for the economic regulation of water services to the non-domestic and domestic sectors. Independent regulation will ensure greater transparency and fairness in water pricing for both sectors and that charges can be clearly linked to the delivery of a reliable and good quality service. In addition to overseeing the rate of water charges, the water regulator will also be responsible for establishing standards for service delivery and performance. Consideration is being given to assigning the responsibility for regulation of the water sector to an existing regulatory body, although no final decision has yet been taken on this matter.

Notwithstanding the efforts of the local authorities in dealing quickly with the disruptions to water supply and the difficulties experienced by the national water authority in Northern Ireland, the Fine Gael motion still envisages the consolidation of water maintenance functions under a single national authority. This completely ignores that our capacity to respond quickly and deal with the water supply disruptions over recent weeks has been due in large part to local authorities being able to mobilise resources locally to deal with local problems. This contrasts with the response in Northern Ireland. A move to centralising water functions must be backed up by detailed evidence and research. Admittedly, several policy reports and publications have recommended structural reforms for the delivery of water services. The reports of the special group on public service numbers and expenditure programmes and of the high level group on green enterprise recommended the establishment of a national water authority while a regional or river basin approach to water services was recommended by the local government efficiency review group and in the OECD's environmental performance review of Ireland. The Government has not ruled out assessing the need for and role of a national water authority but it will consider this issue on an informed basis.

[Deputy John Gormley.]

My Department will shortly be initiating an independent assessment of the transfer of responsibility for water services provision from the 34 county and city councils to a national water authority. This assessment will be completed by the end of this year. It is intended that the assessment would review the existing structures for the delivery of water services and will determine the most effective structures for delivering high quality competitively priced water services to customers and for infrastructure provision. The review of the current delivery structures will include an examination of the performance of local authorities in recent years in the provision of water services and will determine whether existing structures are the most efficient and effective for the delivery and operation of water services. This goes a long way towards addressing the points raised by Senator Coffey in his contribution.

The assessment will also have regard to other structural reforms that are ongoing, including the establishment of the regulator for water, the introduction of metered water charges, the implementation of the recommendations of the local government efficiency review group and of the value for money study of the water services investment programme as well as the structures for the implementation of the river basin management plans.

The Government is committed to continued high levels of investment in water services. This investment is informed by a clear strategy which prioritises water conservation, improvement in water quality and provision of capacity to facilitate enterprise needs and underpin economic recovery. Over time, this will further improve the general condition of Irish water services infrastructure. While any infrastructure will be vulnerable to unprecedented weather events, the investment should improve the resilience of the infrastructure. Combined with the Government proposals to commence a programme of domestic metering to be funded by the National Pensions Reserve Fund and to establish an independent regulator for the water sector, this will build on the investment made in the sector to transform our water services sector radically over the coming decade.

I again acknowledge the difficulties that the unprecedented weather has caused for communities, and commend all those public organisations, voluntary groups and communities who worked together throughout the five week period to ensure the social and business life could continue as much as possible. We will continue to learn from these experiences to ensure that all actors are appropriately engaged to ensure optimum response and continuance of public service in such challenging circumstances.

**Senator Phil Prendergast:** I welcome the Minister. Not for the first time the House is experiencing *déjà vu* because, as the motion points out, we had the same debate this time last year following the extraordinary conditions that affected the country over the Christmas period. I am sure this sense of *déjà vu* was felt more acutely and painfully by the hundreds of thousands of householders, elderly people, care workers, nurses and business owners who faced another serious or sustained water shortage or a complete lack of mains water. My constituency suffered serious water shortages and many areas were affected throughout County Tipperary. In common with the rest of the country, demand peaked during St. Stephen's Day when the rapid thaw put water reserves and the water infrastructure under extraordinary pressure. The county engineer outlined startling figures in this regard. South Tipperary is no stranger to water issues as normally we have too much of it when the river is not contained within its banks.

However, as with last year's debate, I refer to the local agency response and genuinely acknowledge that many council employees worked incredibly long hours throughout the Christmas holiday as part of the countywide effort to alleviate problems in the worst affected areas. A total of 83 personnel were engaged by South Tipperary County Council, STCC, to manage water supplies at the peak of the drinking water emergency response in the following

areas: leak detection, three; leak repairs, 24; contractors, 24; support staff, 25; and supervisory staff, seven. A total of 31 public mains leaks were detected and repaired along with 645 public connections and ten mains plus consumer connections giving a total of 686 works. Like every other local authority, STCC had a busy time responding to this emergency. The council also used tankers in a number of areas and it kept its website and local radio and press updated during the period. An emergency number was available to the public and sufficient staff worked to deal with the supply problem, which was the authority's responsibility. The majority of calls related to frozen pipes.

Last year, there was widespread criticism of the national response to the weather crisis. I accept we have been exceptionally unlucky to endure such weather conditions again so soon after the previous crisis. However, it must be acknowledged that adjectives such as unprecedented and extraordinary diminish in both power and meaning when an inadequate crisis response is repeated less than 12 months later. Once again the crisis was defined by appalling and inconsistent reports and communications.

Last year, the Labour Party proposed a simple and cost neutral initiative involving a website that the Government owns and runs to communicate more effectively during times of crisis. The home page of [www.emergencyplanning.ie](http://www.emergencyplanning.ie), the dedicated home for Ireland's emergency response planning states:

In Ireland different Government departments and agencies are responsible for specific emergency planning functions. In the event of a major emergency, the most appropriate department or agency is designated as the lead agency to co-ordinate the response to it.

I have no issue with the principle of a multi-agency response to crisis planning and preparedness. We supported the recent call to involve all stakeholders, including the community and voluntary sector, in alleviating the worst effects of the weather crisis. The problem with the statement is the cack-handed and ineffective approach to co-ordinated and cohesive communication. The site might as well be called [www.passthebuck.ie](http://www.passthebuck.ie) for all the use it is to worried people in search of information. The site instructs visitors to visit the websites of their local authorities, despite wildly inconsistent standards in, and commitments to, the provision of information during crises.

I make the following inexpensive and practical suggestion for an improvement in this area: to ask a web designer to produce an interactive map of the 26 counties. During crises, everyone, regardless of where he or she lives, should be directed to [www.emergencyplanning.ie](http://www.emergencyplanning.ie). The website would need to be sufficiently robust to manage a sudden heightened influx of traffic. Visitors could then click on the appropriate electoral area on the map, which would call up the emergency update page with information and advice relevant to a user's locality. These updates could be carried out and logged by a trained member of each local authority communications team. One or two members of the sizeable Government communications team could be briefly seconded to the service to support and streamline the information from the top down.

Such an approach should be supported by a vibrant and interactive social media response on Twitter and Facebook. That is how a corporate entity would respond to a crisis because a private sector company would be acutely aware of the enormous financial and reputational cost of a perceived communications failure. I appeal to the Minister to consider this simple, cost free proposal to streamline and centralise communications. Information is critical during crises and people generally understand such crises are by their nature difficult to manage and unpredictable but it is essential that the State engages, communicates and advises effectively.

Similarly, it may be worth investing in a targeted public information campaign next December on what to do during a water crisis. The problems were greatly exaggerated by the

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ill-considered actions of some people. Leaving taps running to ensure pipes do not freeze is a disaster for the mains system and places considerable additional pressure on a struggling infrastructure. It is also clear that many people are not sufficiently informed about the importance of insulation, how to prevent pipes freezing, how to defrost pipes, liability as a result of commercial leaks and so on.

Major infrastructural investment is required in our antiquated water mains system. Naturally, such investment was ignored when the Government had the money and the situation has reached a critical phase at precisely the time we can least afford to invest. Nonetheless, investment should be a priority for the next Government, of which I hope to be a part, and it should constitute an essential part of the diminished capital projects list. Our century old cast iron system loses up to 40% of the treated supply of drinking water annually and it is ill-equipped to deal with the temperature fluctuations we experienced last month. Engineers Ireland estimates that 5% of the system needs to be replaced annually just to retain the existing network. Our low population density presents considerable problems. Ireland has the most extensive water mains system per head of population in Europe. I commend my colleagues, Senators Fitzgerald, Coffey and O'Reilly, on tabling the motion.

**Senator Mark Dearey:** I welcome the Minister of State, Deputy Finneran. This debate on this most precious of resources, its management, responsibility for its delivery and environmentally friendly production processes is also welcome. Water flushes and sluices life on a daily basis but this needs to be done in a way that is both efficient and responsible in terms of how water is treated and where it ends up. There is hardly a more important local authority or governmental function than the provision of water, the life source for all of us.

I agree with Senator Norris that there is a great deal of common ground in both the motion and the amendment. The motion calls on the Government to establish a single publicly owned water utility and so on and if Fine Gael Members had pre-empted that by saying the Government should investigate the advantages and disadvantages of doing so compared to the current local authority-led system, we would be on the same pitch. There is not a great deal separating the two outlooks. The Government amendment states we need to investigate the pros and cons of such a move and the strengths and weaknesses of the current system before we arrive at a decision that may result in the establishment of a water utility company. There is a sense in which we can speak to each other in a not particularly adversarial way on this matter.

We should be cautioned by the lessons of the experience in Northern Ireland, where the scale of the problem relative to the number of users was far greater and where the ability of the Northern Ireland Water board, as the unitary authority, to respond to the problem was shambolic, to use the word of senior politicians in Northern Ireland. It highlights the need for an assessment before the establishment of a unitary water utility company. The required skill sets were not on the board. The appointments to the board by the Minister for Regional Development were inadequate, while the chairman was missing in action. The culture appears to be an attitude that it will be all right on the night. We must be mindful of the lessons to be learned from that experience.

On the other hand, although the responses of local authorities were sometimes patchy, local authorities in general felt responsible for the people they knew and were led in their actions by local information from councillors to officials. The officials, in turn, were able to keep local representatives well informed every hour of where freezing was occurring, where tankers would be available, when water supply pressure would be reduced or when water supplies would be turned off and on. Despite what Senator Prendergast said, much of this information was

communicated by way of Twitter feeds and local authority websites being kept up to date throughout the Christmas period.

I join the Minister in thanking all the staff of local authorities, and the contractors who were brought in by the local authorities when they found themselves over-stretched, for their herculean efforts over the Christmas. Many of them left their families at a time of the year when the rest of us were able to spend time with ours. It was a remarkable achievement and a testament to the commitment of local authorities to ensuring that their local populations were returned to normality or as near to it as possible. In fact, one day my local county council provided more than 100,000 litres of water to Newry and Mourne District Council, which was probably a cross-Border first. It highlights the contrast in response times and the sense of responsibility taken on either side of the Border.

Those observations are worth making before we rush to embrace the idea of a single utility company. I welcome the concept of an assessment being made, however, and I look forward to its outcome. What I have said is not to preclude the eventual establishment of such a utility, but we must make haste slowly in that regard.

The water services investment programme continues apace, despite the huge pressures on the public finances. It is an indication of the Minister's commitment to providing a reliable, safe and clean water system. Under the 2011 programme a total of €435 million will be invested, with particular emphasis on security of supply for hubs and gateways. This is an example of where planning and service provision are properly aligned, with resources not being dispersed across what is a very extensive rather than intensive network. As the previous speaker said, Ireland has, per head of population, the biggest network in the European Union. I commend that level of investment. It is starting to make up for a long period of under-investment in the production, transport and eventual disposal of potable water.

Engineers Ireland estimates that a 5% replacement rate is necessary throughout the country. However, it is unfair to convey the notion that the network is still primarily a cast pipe system. In many towns the vast bulk of the system is of modern standard, and that investment must continue. Management upstream is obviously most important. Before one starts to put water into new pipes one must control the quantities, flows, pressures and so forth.

While we have many ideas in common, ultimately the Fine Gael motion puts the cart before the horse in terms of establishing the water utility before a proper assessment is carried out as to whether it is the right response to the current situation or whether it would undermine a system that was shown to work quite well over the Christmas period.

**Senator Joe O'Reilly:** Cuirim fáilte roimh an Aire. During the freeze, two problems or difficulties arose. First, pipes were generally not deep enough in the ground to withstand the unprecedented drop in temperatures. That should not be the case as we should be ready for eventuality. The fact that pipes are close to the ground surface was a difficulty in many new housing estates. That was the first difficulty.

The second difficulty was that we have a great deal of old infrastructure. Much of the 25,000 kilometres of pipeline is out of date. Obviously, a considerable number of sections are not, but there is a great deal of old piping, certainly where many of the water schemes are old and in the case of old houses. There was a combination of old piping and piping being located near the ground. They were the two major difficulties that arose.

It is worth mentioning that while we have this old infrastructure or infrastructural deficit, at the same time there are many engineers and construction workers in this country. Construction is the sector that has been worst hit by unemployment. There is also a high level of unemployment among engineers in the construction sector and among young graduate engineers. It does

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not make economic planning or social engineering sense to have unemployed construction workers and engineers and, at the same time, an old and beaten water supply infrastructure. The two do not add up and must be knit together.

The result of the difficulties that arose was extraordinary hardship for farmers and householders. Great tribute should go to the voluntary organisations, neighbours who helped others and to the meitheal approach, or people coming together, that was manifest throughout the storm. That community spirit, especially towards older people, merits salute. Farmers experienced great personal hardship feeding their cattle and accessing water. One farmer who was bringing water to an outlying farm told me that by the time he reached that outlying farm, given the nature of the roads, the water had frozen. It was really perverse. It was a very difficult time. Their effort and human suffering must be acknowledged.

I wish to point out, without being parochial but with great sincerity and notwithstanding any proposals for a national authority which I will discuss later, that I am very proud of the response of Cavan County Council. It was huge, quick and wonderful. The outdoor, professional and technical staff of the council worked overtime, around the clock and went beyond the call of duty. That includes the clerical staff who manned the telephones and responded to the people. They were very responsive to local and national representatives who were regularly on the telephone to them. I acknowledge the role of Cavan County Council. It is important we salute good results when they are achieved, and the response to the storm was certainly good.

How do we finance the necessary infrastructure repair and renewal? We live in times where this question cannot be avoided. It used to be fashionable for people at all levels of politics to call for reform and infrastructural improvement, but not necessarily mention the financial issue. There is no avoiding that issue in contemporary Ireland. With that in mind, Fine Gael has bitten the bullet and, courageously for an Opposition party, we have said that once a certain allowance should be made for absolute domestic supply where a core amount is needed, there would have to be a charge for water after that. It is courageous for a party in Opposition to say that, but it is what the national interest requires at the moment. We propose to finance the infrastructural deficit through the collection of a water charge. The metering process has to go ahead to achieve this. It is difficult to say this in Opposition, but it must be said.

How do we set about replacing the infrastructure, repairing the pipes and accommodating the infrastructure to deal with storms? We have proposed a national water authority. This will not replace the local authorities but will co-ordinate the effort nationally and will streamline the activities of local authorities to allow for a certain homogeneity in approach. There should not be disparate approaches. One of the criticisms has been that there are different responses throughout the country. At budget time, different councils identify different priorities. They scramble for funding and there is no co-ordination. We would hope to achieve that. Over an interim period, the councils would maintain absolute control, but at a later stage, the national co-ordination would go to the water authority which would create a national strategy using the money raised by water charges. It merits mentioning when we think about the money factor. Up to €1 billion per year is being spent on fixing piping. We must also think about the cost of insurance and ancillary costs, so it would make good sense to deal with the question and we would have national body look after it.

Senator Glynn asked whether this body would allow for privatisation. It is clearly stated in our NewERA strategy that we would not sell the electricity or water networks. We would maintain the piping infrastructure at all times and we would maintain the grid in the case of electricity. Only crazy people would do otherwise, and we are not proposing that. That is a red herring and I am sure Senator Glynn would be happy to be corrected on that.

We obviously need to marry the replacement of infrastructure with a national insulation strategy in homes to preserve piping and so on. We need to have pipes buried at a deeper level to accommodate winters that may arise. We must be ready for every eventuality. This will take co-ordination and planning at a national level. We will have a strategy in government that will have a monitoring process to avoid waste. Consequently, we will not allow the new water authority to become some sort of a wasteful organisation. It will have to produce results on a day to day basis.

I will conclude by saluting those who worked hard through a very painful period. This should be the last winter they have to do that, and we should learn from it.

**Senator John Ellis:** We all welcome the opportunity to express our sincere thanks to the local authority workers for the effort they put in during the recent crisis. My own local authority responded as best it could to every situation and very few people were left without water for a long time. That shows the commitment of the local authority staff involved.

The Opposition has tabled a motion calling for the establishment of a quango, even though it is totally opposed to quangos and to new authorities. This is ridiculous. We have heard every Member on the Opposition benches praise their local authority during this debate. Whether it is justifiable or not, they have had to do it for political reasons. Setting up another quango will not be responsive to the needs of local people. The local maintenance man from the council will have the local knowledge and he will be directed by supervisors who will also have local knowledge. This makes it much easier for them to respond to a situation than someone operating from a central base. A prime example of what operating from a central base can do was the actions of the NRA in making salt available to local authorities this year. Until this year, local authorities were responsible for their own gritting and salt. They catered much better last year under their own control than this year under the control of the NRA. It is not much good when a public relations man from the NRA comes on the evening news and informs the public that they will have salt on Sunday or Monday when people were not able to go about their business because the NRA had not provided adequate salt to deal with the situation.

We all know that certain failures in planning have come to light as a result of the recent freeze. Some of the recently installed water pipes froze because they were not deep enough. Whoever installed them should be asked to account to the Minister for setting a depth level that was not sufficient to deal with the adverse weather conditions. That was not the first time. Some of us are old enough to remember when we had frost for five or six weeks in the early 1960s. The only difference then was that we did not have the water infrastructure we have now. Otherwise the lessons would have been learned that pipes should be put in at a minimum depth.

When we talk about water conservation, we should look at the 35% of treated water that ends up unused in streams and elsewhere. There is a responsibility on local authorities to continue to monitor the amount of water being used in different pipelines. It is not as if they do not have the equipment available to them. We all know that every pipe is metered every so often and that many connections have been metered in recent schemes. This situation needs to be tackled. Many people are forced to use treated water for purposes other than household use. Farmers are sometimes forced to use it because they have no source of supply other than treated water. Are we going to penalise those individuals down the road with a new water authority that will look to charge for every cubic metre that flows into a person's yard? That will have to be examined. If local authorities do not have the discretion to deal with that situation, then regulations and rules will be imposed on people who cannot afford them. We will then have bigger problems.

If we are going to have this situation where people have to use treated water for non-domestic purposes, let us see if an alternative can be put in place to help them, such as by

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means of providing funding for properly bored wells, water for animals or rain harvesting. Rain harvesting is likely to make a return. We all remember the days when every house had some way of harvesting some of the water that came off the roof, whether it was a barrel or something else. In many cases it was recycled and used for purposes other than household use. This made a contribution.

This motion is nothing more than an opportunist action taken by the Opposition which believes it can blame someone for what has taken place. The fact is we suffered because of the weather conditions and because there was bad planning when it came to water connections and the depth at which mains were installed. It exposed the poor maintenance of water mains of some local authorities. It also exposed the fact that some people have absolutely no concept of the cost of producing water. We know there are people who are delinquent with regard to how they use water and who leave taps running and so forth. The amount of water a half-inch tap can deliver in 24 hours is phenomenal. We are all aware that people left taps running. Perhaps they believed they were justified in the end when they had water and their neighbour did not, until the supply became depleted and then everything froze.

We should not consider establishing a new national authority but we should establish an authority that will have the responsibility from local authority level to deal with this situation. We could put all the money we wish into it and create another quango but we would end up with the same problems we had when we took away other services from the local authorities and areas. Let us recall what took place with the HSE when we did away with the health boards and when local accountability disappeared. I have no wish to see the same situation arise when this report is introduced. That said, it is important we examine how we can minimise the loss of water and the sometimes considerable inconvenience suffered by some.

I have heard it suggested that we might examine the Northern Ireland model. That proved to us once and for all that one agency covering the whole area does not work. They were not able to get it back, they had all sorts of problems and they were dependent on water supplies from other areas. We must consider two things. We must get our infrastructure up to standard and diminish the loss of treated water. A target should be set for 10% inside the next five years rather than setting targets for other emissions which cause less problems to the public. On top of this, the issue need not be handled by a national authority. It should be left at local level and administered by the Department.

**Senator Ciaran Cannon:** We must be very clear about what we are addressing. We face two distinct issues: the micro-management of our water services and the macro-management of our water service infrastructure nationally. These are two different things. Senator Ellis is quite correct to point out that in respect of salt supplies and the gritting of roads during the most recent cold spell, the National Roads Authority failed abysmally in the micro-management of that system. It should have been left in the hands of local authorities. I hope the power and authority to micro-manage our road network during a freeze will return to our local authorities. However, I do not agree with Senator Ellis when he states the NRA has not been successful in the macro-management of our national road network. One need only travel throughout the country on what is fast becoming a world-class state-of-the-art motorway network.

Rather than usurping the authority of local government and detracting from the experience and wisdom of our local authority engineers, the NRA has taken that wisdom and experience and incorporated it into its planning during the past 15 years. Many of us will know of former roads engineers who had been employed by local authorities and who were taken into the NRA structure on secondment for the period of the construction of a motorway in a given local

authority. The NRA has co-ordinated efforts throughout the country to create this magnificent motorway network. It has used the wisdom and experience of our engineers rather than having usurped the local authorities. We must be careful to make the distinction between the micro-management and macro-management of our road network system. In general, the NRA has been a remarkably successful entity and authority.

The water problems of the recent freeze up did not occur only during recent months. We have been aware of the issues within the system for many years. Some years ago, Forfás produced a report and found that 43% of the water we produce is simply unaccounted for. This figure of 43% is an average throughout all local authorities and the situation in several local authorities is a good deal worse than 43%. We must conclude that the fragmented approach of water provision in this country throughout 34 local authorities is simply not working and will not work in future. If our electricity supply was generated within each county, what a fragmented, haphazard approach it would represent for electricity generation. There is no reason to expect that if we co-ordinate and set up a single water authority to cover the macro-management and planning for a sustainable and properly functioning national water network, it would not work as well as the NRA with regard to the roads.

We held this debate last February. At the time the Minister, Deputy Gormley, rubbished Fine Gael's plan for a single, national water authority, as did Senator Glynn. This evening, Senator Ellis has continued to criticise Fine Gael for seeking to set up what he describes as another quango. At that time, the Minister, Deputy Gormley, had left the Chamber but I pointed out to Senator Glynn that it is the Government's own policy to set up a national water authority.

That policy came about through the provision of an excellent document produced in November 2009 by Deputy Mary Coughlan, the then Minister for Enterprise, Trade and Employment, and Deputy Eamon Ryan, the Minister for Communications, Energy and Natural Resources. They called on a high-level investigative group to examine how the Government might harness the potential of the green enterprise sector and stated it was central to the development of the smart economy and designated it as one of Ireland's target sectors for investment and job creation. Fine Gael and I fully support this aspiration. That report's introduction, signed by the Ministers, Deputies Coughlan and Ryan, stated that the Government would ensure the report would be acted upon swiftly and decisively in order that Ireland could extend its international reputation as an exciting and dynamic location for innovation and job creation. I advise Senator Ellis to read the document which states: "the setting up of a single national water authority with overall responsibility for system planning, delivery and maintenance will support the development of deeper public and private sector capabilities in the water sector and the development of projects of greater scale".

**Senator John Ellis:** On a point of order, that is a recommendation only.

**An Leas-Chathaoirleach:** That is not a point of order.

**Senator Jerry Buttimer:** Senator Ellis is wrong and he should acknowledge that he is wrong.

**Senator Ciaran Cannon:** This is the Government's own policy. It has spent the past hour criticising us for the same policy. I do not intend to dwell on it further but it is important that those speaking on a matter as important as providing the country with a sustainable and properly functioning water service should be aware of their own policy on the matter.

A rather farcical situation arose in County Galway last year when hundreds of acres of land was under water but no water was coming through our taps at the same time. The situation

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was not the same this time because the freeze up created most of our problems. Every cubic metre of water that goes into most households in the country is treated, but treating water is an expensive pursuit. Only 15% of the water that comes into our households is used for drinking and cooking. The other 85% is used for grey water purposes such as washing, cleaning, laundry and watering gardens. It is unsustainable to allow costly drinking water to be flushed down the toilet. We need to examine the provision of grant aid for increasing the usage of rainwater harvesting systems. With one of the wettest climates in the world, Ireland should be better at gathering in schools, public buildings and other dwellings this resource that falls from the sky. Rainwater harvesting would also provide alternative supply options when severe weather freezes occur, for example.

Sustainable Energy Ireland has done excellent work in sustainable development by providing grant aid for solar panels, wood chip boilers and heat pumps. It also returns millions of unspent euro to the Exchequer every year owing to lack of take-up for its programmes. We must consider Sustainable Energy Ireland grant aiding rainwater harvesting systems. Germany, probably the European country foremost on the cutting edge of innovation, has identified rainwater harvesting as having massive potential in job creation. In Germany now, every new house must provide a rainwater harvesting system with a government-backed grant aid available to meet costs. If we are to convince people that government is able to respond effectively to crises such as this, we need to plan our responses in a meaningful and effective way.

**Senator Jerry Buttimer:** Cuirim fáilte roimh an Aire agus an reachtaíocht seo. Our local authorities provided sterling service and did tremendous work during the course of the severe weather and water supply crises before and after Christmas. At a time when many commentators have been critical of public sector workers, the work done by local authority, ESB, HSE and other public sector workers and the Defence Forces must be acknowledged by all.

This motion calls for action. Sadly, in the 12 months since the last weather crisis, little or no action has been taken to put in place a strategy to alleviate and eliminate the hardships and restrictions people must endure owing to severe weather conditions. Salt for treating the road networks arrived late, even after Met Éireann forecast the snowstorm well in advance. Water supplies suffered leaks when pipes froze. During the Christmas, I visited households in private and council estates in my area in Bishopstown, Cork, in which the pipes were frozen. Will the Minister of State, Deputy Finneran, explain why some pipes freeze and others do not? Engineering should allow for pipes not to freeze or burst. How is that 43% of the treated water supply is lost through unidentified leaks in the system?

It is time for a radical approach to deal with these problems. I agree with Senator Ellis we should not establish a quango for the sake of it. We know well that quangos under Fianna Fáil have done nothing but cost the taxpayer money and have been used to reward its friends with appointments. It is time, however, we had a single publicly owned water utility company to take charge of water supply and have responsibility for investment in and management of the water supply network at national, local and regional levels.

The ESB did Trojan work over the Christmas ensuring no major disruptions in electricity supply occurred and rectifying quickly any that did. At a time when we heard criticism about the gargantuan salary paid to the ESB's chief executive officer, it is important to pay tribute to the staff and management of the ESB for the way they ensured supplies for their customers continued virtually uninterrupted.

The opposite is the case when it comes to the water system. Its management is fragmented, inefficient and outdated. There are 34 different water management authorities all working independently of one another with no joined-up thinking. The limits and problems of such management were evident in Cork's November 2009 flooding. Some parts of the city lost water supply because there was no interconnector to join city and county supply pipes. It is not about joining supplies over some great distance, like joining Las Vegas with San Francisco, because both supplies were only two miles apart.

**Senator John Ellis:** Cork is very different territory though.

**Senator Jerry Buttimer:** It may be but it is not foreign territory. Joining up the Cork county and city supplies is not rocket science.

I understand the frustration experienced by businesses and residents with water supply restrictions, especially in Dublin. In modern Ireland there is no need for hardships in the allocation of water. If, as Senator Cannon pointed out, a policy of rainwater harvesting were in place, we could have avoided much of the restrictions imposed recently, especially considering our high annual precipitation rates. It is important such a policy is examined and put in place across the country. We also have an obligation to future generations to be radical in how we best use natural resources.

I am concerned there is no political will on the part of the Government to develop a coherent strategy of water supply management as a priority. Local authorities are allocated their funding by central government. Many of them will be required to use much of their annual budgets to restore and repair road networks and water pipes affected during the recent weather. Up to €300 million was earmarked for the upgrading of the public water network, much of which will be used to repair burst pipes. Will the Minister explain in more detail how this will happen?

I reiterate that the motion is extremely fair. It calls on the Government to act. I hope the Senators opposite, rather than dividing the House, will agree to the motion as it stands——

**Senator John Ellis:** We will agree to it when it is amended.

**Senator Jerry Buttimer:** ——in order that we might show the people that we are committed to developing a publicly-owned water utility company, that we will establish a new utilities commission, that we will make provision to ensure that water supplies will be uninterrupted in the wake of future weather events and that a quick response to any emergencies which might arise will be forthcoming at all times.

I thank the Minister of State for coming before the House. I am of the view that the House should not divide on this issue.

**Senator Paul Coghlan:** I welcome the Minister of State and wish him well. He took us by surprise with his recent announcement. Members of this House have always known him to be a decent and honourable man. I wish him very well and I admire him for his decency.

As previous speakers indicated, this is an important motion. There is no doubt that the pipes by means of which water is supplied to homes, businesses etc., were not laid a sufficient depth below ground. As with other things in society at present, the existing water system is not fit for purpose and must be the subject of major remedial works. We all empathise with those in many different parts of the country who suffered so much as a result of what happened following the recent thaw. The water restrictions that were imposed gave rise to severe hardship on

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the part of many people. One would have thought that what occurred recently would be completely unacceptable in the modern age. Families and businesses suffered greatly.

We have an outdated and fragmented water network and it is obvious that the system of pipes which obtains is inadequate. It is scandalous that, on average, 43% of Ireland's drinking water is lost through unidentified leaks. One would have thought that with the engineering expertise available, there would not continue to be such a huge number of unidentified leaks. I look forward to hearing the Minister of State's views on that matter, particularly in the context of the position which applies in each of the local authority areas.

Water is one of the most important resources at our disposal. We cannot live without it. Water is of the utmost importance in so many different ways to both human beings and animals. It is necessary for washing, cleaning etc. Unless it proves possible at some point to obtain it directly from the sky in treated form, it is obvious that water will never come free of charge. There are major costs associated with treating water and piping it into people's homes. As already stated, the system of pipes used for delivering water supplies to people's homes and businesses is completely inadequate.

I accept that everyone is opposed to quangos and that there is a need to reduce the number of such bodies. However, in a small country such as Ireland the multiplicity of local authorities cannot be left with responsibility for managing water supplies. There is a need for a water utility company or whatever to be given overall responsibility for water. The management of water must be centralised. We can use the expertise that is available to the various councils, but an overall management strategy must be put in place. At the heart of this motion is the fact that the management of water on a national basis is of the utmost importance.

Those are the major points I wish to make. I urge the Minister of State and the Senators opposite to accept the motion as it stands. The amendment recognises the difficulties alluded to in the motion and, therefore, I do not understand where the difference lies between the two. Perhaps our friends opposite will indicate whether they are prepared to accept the motion as drafted.

**An Leas-Chathaoirleach:** Is the amendment being pressed?

**Senator John Ellis:** Yes.

Amendment put:

The Seanad divided: Tá, 28; Níl, 18.

Tá

Boyle, Dan.  
Brady, Martin.  
Callely, Ivor.  
Carroll, James.  
Carty, John.  
Cassidy, Donie.  
Corrigan, Maria.  
Daly, Mark.  
Dearey, Mark.  
Ellis, John.  
Feeney, Geraldine.  
Glynn, Camillus.  
Hanafin, John.  
Keaveney, Cecilia.

Leyden, Terry.  
MacSharry, Marc.  
Mooney, Paschal.  
Ó Brolcháin, Niall.  
Ó Domhnaill, Brian.  
Ó Murchú, Labhrás.  
O'Brien, Francis.  
O'Donovan, Denis.  
O'Malley, Fiona.  
O'Sullivan, Ned.  
Ross, Shane.  
Walsh, Jim.  
White, Mary M.  
Wilson, Diarmuid.

Níl

Bacik, Ivana.  
 Bradford, Paul.  
 Burke, Paddy.  
 Buttimer, Jerry.  
 Cannon, Ciaran.  
 Coffey, Paudie.  
 Coghlan, Paul.  
 Cummins, Maurice.  
 Donohoe, Paschal.

Healy Eames, Fidelma.  
 McCarthy, Michael.  
 Mullen, Rónán.  
 Norris, David.  
 O'Reilly, Joe.  
 Phelan, John Paul.  
 Prendergast, Phil.  
 Regan, Eugene.  
 Ryan, Brendan.

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

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

The Seanad divided: Tá, 29; Níl, 17.

Tá

Boyle, Dan.  
 Brady, Martin.  
 Callely, Ivor.  
 Carroll, James.  
 Carty, John.  
 Cassidy, Donie.  
 Corrigan, Maria.  
 Daly, Mark.  
 Dearey, Mark.  
 Ellis, John.  
 Feeney, Geraldine.  
 Glynn, Camillus.  
 Hanafin, John.  
 Keaveney, Cecilia.  
 Leyden, Terry.

MacSharry, Marc.  
 Mooney, Paschal.  
 Mullen, Rónán.  
 O'Brien, Francis.  
 O'Donovan, Denis.  
 O'Malley, Fiona.  
 O'Sullivan, Ned.  
 Ó Brolcháin, Niall.  
 Ó Domhnaill, Brian.  
 Ó Murchú, Labhrás.  
 Ross, Shane.  
 Walsh, Jim.  
 White, Mary M.  
 Wilson, Diarmuid.

Níl

Bacik, Ivana.  
 Bradford, Paul.  
 Burke, Paddy.  
 Buttimer, Jerry.  
 Cannon, Ciaran.  
 Coffey, Paudie.  
 Coghlan, Paul.  
 Cummins, Maurice.  
 Donohoe, Paschal.

Healy Eames, Fidelma.  
 McCarthy, Michael.  
 Norris, David.  
 O'Reilly, Joe.  
 Phelan, John Paul.  
 Prendergast, Phil.  
 Regan, Eugene.  
 Ryan, Brendan.

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

Question declared carried.

**An Cathaoirleach:** When is it proposed to sit again?

**Senator Donie Cassidy:** At 10.30 maidin amárach.

## Adjournment Matters

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### Mental Capacity and Guardianship Legislation

**Senator Maria Corrigan:** I welcome the Minister of State, Deputy Moloney, and thank the Cathaoirleach for giving me the opportunity to raise this very important issue. I record my regard for the work the Minister of State has undertaken on the issue of mental health. I am delighted he is present to deal with this issue.

I merely ask the Minister of State if the proposed mental capacity and guardianship Bill will be brought before the House in the next couple of weeks.

As the Minister of State is aware, a significant number of people will have their capacity to make decisions for themselves questioned as a result of difficulties they experience. I refer, for example, to people with mental health difficulties, intellectual disabilities or acquired brain injuries, to older people with age-related disorders, as well as to people with autism etc. This can result in such people being prevented from realising some basic human rights that the Minister of State and I take for granted every day. Moreover, they can be prevented from making a wide range of decisions that he and I take for granted every day, such as consenting to medical treatment, making wills, managing their own finances and moneys, opening their own bank accounts, voting, giving evidence or even entering into basic contracts such as telephone, electricity or gas supply contracts or rent agreements. This obviously has a real impact on such people's potential and opportunities for self-determination, to which Ireland has signed up as being committed by indicating its support for the United Nations Convention on the Rights of People with Disabilities. However, this legislation will be required to so do.

Ireland's current capacity legislation dates back to the Lunacy Regulation (Ireland) Act 1871 and its title in itself gives a flavour of the present position. It does not serve the needs of vulnerable adults and constitutes an impediment to their realisation of basic human rights. Following the Law Reform Commission's report on protecting vulnerable adults, an enormous amount of work of which I am aware has gone into preparing the new legislation. I believe it had been intended that it should come before the Houses in 2009. However, because it must interface with many other legislative items, it was necessary to undertake a considerable amount of work in this regard. It had been hoped that it would come before Members in the autumn and winter session of 2010. This legislation will be essential to safeguard a person's right to take as much control of his or her life as is possible and to provide appropriate guardianship where necessary. I would appreciate it if the Minister of State indicated whether this Bill will come before Members.

**Minister of State at the Department of Justice and Law Reform (Deputy John Moloney):** I thank the Cathaoirleach and I again acknowledge Senator Corrigan's genuine interest in this area. Moreover, by way of trying to bring a definite commitment to the Seanad, I made a commitment in this House just before the Christmas recess that the Bill would be published in that session, meaning up to the Christmas period. Obviously however, this has not happened. I reiterate this legislation is vital and anything that has been done in respect of the Vision for Change proposals, as well as the entire reform of the mental health services, absolutely depend on this legislation coming before the House. It is my absolute hope and belief that it will be ready by mid-February and I have asked the departmental officials to ensure this happens.

In addition, I wish to provide the Senator with some details to tie this down. I note that everything else springs from that by way of the United Nations convention. More than 18 months have elapsed since a conference hosted by Inclusion Ireland was held in Killarney.

When discussions were opened to the floor at that conference, the proposed mental capacity Bill was a real issue for parents and others who attended it. In addition, at any public meeting over the past 18 months or two years or whenever I have met disability organisations, the mental health representative groups or the service users, this question always arises. On foot of my term in the Department with responsibility for mental health, I obviously would like to be linked with this and believe it can happen as it is vital to make progress in all respects. In addition, it is necessary to recognise the underlying commitment regarding the equality issue that also is inherent in respect of mental health and disability.

The Minister for Justice and Law Reform is glad to be able to inform the House, through me, that the mental capacity Bill is at an advanced stage of being drafted by the Parliamentary Counsel. I also am pleased to state it is the intention of the Minister, Deputy Dermot Ahern, to publish the Bill as soon as possible in the near future and hopefully by mid-February. He also welcomes the interest in the Bill shown by Senator Corrigan and understands the concerns of a large number of interests that the legislation should be in place in order that the important changes being provided for can take effect.

Following the approval by the Government of the Minister's proposals for the Bill, by way of a scheme of a Bill, the details were published on the website of his Department. It is worth recalling that, in summary, the main proposals are as follows. First, it is proposed to reform the existing wards of court system, in so far as it applies to adults, and replace it with a modern statutory framework governing decision-making on behalf of persons who lack capacity. The current system is outdated and is incapable of coping with the existing and projected demographic growth of persons who lack capacity. Second, it is proposed to change existing law with regard to what constitutes lack of capacity. In future, the focus will be on the particular time when a decision has to be made and on the particular matter to which a decision relates. This functional understanding of capacity is a significant change from the current system, whereby a finding of incapacity applies to each decision a person may make and each legal transaction into which he or she may wish to enter.

The Bill also will provide a set of key underlying principles to guide all interventions made on behalf of persons lacking capacity including a presumption of capacity, subject to a contrary determination by the court, that no intervention may take place unless it is necessary having regard to the needs and individual circumstances of the person and that any act done or decision made under the Bill must be done in the person's best interests. Moreover, a person shall not be treated as being unable to make a decision unless all practicable steps to help him or her to make a decision have been taken without success.

The first step will be assisted decision-making for an incapacitated person. The person must, so far as is reasonably practicable, be permitted and encouraged to participate or to improve his or her ability to participate as fully as possible in any act done for him or her and any decision affecting him or her. The next step will be substitute decision-making, whether by the court or by a personal guardian appointed by the court. It is anticipated that where court intervention is required, the court will make once-off decisions and where a number of ongoing decisions are required, a personal guardian will be appointed by the court for that purpose. The courts will have jurisdiction and powers to make decisions on capacity and appoint personal guardians. The Bill will re-enact and expand the provisions of the Powers of Attorney Act 1996. The Bill will unify the legislation on enduring powers of attorney and the new personal guardian system to ensure the laws on capacity and substitute decision-making are cohesive and comprehensive. The Bill also will clarify the law for carers who take on responsibility for persons who lack capacity. It will provide statutory protection against liability for certain acts done in connection with the care or treatment of other persons and allow for normal everyday decisions to be made on their behalf without reference to the court. Provided the

[Deputy John Moloney.]

carer does not act negligently or criminally, no issue can then arise in respect of the decisions he or she makes on behalf of the person who lacks capacity.

A new administrative structure, the office of public guardian, will be established to ensure a more effective and appropriate system for persons who lack capacity and their families is in place. The office of public guardian will supervise court-appointed personal guardians and donees of enduring powers of attorney. It was important that the publication of the Minister's proposals gave an opportunity for persons and organisations to give their views on the proposed reforms. The Minister, Deputy Dermot Ahern, wishes to take the opportunity, through me in this House, to thank all those who gave views and he can assure them that these views have been given consideration and will be taken into account as far as possible. The consultation process has helped to inform further his examination and that of his Department of the issues.

While I must acknowledge there has been some delay in publishing the Bill, time has not been lost in the meantime in putting a considered shape on policy and, indeed, in taking into account the Exchequer position in so far as the new legislation must be appropriately funded.

*8 o'clock* The efficiency and effectiveness of the provisions in the Bill must, inevitably, require particular scrutiny. However, what will become clear on publication and enactment of the Bill is that the law in this area will have profound and lasting effect and will wipe out laws that now are clearly outdated. In conclusion, the Minister, Deputy Dermot Ahern, and I fully understand the importance of this legislation and we certainly are hopeful that it will come before the House by mid-February.

**Senator Maria Corrigan:** I thank the Minister of State for his highly positive response. In particular, as he noted himself, this Bill has profound implications for the realisation of people's basic human rights and I hope it will be possible to enact the Bill before the session ends, given there has been much talk recently on how time is being made for other Bills, such as the Climate Change Response Bill and the Local Government (Dublin Mayor and Regional Authority) Bill. Vulnerable adults have been waiting for a long time to hear from Members that realisation of their basic human rights is just as important to them as any other legislation.

**Deputy John Moloney:** I assure the Senator that as far as I am concerned, there is no contest between climate change and the mental capacity Bill regarding the latter's importance.

I have dealt with families and am involved in mental health. The area of disability is of the utmost importance. I hope that when it comes to a decision-making process on the importance of the Bill the Senator mentioned and to what I referred to today, it wins hands down in terms of importance in prioritising the mental capacity Bill.

### **Insurance Industry**

**Senator Diarmuid Wilson:** I wish to share time with Senator O'Reilly.

**An Cathaoirleach:** Is that agreed? Agreed.

**Senator Diarmuid Wilson:** I welcome the Minister of State and thank him for taking this very important Adjournment matter.

On 30 March 2010 life changed dramatically for people in Enniskillen, Navan, Blanchardstown, my county of Cavan and neighbouring counties. Thousands of individuals and their families were plunged into uncertainty about their future following the hasty and undue action taken by the Financial Regulator, Matthew Elderfield, to have provisional joint administrators appointed by the High Court to Quinn Insurance Limited. This action was taken without notice

being given to the company. Since then 1,000 redundancies have been announced, 700 of which have taken effect.

The deadline for submissions of proposals and expressions of interest in Quinn Insurance Limited as a going concern was 8 December 2010. One such proposal has been submitted by the Quinn family in conjunction with Anglo Irish Bank. It is the only proposal that protects all policyholders and employment in Ireland, including a vibrant, profitable and potentially expanding export services business; ensures continuing competition in the Irish insurance market which is essential for the protection of consumers' interests; facilitates the repayment of €2.8 billion of Quinn family debt to Anglo Irish Bank and the taxpayer; and has cross-party and cross-Border support.

The proposal presented would see Quinn Insurance Limited remain 100% in Irish ownership under the control of the newly established independent board, fully compliant with the requirements of the Financial Regulator. I fully support the proposal, as does my colleague, the Minister for Agriculture, Fisheries and Food, Deputy Smith, who has worked closely with his Cabinet colleagues to find a resolution which will protect the jobs in Quinn Insurance Limited. My party colleagues in west Cavan, councillors Sean Smith, John Paul Feeley and Patricia Walsh, among others, are very concerned for the future of Quinn Insurance Limited, as are many of my Oireachtas colleagues. I had representations today in this regard from my colleague in Donegal, Senator Ó Domhnaill.

I understand a number of proposals are being examined by the administrators. I also understand the proposal I outlined briefly is not being considered. Why not? What objections have been made to it and from whom have they been made? Which other proposal achieved the retention of employment and a comparable return for the taxpayer?

Quinn Insurance Limited has enjoyed the highest profit margins of any general insurance company in Ireland over the past ten years and under the proposal I mentioned, 100% of the economic benefit would be retained as the company is a taxpayer. I would like to put on the record of the House my admiration for Sean Quinn, a man whom I regard as a practical patriot who in almost 40 years went from creating a job for himself to creating 7,000 jobs internationally, 5,500 of which are in Dublin and many thousands of which are in my native county of Cavan and surrounding counties.

The least the Quinn family and thousands of employees of Quinn Insurance Limited and the Quinn Group deserves is that the proposal to which I referred, which is the best proposal to see jobs retained in Ireland and the taxpayer gets back the money owed from the Quinn family, would be considered. I want to know why it has not been.

**Senator Joe O'Reilly:** I thank my constituency colleague, Senator Wilson, for sharing his time on this crucial issue for our county. I walked in to the Kilmore Hotel in Cavan yesterday and met a crowd of young people who were under enormous stress. They were very strained and concerned about their mortgages, jobs, families and, in many instances, their children. They comprised a large segment of the 497 people who work in Quinn Direct in Cavan. There are in excess of 1,400 people employed in Quinn Group Limited and Quinn Insurance in Cavan.

Quinn Insurance Limited has been a profitable insurance company over the past ten years. It made significant profits of €16 million in the first quarter of 2010. It is a viable, profitable business. What is proposed in the submission from the Quinn board is that it would manage the business, take it over in the coming years and repay the debt to the taxpayer. The only way the debt will be paid to the taxpayer is through the proposition from the Quinn board because it would get the money directly back to the taxpayer.

[Senator Joe O'Reilly.]

We spend millions of euro on job creation and enticing jobs into the country. These are vital jobs in a depressed part of the country which could not be readily replaced and it is vital we keep them. I also support the proposition from the Quinn board as outlined by Senator Wilson. It is the one which is most likely to keep the jobs in Cavan. I have no other priority in addressing this question other than to keep the jobs in the county and keep our young people working there. The Quinn operation has transformed the county.

I am aware the Minister of State has strong connections with the county and I ask him to assure the House that the most senior members of Government, such as the Minister for Finance or the Minister for Enterprise, Trade and Innovation, become proactively involved in dealing with the administrators. I ask that sanity would prevail and that we would keep young people working in County Cavan. Otherwise they are destined for the emigration ship, families will be broken up, homes will be sold and children will suffer. It is an appalling vista. A human crisis is looming in an area where there is no potential for jobs to be replaced.

**Deputy John Moloney:** I recognise the sincerity of the input from Senators Wilson and O'Reilly. I am speaking on behalf of the Minister for Enterprise, Trade and Innovation, Deputy Batt O'Keeffe. I can confirm that I have been visiting Cavan, in particular a little place called Ballinagh which is a great holiday resort, every year for the past 30 years. Over the years I have seen the huge progress in Cavan which is no doubt mainly due to the serious investment and job creation in the area. I spent the first three days of the new year there. I will not pretend I was there on serious business because I was not. The conversation there, however, concerned the devastating effect of the job losses in Quinn Insurance.

More importantly, there are further fears for the operation. I have heard what the Senators said often and in detail. The Minister, Deputy O'Keeffe, assures the House of his ongoing concern about the situation regarding Quinn Insurance Limited, in particular the long-term impact on the workforce, their families and the local community. The Senators will appreciate that for considerations of commercial confidentiality, it would not be appropriate for the Minister to comment on the participation of any party in the sale of Quinn Insurance. Responsibility for the sales process lies with the joint administrators appointed by the High Court. The Minister believes it would be inappropriate to speculate on what might happen to jobs in the company before a decision on its sale is made. I understand it is expected the joint administrators will decide on a preferred bidder shortly with a view to entering into detailed discussions with the bidder to seek to conclude an agreement on the sale of Quinn Insurance. In assessing the bids the joint administrators are required to consider how the interests of policy holders can be protected and the company can be returned to a sound commercial footing. The retention and protection of employment are important priorities, subject to the administrators' other responsibilities. The final decision of the joint administrators will be subject to the approval of the High Court.

It is important to clarify that neither the Government nor the Minister has any input into or influence over the administration process, including any decision on the sale of the company. The decision to appoint joint administrators, pursuant to the Insurance (No. 2) Act 1983, to take over the management of Quinn Insurance was taken in the best interests of the firm's policy holders. The aim of the appointment of joint administrators was to allow the firm to remain open for business in order that it could continue to be run as a going concern with a view to placing it on a sound commercial and financial footing.

Last June the High Court granted the joint administrators of Quinn Insurance permission to appoint merchant bankers Macquarie Capital Europe to advise on any prospective sale of the company. Macquarie Capital Europe, acting on behalf of the joint administrators, put a process

in place to sell Quinn Insurance. On 27 August last Macquarie Capital Europe issued an information memorandum on the sale of Quinn Insurance to interested parties. That process is ongoing. The first stage of the process involved the submission of a non-binding indicative proposal by Friday, 17 September. Following evaluation by the joint administrators, a limited number of prospective purchasers were selected to participate in the second phase of the sales process. They were allowed to conduct further due diligence before completing a final bid. Final bids were submitted on 10 December. Macquarie Capital Europe and the administrators are considering the offers made. As I said, they are expected to decide on a preferred bidder shortly.

Senators will understand the Minister is constrained in what he can disclose to the House in respect of this competitive sales process. Responsibility for the sales process lies with the joint administrators appointed by the High Court. Last year, in response to developments in Quinn Insurance and in the light of concerns about the impact on employees' jobs, the Minister established an inter-agency team comprising representatives of Enterprise Ireland, FÁS, IDA Ireland, the relevant county enterprise boards and the Department of Social Protection. The team meets regularly under the chairmanship of Mr. Dan Flinter. Its first meeting was held in Cavan on 30 April 2010. Twelve meetings of the team have taken place to date. Active ongoing dialogue with the employee representative group has been a feature of the process. The 13th meeting of the inter-agency response team will take place in Cavan on 7 February.

The primary focus of the inter-agency team is on supporting the affected employees; exploring their employment options, including self-employment through setting up a new business; providing for skills development; and outlining the supports available to them. Dedicated information centres staffed by the agencies were established on site in Cavan, Navan and Blanchardstown to support the affected workers. Briefings and information sessions for the employees concerned were arranged at all three sites by Enterprise Ireland, FÁS, the county enterprise boards, the Department of Social Protection and other agencies, education providers and financial institutions as required. The Minister considers that the inter-agency team has been an effective solution to co-ordinate the activities of the relevant Departments, State development agencies and county enterprise boards to support employment opportunities for the employees concerned.

**Senator Diarmuid Wilson:** My clear understanding is that just one or two of the submissions made are being considered. I understand the proposal I outlined is not being considered at this time. I appeal to the Minister of State to refer the proposal to the Minister as a matter of urgency. It defies logic that it is not being considered. It is vitally important that it be considered, as it would ensure Quinn Insurance remained in full Irish ownership and that the €2.8 billion owed by the Quinn family would be repaid to Anglo Irish Bank and the State. While I appreciate that the Minister of State cannot comment on the matter, for reasons of confidentiality, I am stating clearly I understand, as we approach the decision date, that the proposal made by the Quinn family and Anglo Irish Bank is not being considered.

### **Carbon Monoxide Legislation**

**Senator Jim Walsh:** Cuirim fáilte roimh an Aire Stáit. Ba mhaith liom an rún seo a phlé.

Carbon monoxide is an odourless product. In recent times many fatalities have resulted from carbon monoxide poisoning. I understand it has been claimed that the number of deaths per annum may be as high as 40. However, I do not know if that figure is accurate, but I have certainly seen claims made in that regard. We have long since passed the time when we should have introduced legislation to cover homes, rented accommodation and hotels. A template is

[Senator Jim Walsh.]

available to us, given that the installation of smoke alarms is obligatory in rented accommodation. They have saved many lives.

I would like to ask three questions, the first of which relates to smoke alarms. Why has the relevant legislation not been extended to cover all domestic dwellings, including homes? Fatalities could have been avoided if such legislation had been in place. Perhaps there is a risk that insurance cover would not apply in cases of non-compliance with the law. I wonder if there is a reason the legislation has not been extended to include homes.

The second question I would like to ask relates to something I noticed when I was examining this issue. The Commission for Energy Regulation has not taken responsibility for safety regulation in this area. That is different from what happens in the case of similar regulators in other jurisdictions. Why has the regulator not taken such responsibility?

My main question relates to carbon monoxide detectors or alarms. When will legislation be in place to make it compulsory to have such alarms or detectors in one's home? They are necessary if we are to reduce the number of deaths being experienced. I am aware that people who have been bereaved following such accidents have been campaigning strongly for many years without success. They have been asking the Department of the Environment, Heritage and Local Government to introduce legislation in this regard. I fail to see the justification for the failure to introduce such legislation. I am asking specifically whether such legislation is planned. If so, when is it hoped it will be presented in the Oireachtas? I urge the Minister of State to make his best endeavours in this regard.

**Deputy John Moloney:** I am responding on behalf of the Minister for the Environment, Heritage and Local Government who cannot be present this evening. I thank the Senator for raising this important matter.

I express my sincere condolences and those of the Minister to the families of those who have suffered the death of a family member as a result of carbon monoxide poisoning.

Carbon monoxide gas arises when fuel fails to combust properly owing to an inadequate supply of air. This gas is a dangerous substance which can cause health risks, illness or death of persons exposed to it for prolonged periods. The threat of carbon monoxide poisoning can arise in a variety of domestic, workplace and public settings. I understand a number of Departments and agencies have arrangements in place for dealing with their responsibilities in relation to carbon monoxide. For instance, the Minister for Communications, Energy and Natural Resources and the Commission for Energy Regulation are required under the Gas (Interim)(Regulation) Act 2002 to have regard to the need to promote safety and efficiency on the part of natural gas undertakings; the Health and Safety Authority promotes awareness and regulates the risks of carbon monoxide in the workplace; the Department of Health and Children and the Health Service Executive have specific responsibilities in relation to health promotion and environmental health; the Environmental Protection Agency monitors the level of atmospheric pollutants, including carbon monoxide; and the Central Statistics Office publishes statistics relating to incidents of carbon monoxide poisoning.

It is incumbent on all who own or control occupied buildings to assess the risks to the safety, health and well-being of occupants and users and to take steps to minimise risks. In regard to the risk of carbon monoxide poisoning the following preventative actions are essential: proper installation of appliances and flues-chimneys as per building regulations Part J — heat producing appliances — and Bord Gáis requirements, regular proper maintenance and inspection of combustion appliances and maintaining a proper air supply to combustion devices as given in building regulations Part J — technical guidance document J.

The Minister for the Environment, Heritage and Local Government, Deputy Gormley, has previously given a public commitment that regulatory provision for carbon monoxide detectors will be addressed in the review of Part J of the building regulations which deals with heat producing appliances. The building regulations set out the minimum performance requirements and standards that must be achieved by new buildings, including dwellings. They also apply in certain circumstances to existing buildings which are extended or which undergo a material alteration or a material change of use. Specifically, the review of Part J will consider whether and in what circumstances mandatory provision of carbon monoxide alarms would be appropriate. This has not been possible previously owing to concerns about the risk of excessive reliance on what is essentially a backup to proper maintenance, the reliability and lifespan of the alarms, and the risk of so-called fake alarms and resultant unnecessary actions. Developments have taken place within the industry since the last review of Part J which would suggest that these concerns may have been addressed or lessened.

Beyond the building regulations, a number of measures designed to minimise the risk of carbon monoxide poisoning are in place, including the registered gas installers scheme run by the Commissioner for Energy Regulation. This scheme imposes a statutory obligation that only competent persons may install and maintain gas installations, thus providing an important level of safety in the industry. Bord Gáis, the National Standards Authority of Ireland and the Irish Liquid Petroleum and Gas Association operate and frequently revitalise their radio and television advertising campaign to raise public awareness about the risk of CO poisoning. They also support a very informative website, [www.carbonmonoxide.ie](http://www.carbonmonoxide.ie). There has also been an awareness campaign for general practitioners-family doctors to increase awareness of carbon monoxide risks among health professionals. The Commission for Energy Regulation is extending the natural gas safety regulatory framework to include the liquid petroleum gas sector which would extend the coverage of the CERS gas safety responsibilities. The NSAI gas standards technical committee has reviewed the NSAI national standard for gas appliances, IS 813, to consider the inclusion of the use of carbon monoxide alarms to prevent incidents. The review concluded that the CO alarm standards do not make sufficient provision to ensure the user can identify battery or sensor failure when it occurs and also that the current levels of competence for installing such alarms is not widely available. A review of the EN standard for carbon monoxide detectors, EN 50291:2001 — electrical apparatus for the detection of carbon monoxide in domestic premises — test methods and performance requirements, has been requested and this is being undertaken the European Committee for Electrotechnical Standardisation. Since 31 March 2008 building regulations Part L — conservation of fuel and energy — has required that all new and replacement boilers have an efficiency of 86%. This promotes the installation of room sealed boilers which have a much lower risk of the escape of carbon monoxide due to shorter flues.

The Government takes very seriously its responsibilities in addressing the risk of carbon monoxide poisoning and has been addressing and will continue to address this matter proactively. While I am not in a position to respond to the specific issues raised by Senator Walsh, namely, mandatory installation of carbon monoxide detectors in private homes, and the Commission for Energy Regulation taking responsibility in this area, I undertake to do so at a future date.

**Senator Jim Walsh:** I thank the Minister of State for his reply. I join him in extending sympathy to all those bereaved in this regard. I acknowledge that the Minister of State has responded to this matter on behalf of the Minister for the Environment, Heritage and Local Government, Deputy Gormley. It is stated in the reply that the Government takes seriously its responsibilities in this regard. The response I have received, however, is entirely unsatisfactory. If the Government took its responsibilities seriously we would have legislation on this matter

[Senator Jim Walsh.]

on the Statute Book. I do not accept we need to wait for the review of Part J of the building regulations. There is no reason this matter cannot be dealt with in isolation. I do not accept the reasons for the delay. Legislation on this matter has been enacted in the US, Northern Ireland and Britain and there is no reason it could not be enacted in this country.

Will the Minister of State convey that message to the Minister, Deputy Gormley and ask him to ensure whoever in his Department is responsible for this matter gets working on it? This reply is live horse and get grass. It is a bureaucratic response which I do not accept and with which I am very unhappy.

The Seanad adjourned at 8.30 p.m. until 10.30 a.m. on Thursday, 13 January 2011.